

TSXV **ZFR**  
OTC **ZPHYF**



# **GOLD in Colorado**

# Disclaimer

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## **FORWARD-LOOKING STATEMENT**

This presentation is for informational purposes only and does not constitute, nor should be construed as, an offer or a solicitation of an offer for the purchase of any securities of Zephyr Minerals Ltd. ("Zephyr") or investment advice. This presentation contains forward-looking information. Forward looking information contained in this presentation includes, but is not limited to, statements with respect to: (i) the estimation of inferred and indicated mineral resources; (ii) the success of exploration activities; (iii) the results of the PEA including statements about future production, future operating and capital costs, the projected IRR, NPV, payback period, and production timelines for the Dawson Property. These statements are based on information currently available to Zephyr and Zephyr provides no assurance that actual results will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Forward-looking information contained in this presentation is based on certain factors and assumptions regarding, among other things, the estimation of mineral resources, the realization of resource estimate, metal prices, the timing and amount of future exploration and development expenditures, the ability of Zephyr to fund the capital and operating expenses necessary to achieve the business objectives of Zephyr, as well as those risks described in the public disclosure documents filed by Zephyr. Due to the risks, uncertainties and assumptions inherent in forward looking statements, prospective investors in securities of Zephyr should not place undue reliance on these forward-looking statements.

## **TECHNICAL DISCLOSURE**



It should be noted that the Dawson Property PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecast will be realized or that any of the resources will ever be upgraded to reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Additional information about the Dawson Property PEA is summarized in Zephyr's March 21, 2017 technical report titled "National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA" which can be viewed at [www.sedar.com](http://www.sedar.com) under the Zephyr profile.

## **QUALIFIED PERSON**

The Technical Information contained in this presentation has been reviewed and approved by Mark Graves, P.Geo., who is a Qualified Person as defined in National Instrument 43-101.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of material presented in this document.

# Zephyr Minerals Share Structure

<b>Exchange</b>	TSX Venture 	OTC 
<b>Symbol</b>	ZFR	ZPHYF

<b>Shares Issued</b>	<b>67,086,985</b>
Options Outstanding	5,500,000
Fully Diluted	72,586,985

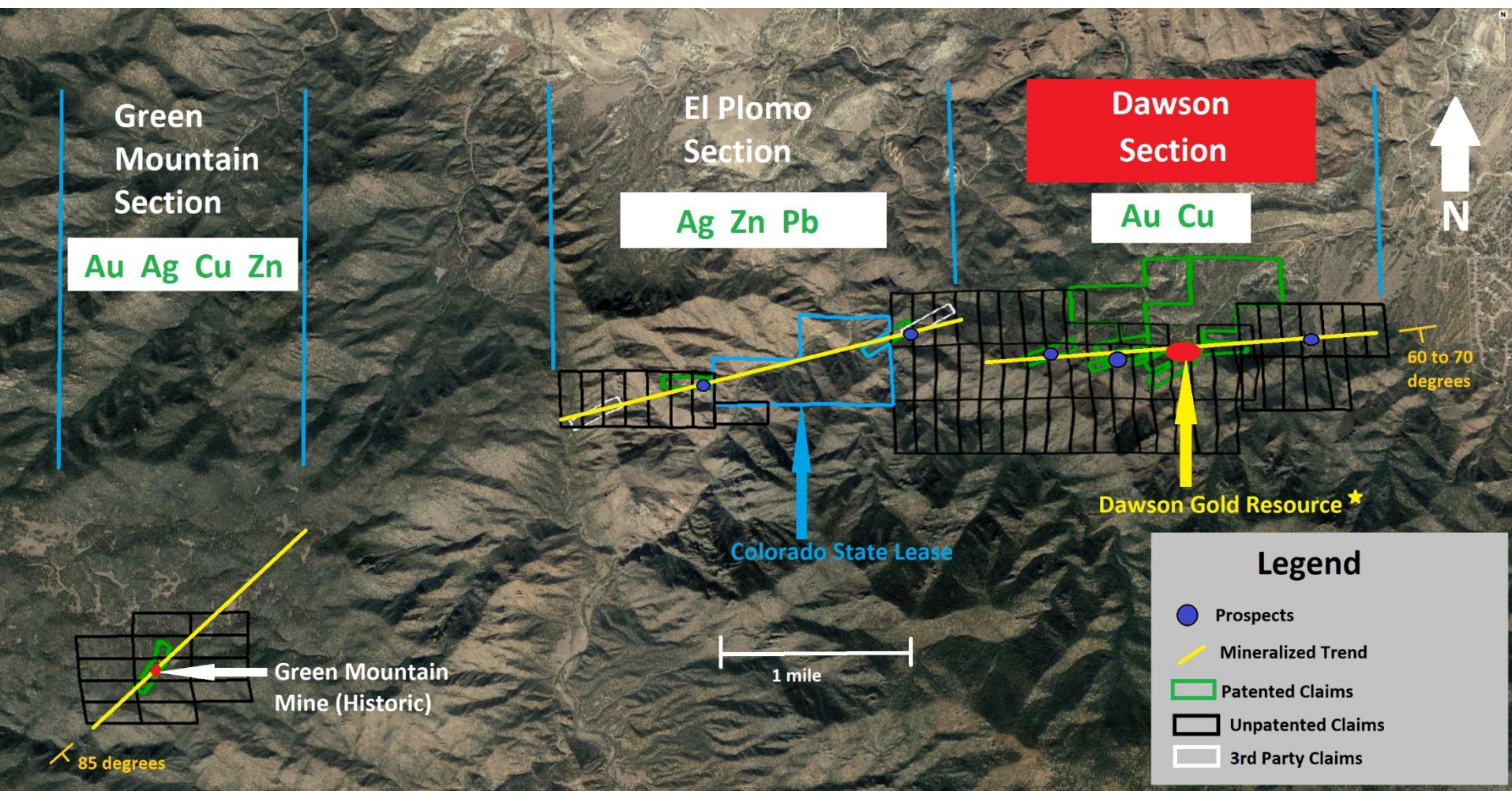
# Dawson-Green Mountain Property

- Located in mining friendly Colorado, USA
- 2 hour drive from Denver
- 9 km SW of Cañon City
- **Close to infrastructure & industrial support**
- **5.8 km from power**
- **Underground mining proposition at Dawson Section = small environmental footprint**





# Dawson-Green Mountain Property



\*See appendix for details





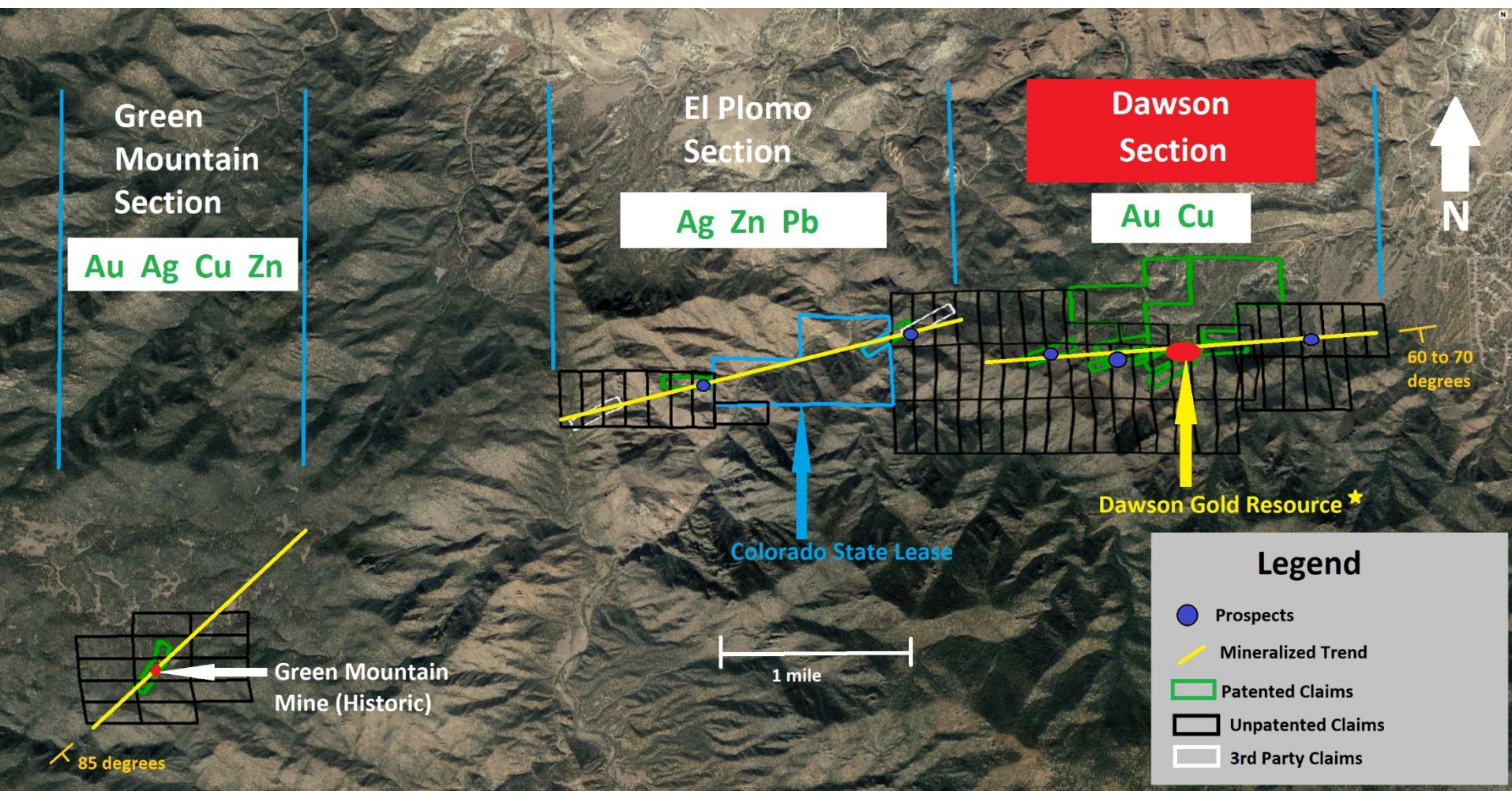
**Zephyr  
Minerals**

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# Dawson Section



# Dawson-Green Mountain Property



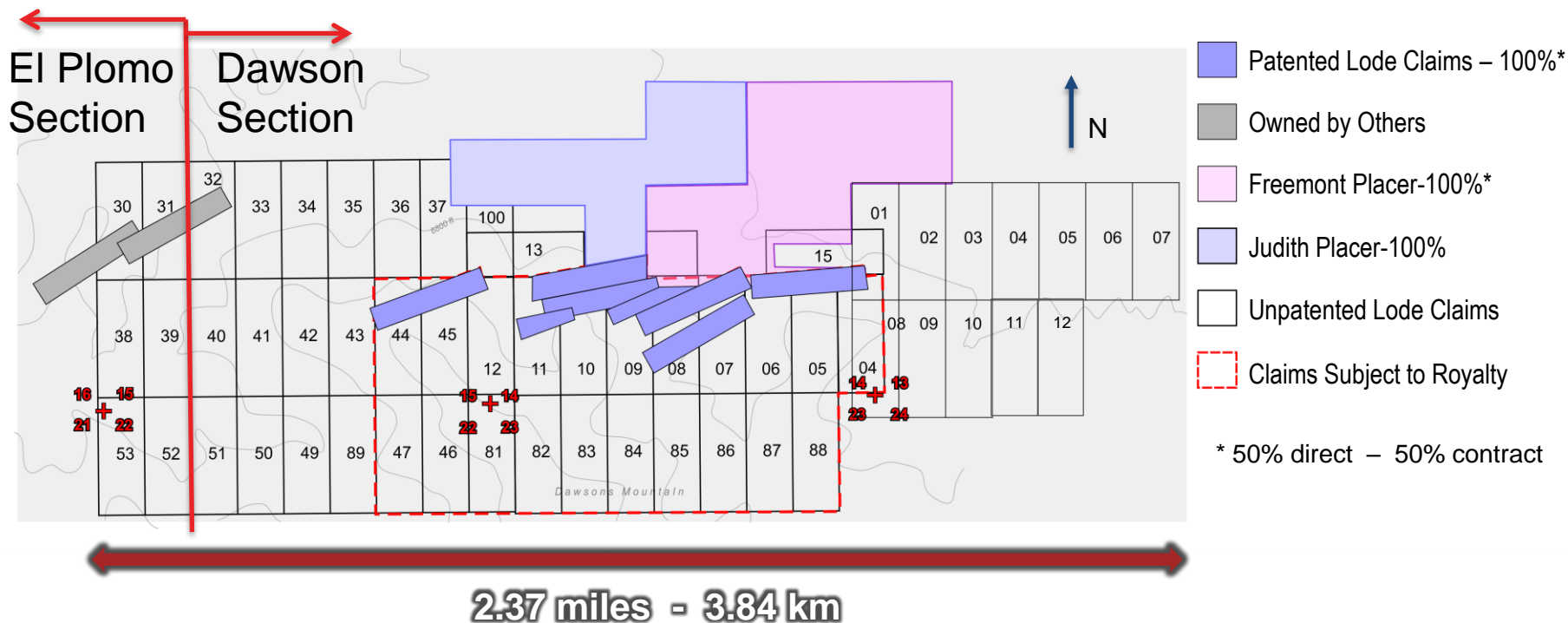
\*See appendix for details

# Dawson Section Claim Map

- 5.05 km<sup>2</sup> (505 hectares; 1,249 acres)
- 10 Patented Claims
- 51 Unpatented Claims

## Permitting:

- Patented Claims – State and County only.





# Dawson Summary

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- High Grade Gold – Wide Intervals
- Inferred Gold Resource\*
  - Uncut – 4 g/t cut-off – 137,500 oz @ 11.5 g/t
  - Topcut @ 40g/t – 120,400 oz @ 10.1 g/t
- Initial PEA Completed (2017) –Robust @ \$1,250/oz Gold\*\*
- Low AISC - US\$692/oz
- Low Initial Capex – US\$33M
- Multiple Optimization Opportunities
- Excellent Potential to Expand Resources
- Close to Infrastructure and Industrial Support

\*\*Source: National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA; March 21, 2017;  
Mineral resources that are not reserves do not have demonstrated economic viability; See slides 27 & 28.

\*NI 43-101 Resource Estimate Technical Report for the Dawson Property, CO., USA; July 19, 2013; A.Hilchey, M.Graves and I.Wolfson.

# High Grade Gold Production Attractive

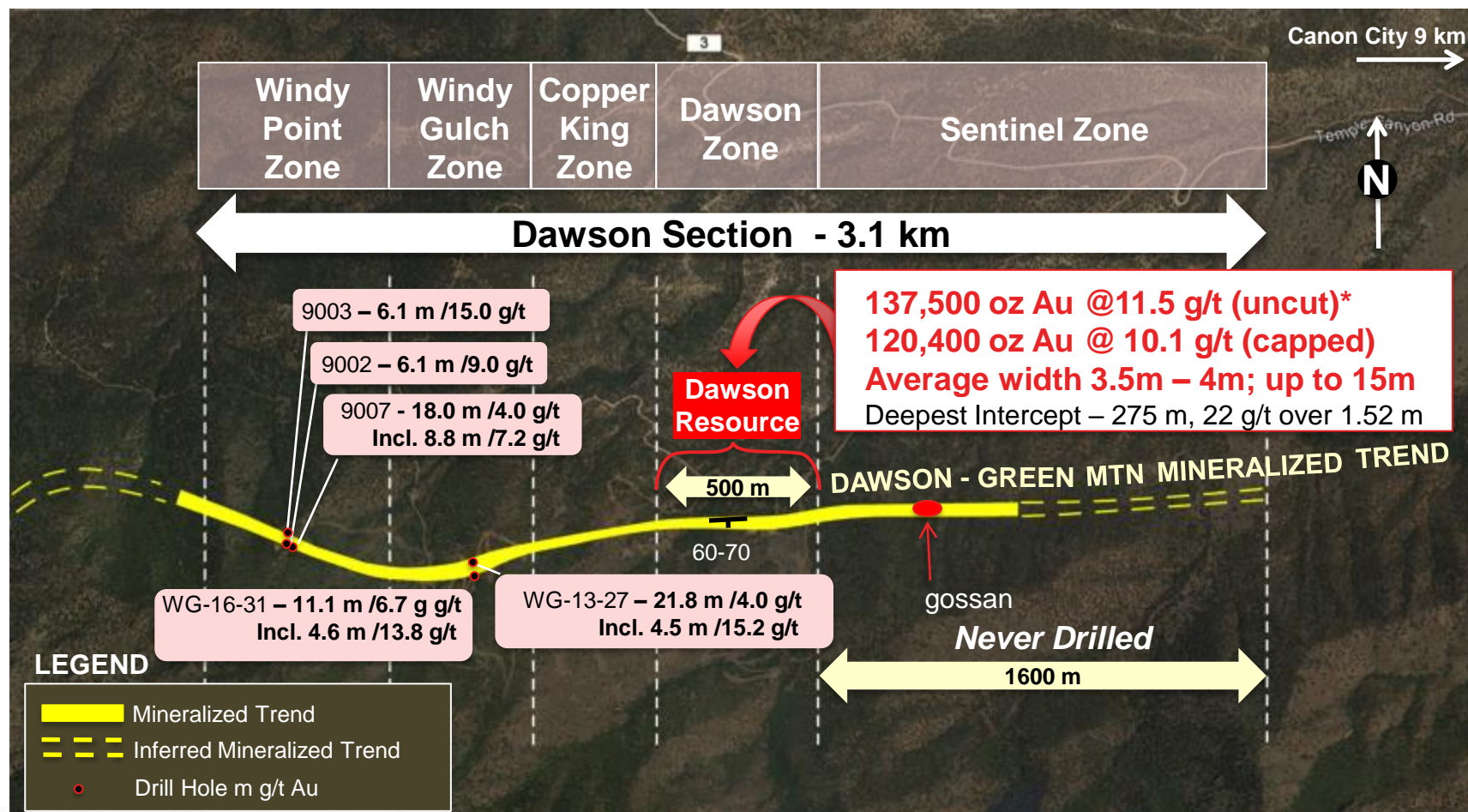
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## TOP 10 REASONS HIGH GRADE GOLD PRODUCTION IS A VERY ATTRACTIVE INVESTMENT

1. Tend to have a lower cash operating cost
2. More defensive – last mines to close
3. Lower capital and energy costs
4. Shorter permitting timelines
5. Small environmental footprint vs open pit
6. Less logistical challenges
7. Mitigates political risk
8. Exploration upside with minimal scale-up of operations
9. M&A exposure
10. Trend is high grade = higher investment returns

Source: MacQuarie : Emerging precious metals: Making the Grade Conference 2011 ( modified by Zephyr)

# Current Resources & Growth Potential

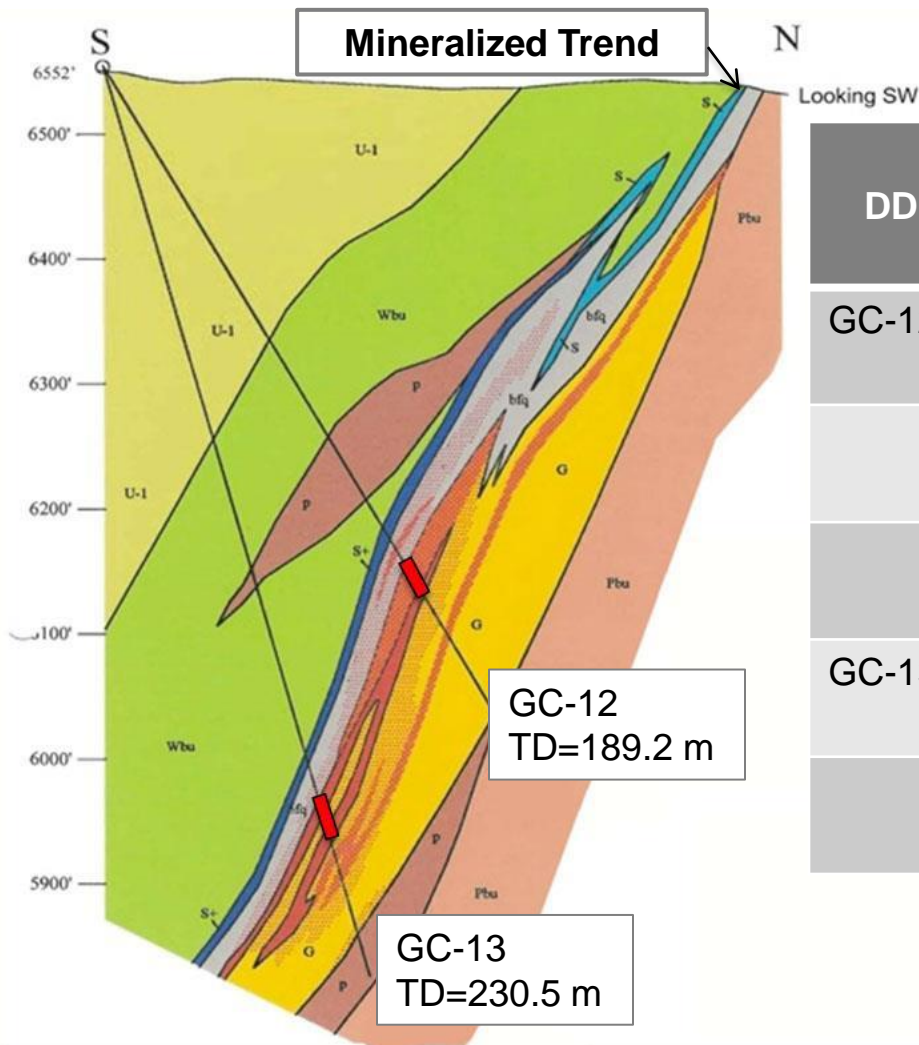


\*NI43-101 Resource Estimate Technical Report for Dawson Property, CO., USA; July 19, 2013; A.Hilchey, M.Graves and I.Wolfson. See slides 27 & 28



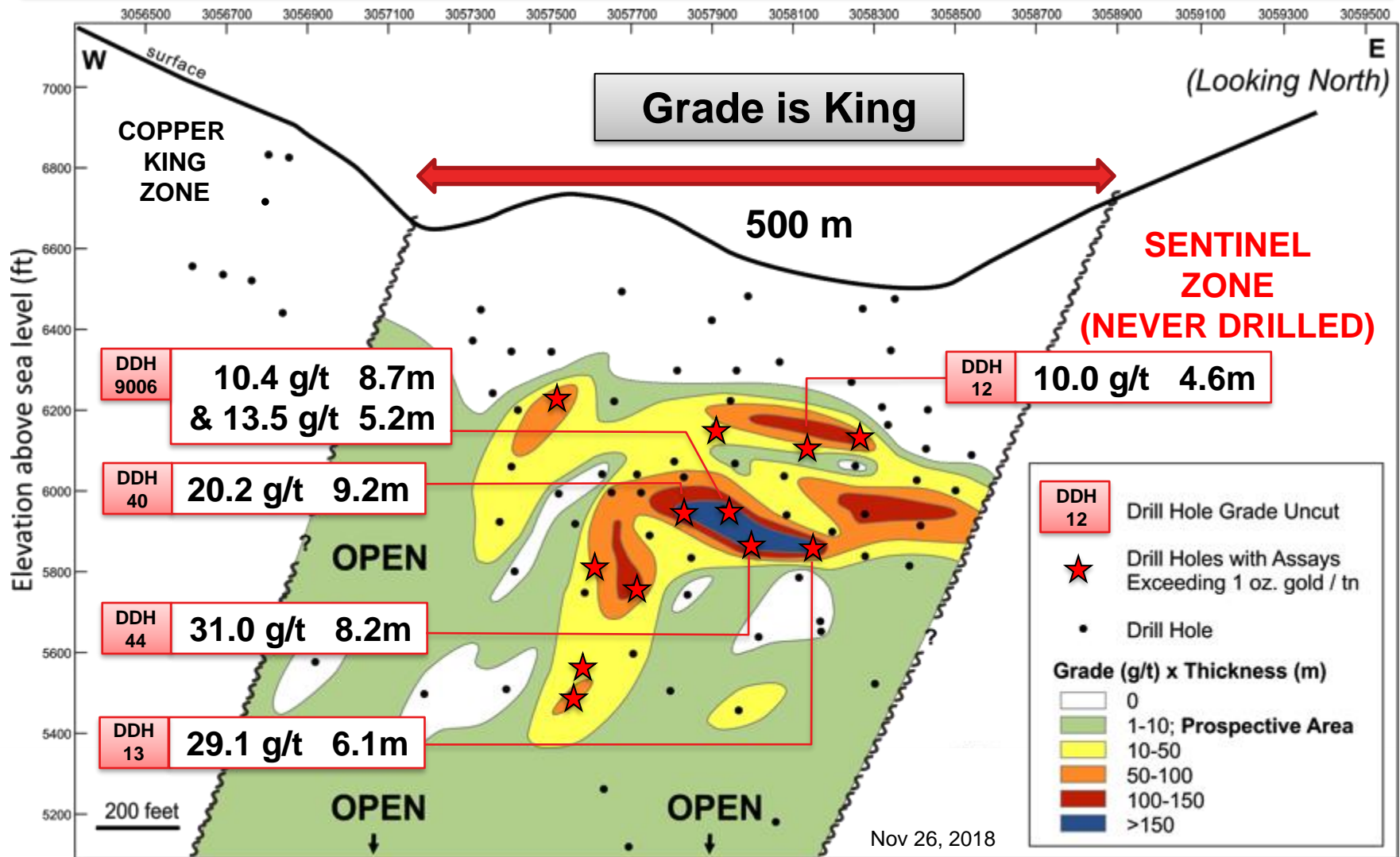
# High Grades and Exceptional Widths

## Interpretive Cross Section 9100E



DDH	From - to Metres	Intercept (m)	Grade Uncut (g/t)
GC-12	130.2 - 144.0	13.8	5.5
	136.4 - 144.0	7.6	8.2
	139.4 - 144.0	4.6	10.0
GC-13	186.9 - 202.1	15.2	13.1
	186.9 - 193.0	6.1	29.1

# Dawson Gold Zone - Interpretive Long Section



# Dawson Gold Zone - Drill Hole GC44

## Good Gold Distribution Across Intercept

From (m)	To (m)	Width (m)	Grade Uncut (g/t)
238.90	239.82	0.92	13.0
239.82	240.73	0.91	<1
240.73	241.65	0.92	4.2
241.65	242.56	0.91	4.5
242.56	243.47	0.91	6.2
243.47	244.39	0.92	<1
244.39	245.30	0.91	11.1
245.30	246.22	0.92	225.0
246.22	247.13	0.91	12.7

Weighted Average  
(Uncut)

**31.0 g/t 8.23 m\***

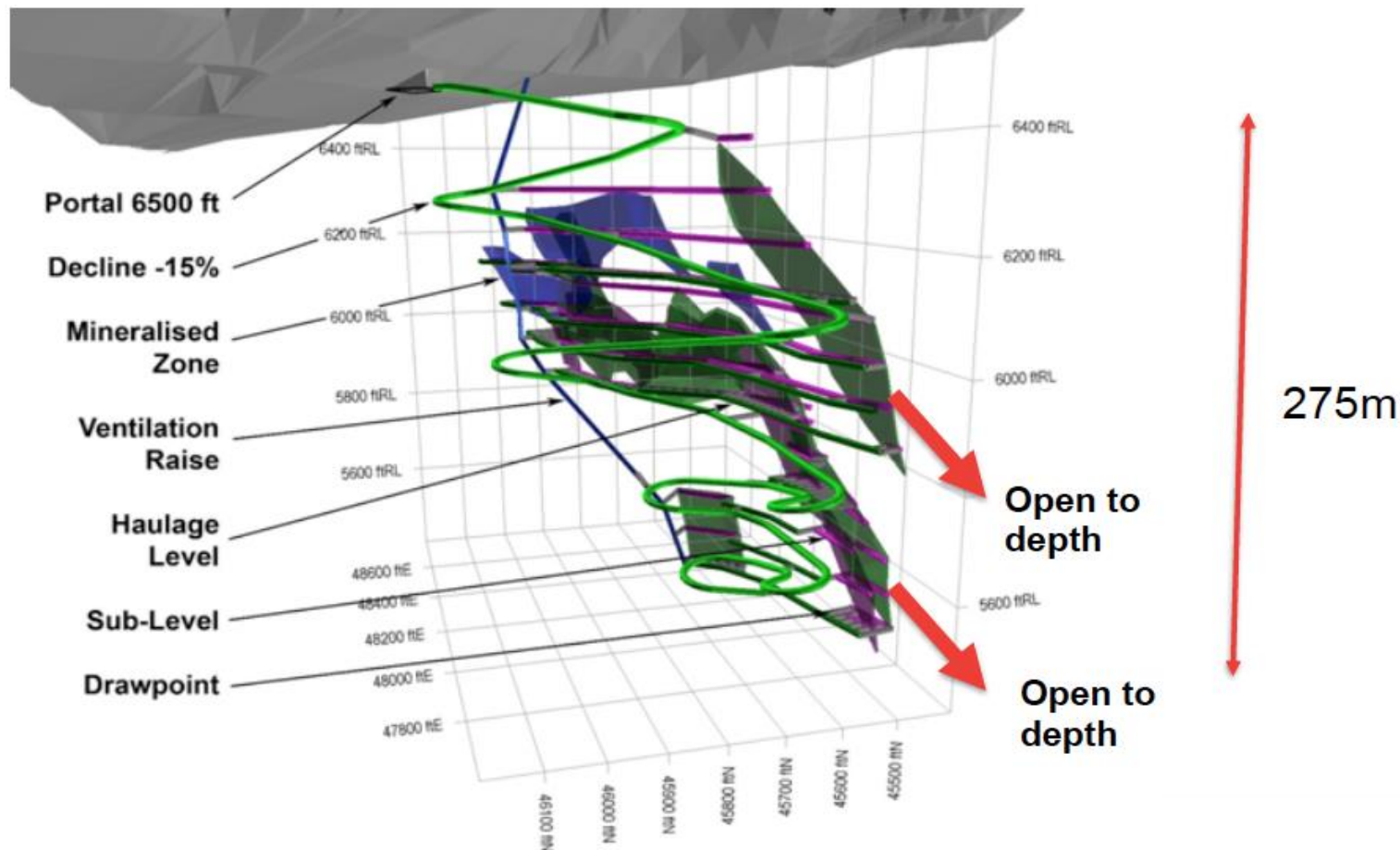
(11.2 g/t cut)\*\*

\* True width ~ 80% intercept

\*\*40 g/t top cut



# Dawson Zone - Preliminary U/G Mine Design



*Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

Doug Roy (P.Eng.), an employee of MineTech International Ltd., and an independent QP as defined by NI-43-101 and is compliant with CIM standards has verified the scientific and technical information on this page.

# Dawson Gold Zone – PEA Highlights

- Life of mine (“LOM”) cash cost of **US\$563/oz<sup>(1)</sup>**
- LOM cash cost including all in sustaining cost of **US\$692/oz<sup>(2)</sup>**
- Low initial capital of **US\$33.2M including contingency**
- Pre-Tax IRR and NPV<sub>5%</sub> of 66% and US\$35.5M and a 2.4 year payback of initial capital
- After-Tax IRR and NPV<sub>5%</sub> of 46% and US\$22.1M and a payback of 2.7 years
- LOM diluted head grade 9.2 g/t
- LOM gold combined gravity and float recovery of 92%

(1) Cash cost includes mining cost, mine-level G&A, mill and refining costs.

(2) Sustaining capital cost includes underground equipment and waste development costs after the mill has been commissioned

Base case parameters assume a gold price of US\$1,250/oz and an exchange rate of (US\$ to C\$) of 0.76; inferred resource, 5 g/t cutoff, 40 g/t topcut. See slide 29.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Danny Tolmer (P.Eng.), an employee of Golder Associates Ltd., an independent AP as defined by NI 43-101 and is compliant with CIM standards has verified the scientific and technical information on this page.

# Windy Gulch & Windy Point Zones

## Additional Resource Potential – High Grades – Wide Intervals

	DDH*	Interval (m)	Grade(g/t)
<b>WINDY GULCH</b>			
	GC-64	18.6	6.5
	including	2.7	36.5
	WG-13-17	4.7	20.4
	including	1.9	47.4
	WG-13-27	18.5	4.5
	including	4.5	15.2
	WG-16-31	11.1	6.7
	including	4.6	13.8
<b>WINDY POINT</b>			
	DWP-9002	6.1	9.0
	including	1.5	34.8
	DWP-9003	6.1	15.0
	including	1.5	57.5
	DWP-9007	18.0	4.0
	including	8.8	7.2

Note: True width approximately 70 - 80% of Interval



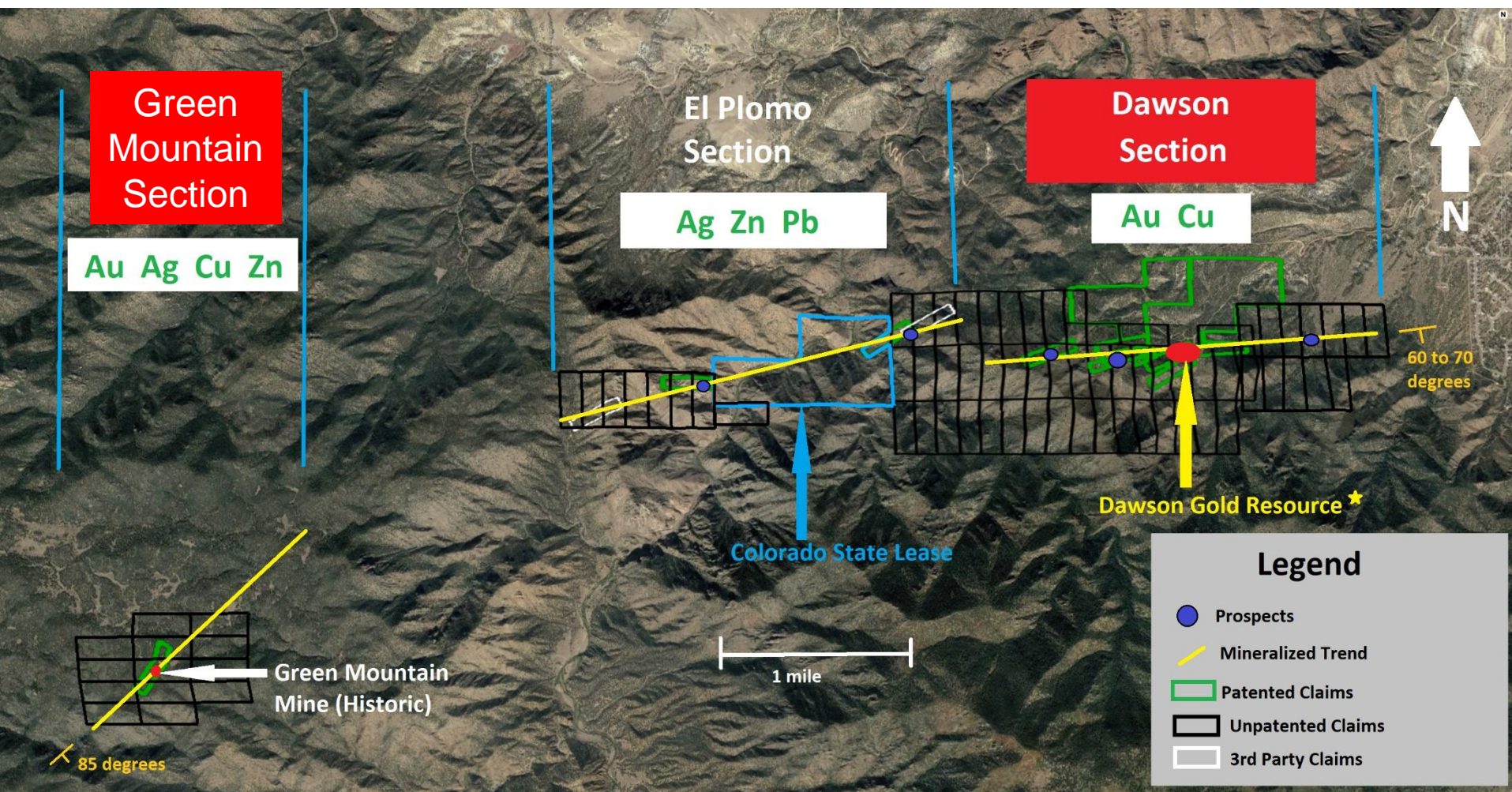


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The background of the slide is a grayscale topographic map showing a series of mountain ranges with intricate contour lines.

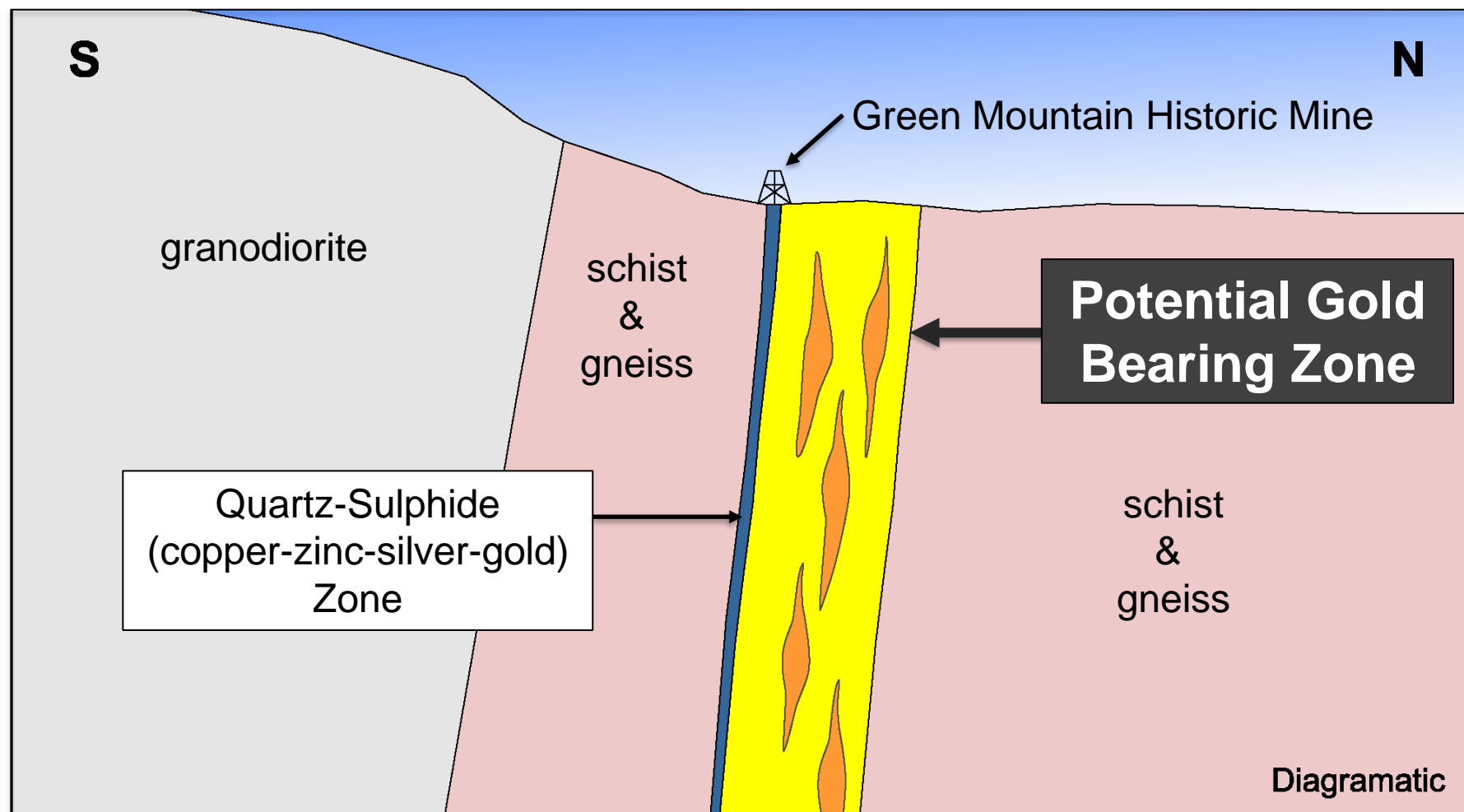
# **Green Mountain Section Gold Focus & Copper – Zinc - Silver**

# Dawson-Green Mountain Property





# Green Mountain Section - Gold





# Contact Us

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# Appendix

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# Comparison - Footprint

## Underground Mine vs Open Pit\*

	Grade	Waste to Ore Strip Ratio	Tonnes Rock Moved for 10 g Gold	Tonnes Moved for 32,000 oz Gold/Year
U/G	10.0	NA	1	100,000
O/P	1.0	5:1	60	6,000,000

\* Generic only- assumes recovered gold

Mr. Mark Graves, P.Geo. registered with the Association of Professional Geoscientists of Nova Scotia (APGNS), has verified the scientific and technical information in this page.

# Dawson Resource

## Dawson Segment Mineral Resource Estimate\*\*

Resource Category	Au (g/t) Cut-Off	Tonnes (Rounded)	Au (g/t) Capped at 40 g/t	Au (g/t) Uncapped	*Ounces (Capped)	**Ounces (Uncapped)
Inferred	4.00	371,000	10.09	11.53	120,400	137,500
Inferred	5.00	343,000	10.55	12.11	116,300	133,500
Inferred	6.00	310,000	11.08	12.80	110,400	127,600

\*Ounces may not sum due to rounding

\*\*NI 43-101 Resource Estimate Technical Report for Dawson Property, CO., USA; July 19, 2013; A.Hilchey, M.Graves and I.Wolfson.



# Footnotes

## DAWSON ZONE MINERAL RESOURCE ESTIMATE

Resource Category	Au Cut-Off	Tonnes (Rounded)	Tons (Rounded)	Au Grade	Ounces**
Inferred	0.12 oz/tn (4 g/t)	371,000	409,000	0.29 oz/tn (10.09 g/t)	120,400
<b>Inferred</b>	<b>0.15 oz/tn*</b> <b>(5 g/t)</b>	<b>343,000</b>	<b>378,000</b>	<b>0.31 oz/tn</b> <b>(10.55 g/t)</b>	<b>116,300</b>
Inferred	0.18 oz/tn (6 g/t)	310,000	342,000	0.32 oz/tn (11.08 g/t)	110,400

\*Resource statement cut-off value of 0.15 oz/tn (5 g/t) Au is highlighted by bolding

\*\*Ounces may not sum due to rounding

Notes:

Tonnes and tons have been rounded to the nearest 1,000.

Ounces have been calculated from reported tonnes and g/t Au grade and are rounded to the nearest 100 ounces.

Contributing 5 ft (1.5 m) assay composites were capped at 1.17 oz/tn (40 g/t) Au.

The resource statement cut-off grade of 0.15 oz/tn (5.00 g/t) Au is highlighted in Table 14-8 above through bolding and reflects underground development potential based on a Au price of US\$1,200/ounce.

A density value of 0.082 tn/ft<sup>3</sup> (2.63 g/cm<sup>3</sup>) was used for the Dawson Segment.

Mineral resources were estimated in conformance with the Canadian Institute of Mining, Metallurgy and Petroleum – Standards on Mineral Resources and Reserves – Definitions and Guidelines, as referenced in NI 43-101.

The rounding of tonnes as required by NI 43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained ounces.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The quantities and grades of reported Inferred Mineral Resources are uncertain in nature and further exploration may not result in their upgrading to Indicated or Measured status

Source: NI 43-101, 2017