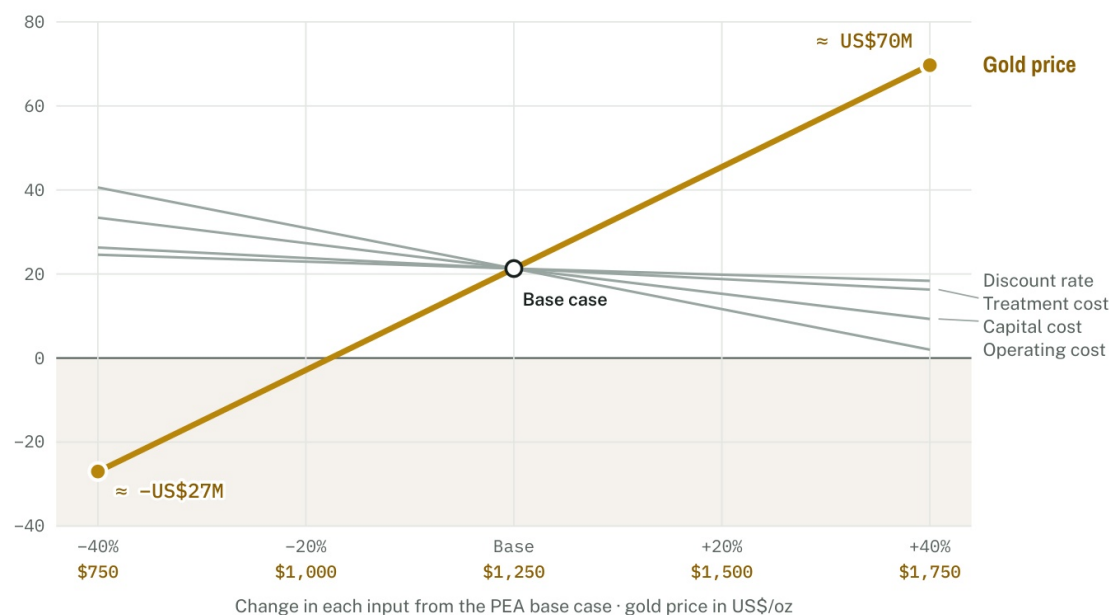


Gold price moves Dawson's economics

After-tax NPV, US\$ millions



After-tax NPV sensitivity, redrawn from Figure 22.1 of the 2017 PEA technical report. Each input was varied from 60% to 140% of its base-case value with the others held at base case.

PEA BASE CASE · EFFECTIVE MARCH 21, 2017

- Gold price US\$1,250/oz; costs in 2017 US dollars, no escalation
- 5-year owner-operated underground mine, Dawson Segment
- Cash cost US\$563/oz · AISC US\$692/oz
- Initial capital US\$33.2M, incl. contingency
- Mill feed 450,000 tons @ 0.27 oz/ton (diluted; includes Inferred material)
- Taxes: 35% US federal, 4.6% Colorado, severance and property tax
- After-tax payback 2.7 years
- 111,300 oz recovered at 92% (gravity + flotation)
- Royalty: 3% NSR (1.5% effective in the PEA)

WHAT THE 2017 PEA SHOWED

- Gold price had the largest effect on NPV of the five inputs tested
- Base case, US\$1,250/oz: after-tax NPV (5%) US\$22.1M, IRR 46%
- Gold +40%, US\$1,750/oz: after-tax NPV about US\$70M, more than triple the base case
- Gold -40%, US\$750/oz: after-tax NPV about -US\$27M
- Gold prices above US\$1,750/oz were not evaluated

SINCE 2017

- Gold has traded above US\$4,000/oz in 2026, well above the range the PEA tested
- US federal corporate income tax rate cut from 35% to 21% in 2018; Colorado rate now 4.4%
- Mining capital and operating costs have risen
- The PEA has not been updated. Its results should not be extrapolated to current conditions or relied on as a current estimate of value

CAUTIONARY STATEMENT

- The PEA is preliminary in nature
- It 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 will be realized
- Mineral resources that are not mineral reserves do not have demonstrated economic viability

Qualified Person. The scientific and technical information on this sheet has been reviewed and approved by Brian Arkell, B.S. Geology and M.S. Economic Geology, SME (Registered Member), AusIMM (Fellow) and SEG (Fellow), a director of Zephyr and a Qualified Person under NI 43-101. The PEA economic analysis was prepared by or under the supervision of Danny Tolmer, P.Eng., Golder Associates Ltd., who was independent of Zephyr.

Source. National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA, Golder Associates Ltd. Report No. 1660605, effective March 21, 2017 (Section 22, Figure 22.1, Tables 22-1 and 22-7), filed on SEDAR+. Tax rates since 2017 are from current US federal and Colorado law, not from the PEA.

Forward-looking information. This sheet contains forward-looking information, including PEA results, based on assumptions that may prove incorrect. Actual results may differ materially. See Zephyr's forward-looking statements disclaimer at zephyrminerals.com.