



**ZEPHYR MINERALS LTD.**

**Notice of Annual and Special Meeting of Shareholders  
and  
Management Information Circular**

**Meeting Date: Wednesday, May 20, 2026 at 10:00 a.m. (Atlantic Time)**

Halifax, Nova Scotia

April 21, 2026

**ZEPHYR MINERALS LTD.**

**Suite 653, 1475 Lower Water Street, Halifax, Nova Scotia**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of ZEPHYR MINERALS LTD. ("**Zephyr**" or the "**Corporation**") will be held at Suite 1301, Purdy's Wharf Tower I, 1959 Upper Water Street, Halifax, Nova Scotia at 10:00 a.m. (Atlantic Time) on Wednesday, May 20, 2026.

The Meeting will be held, for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the year ended December 31, 2025 (the "**Annual Financial Statements**"), together with the report of the auditor thereon. No vote by the Shareholders is required or proposed to be taken with respect to the Annual Financial Statements;
2. to elect directors of the Corporation for the forthcoming year;
3. to appoint the auditor of the Corporation for the forthcoming year and to authorize the directors to fix the auditor's remuneration;
4. to approve the Corporation's incentive stock option plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular (the "**Circular**") accompanying and forming part of this notice of the Meeting.

Only Shareholders of record at the close of business on Monday, April 13, 2026, are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a registered Shareholder (a "**Registered Shareholder**"), please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), not later than **Friday May 25, 2026 at 10:00 a.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to Computershare as follows:

- (a) by **mail** in the enclosed envelope; or
- (b) by the **Internet** or **telephone** as described on the enclosed proxy; or
- (c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 320 Bay Street, 14<sup>th</sup> floor, Toronto, ON M5H4A6

Non-registered Shareholders ("**Non-Registered Shareholders**") whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found beginning on page [2] of the attached Circular.

**DATED** at Halifax, Nova Scotia, this 21<sup>st</sup> day of April, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

*(Signed) "David Felderhof"*

Chief Financial Officer

**ZEPHYR MINERALS LTD.**

**MANAGEMENT INFORMATION CIRCULAR**

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**ZEPHYR MINERALS LTD.**  
**MANAGEMENT INFORMATION CIRCULAR**

(as at April 21, 2026, except as indicated)

**INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING**

**THIS MANAGEMENT INFORMATION CIRCULAR ("CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF ZEPHYR MINERALS LTD. ("Corporation")** for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held at Suite 1301, Purdy's Wharf Tower I, 1959 Upper Water Street, Halifax, Nova Scotia, on **May 20, 2026, at 10:00 a.m. (Atlantic Time)**, or at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**").

**Solicitation of Proxies**

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

**Appointment and Revocation of Proxies**

***General***

Shareholders may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of the Corporation ("**Common Shares**") are registered in the Shareholder's name, the Shareholder is a "**Registered Shareholder**". If Common Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him or her at the Meeting other than the persons designated in the enclosed form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxy holder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one (1) proxy or voting instruction form, it is because that Shareholder's shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

### ***Registered Shareholders***

Registered Shareholders have two methods by which they can vote their Common Shares at the Meeting; namely, in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this Circular. Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. His or her vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

Proxies must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.** ("**Computershare**"), not later than **Friday, May 15, 2026, at 10:00 a.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to Computershare as follows:

- (a) by **mail** in the enclosed envelope; or
- (b) by the **Internet** or **telephone** as described on the enclosed proxy; or
- (c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 320 Bay Street, 14<sup>th</sup> floor, Toronto, ON M5H 4A6

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, a Shareholder must strike out the names of the persons designated on the enclosed instrument appointing proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) with the Corporation at 653-1475 Lower Water Street, Halifax, Nova Scotia B3J 3Z2, Attention: David Felderhof, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the Chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

### ***Non-Registered Shareholders***

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular and either the voting instruction form ("**VIF**") or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through intermediaries to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

#### *Meeting Materials Received by OBOs from Intermediaries*

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.
- (b) Occasionally, however, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to Computershare in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. If an OBO who receives either a form of proxy or a VIF wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions provided by the intermediary. **In either case, OBOs who receive Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" either because the intermediary has not received instructions from the OBO with respect to the voting of certain shares or because, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

#### *Meeting Materials Received by NOBOs from the Corporation*

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. Computershare will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received by Computershare.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxy holder of such shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading "*Registered Shareholders*" for a description of the procedure to return a proxy, your right to appoint another person or company to attend the meeting, and your right to revoke the proxy.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may attend

the Meeting as proxy holder for the Registered Shareholder and vote the Common Shares in that capacity. A Non-Registered Shareholder who wishes to attend the Meeting and indirectly vote his or her Common Shares as proxy holder for the Registered Shareholder should enter his or her own name in the blank space on the form of proxy provided to him or her and return the same to his or her broker (or the broker's agent) in accordance with the instructions provided by such broker.

### **Notice-and-Access**

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

### **Exercise of Proxies**

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed instrument appointing proxy to vote in accordance with the recommendations of the management of the Corporation.

### **Voting Shares**

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 93,286,986 Common Shares are issued and outstanding as of the date hereof.

The board of directors of the Corporation (the "**Board**" or "**Board of Directors**") has fixed the record date for the Meeting as the close of business on Monday, April 13, 2026 (the "**Record Date**"). Only Shareholders of record as of the close of business on the Record Date will be entitled to vote at the Meeting. Shareholders entitled to vote shall have one (1) vote each on a show of hands and one (1) vote per Common Share on a poll.

### **Quorum**

A quorum of Shareholders will be present at the Meeting if at least two (2) persons are present and entitled to vote at the Meeting, in person or by proxy, representing in the aggregate not less than five percent (5%) of the outstanding Common Shares.

### **Principal Shareholders**

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or exercises control or direction over, directly or indirectly, Common Shares carrying ten percent (10%) or more of the voting rights attached to all outstanding Common Shares of the Corporation, except as follows:

Name	Number of Common Shares	Percentage of Common Shares Owned
Bejoy International Ltd.	10,489,000 <sup>(1)</sup>	11.2%

Notes:

(1) Based on public filings with securities regulatory authorities in Canada.

## FINANCIAL STATEMENTS

The financial statements of the Corporation, the auditor's report thereon and management's discussion and analysis for the fiscal year ended December 31, 2025, will be presented to the Shareholders at the Meeting.

### INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except in so far they may be Shareholders, no person who has been a director or executive officer of the Corporation during the financial year ended December 31, 2025, nor any proposed nominee for election as a director, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise in the matters to be acted upon at the Meeting other than the election of directors, except that directors and executive officers are eligible to participate in the Corporation's incentive stock option plan (see "*Matters to be Voted on at the Meeting - Approval of Incentive Stock Option Plan*" on page [11] of this Circular).

### MATTERS TO BE VOTED ON AT THE MEETING

#### Election of Directors

The articles of incorporation of the Corporation provide that the size of the Board must consist of not less than one (1) director and not more than ten (10) directors to be elected annually. The size of the Board is to be determined by the Board and is currently fixed at seven (7) directors. The Board is also authorized to appoint up to one-third (1/3) of the number of directors elected at the previous annual general meeting of Shareholders.

The persons named in the list which follows are the current directors of the Corporation. All of the proposed directors are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year and have confirmed their willingness to continue to serve as directors, if re-elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated.

**Unless otherwise instructed, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below.** Management does not contemplate that any of these proposed nominees will be unable to serve as a director of the Corporation, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed instrument appointing proxy will have the right to use their discretion in voting for a properly qualified substitute.

<b>Name and Residence of Proposed Directors and Present Positions Held</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Common Shares of the Corporation Owned, Controlled or Directed<sup>(1)</sup></b>
David H. Felderhof Nova Scotia, Canada CFO, Executive Vice President and Director	June 14, 2010	CFO, Executive Vice President and Director of the Corporation	2,000,000
Loren Komperdo Alberta, Canada President, CEO and Director	June 14, 2010	President, CEO and Director of the Corporation	2,884,667
John M. Clark <sup>(2,3)</sup> Ontario, Canada Director	September 27, 2010	President of Investments and Technical Management Corp., a corporate finance and merchant banking firm	644,000
G. William Felderhof Nova Scotia, Canada Director & Executive Chair of the Board	May 29, 2014	President of Votix Corporation Limited, a resource management and investment company	3,470,166 <sup>(4)</sup>
Scott Rhodenizer <sup>(2,3)</sup> Florida, USA <i>Director</i>	December 16, 2015	CEO of OakRun Life Inc., a life settlements investment firm	Nil
John F. (Ted) Grant <sup>(2,3)</sup> Nova Scotia, Canada <i>Director</i>	May 30, 2019	Managing Partner of Maris International, a seafood consulting company	474,400
Brian Arkell Colorado, USA <i>Director</i>	December 18, 2024	Vice President of Exploration and Technical Services of Cabral Gold, a gold exploration company	1,600,000

Notes:

- (1) The information as to shareholdings is provided by the directors as of April 21, 2026.
- (2) Member of the Audit Committee
- (3) Member of the Compensation Committee
- (4) Includes 2,057,333 Common Shares held by Votix Corporation Limited., of which G. William Felderhof is the principal shareholder.

**G. William Felderhof** – Mr. Felderhof of Fox Harbour, Nova Scotia, is President of the resource management and investment private company Votix Corporation Limited, which has been his principal occupation since February 2010. Mr. Felderhof holds a Bachelor of Science (Geology) degree from Dalhousie University, Halifax (1972) and has been actively involved in the mineral resource industry for 50 years. Most of the past 40 years have been spent heading-up publicly traded resource companies; most notably, Acadian Mining Corporation ("Acadian"), East Indies Mining Inc. and Jascan Resources Ltd. He was the founder of Acadian (formerly, Acadian Gold Corp.) in March 2003 and served as a Director, President and Chief Executive Officer until February 2010. Prior to becoming involved with publicly traded resource companies, Mr. Felderhof was Vice-President and Managing Director of A.C.A. Howe International

Limited, a geological and mining consulting firm based in Toronto, Canada. Mr. Felderhof served as director of Orex Exploration Inc. from December 2011 until November 2015.

**Loren Komperdo** – Mr. Komperdo of Calgary, Alberta, a professional geologist, has been actively involved in the management of public resource companies since 1994. Mr. Komperdo was President and Chief Executive Officer of Keeper Resources Inc., a TSX Venture Exchange ("TSX-V") listed company since inception in October 2003 until May 2008, at which time the company was acquired by Vietnam Resource Investments (Holdings) Limited. Mr. Komperdo was on its board of directors from October 2003 until April 30, 2011. Prior to that, Mr. Komperdo co-founded Toronto Stock Exchange ("TSX") listed Tiberon Minerals Ltd. and served as its President and Chief Executive Officer from January 1995 until June 2003 and as a director from January 1995 until March 2009. In 2007, Tiberon was acquired by Dragon Capital Management Ltd. Mr. Komperdo worked as a geological consultant from 1983 to 1994 and as a petroleum exploration and development geologist with Canterra Energy Ltd. from 1981 to 1983. Prior to that, Mr. Komperdo was a geologist with Merlin Petroleum Consulting Ltd. from 1979 to 1981 after receiving a Bachelor of Science (Geology) degree from the University of Alberta in 1979.

**David H. Felderhof** – Mr. Felderhof of Halifax, Nova Scotia is a founder of the Corporation and oversaw the listing of the Corporation on the TSX Venture Exchange. Mr. Felderhof holds a Bachelor of Arts (Economics) degree and a Bachelor of Business Administration (Finance) degree from St. Francis Xavier University obtained in 2002 and 2003, respectively. Mr. Felderhof served as Vice President of TSX-V listed Orex Exploration Inc. from December 2014 and director from February 2015, both until October 2015. Mr. Felderhof served as Vice President and director of TSX-V listed Royal Roads Corp. (predecessor to Buchans Minerals Corporation) from 2007 until 2010. Mr. Felderhof also served as Vice President and director of TSX-V listed Buchans River Ltd. from 2007 until its amalgamation with Royal Roads Corp. in 2008. Prior to his involvement with Royal Roads Corp., Mr. Felderhof worked as an Investment Advisor at BMO Nesbitt Burns. Mr. Felderhof was appointed CFO of the Corporation in January, 2021.

**John M. Clark** – Mr. Clark of Toronto, Ontario is a chartered accountant and has been President of Investment and Technical Management Corp., a corporate finance and merchant banking firm, since 1999. He is a director of Vista Gold Corp., and Russel Metals Inc. Previously, he was Executive Chairman of Laurasia Resources Limited, an oil and gas company, from 1988 until its merger with Startech Energy Inc. in 1997. From 1982 to 1987, Mr. Clark was a Senior Manager with Thorne Riddell Chartered Accountants (now KPMG LLP).

**Scott Rhodenizer** – Mr. Rhodenizer of Palm Beach Gardens, Florida, is an independent business consultant, prior to which, he was CEO of OakRun Life Inc., a life settlements investment firm. Prior to that he was Managing Director at Deutsche Bank Securities Ltd., Miami, Florida. Mr. Rhodenizer has over 25 years experience in the investment industry including extensive experience advising various financial institutions and government organizations in structuring and managing pension, corporate and treasury portfolios. Mr. Rhodenizer's career also includes broad experience in traditional and structured investments, fixed income securities, derivatives, global equity, foreign exchange and commodities. Mr. Rhodenizer holds a Bachelor of Commerce (Finance) degree from St. Mary's University, Halifax Nova Scotia, obtained in 1992.

**John F. (Ted) Grant** – Mr. Grant of Halifax, Nova Scotia, is Managing Partner at Maris International, a seafood consulting company. Mr. Grant holds a Bachelor of Applied Arts and Science degree from Holland College and a Master of Education from the University of Prince Edward Island obtained in 2013 and 2016 respectively. Mr. Grant co-founded VIVEAU, and held the position of President of Fundy Drinks Ltd., a beverage bottling company from 2018 to 2022. Prior to that Mr. Grant served as the Chief Product Officer for Truleaf Plant Science, a sustainable food agricultural company in partnership with McCain Foods. Over the last decade, Mr. Grant has held positions on five continents in both private business and academia, including a senior role as Academic Chair with the Nova Scotia Community College. Mr. Grant brings extensive board governance experience, having served in numerous board seats over the last 15 years.

**Brian Arkell** – Mr. Arkell of Denver, Colorado, has a B.S. in Geology from the University of Maryland and an M.S. from the New Mexico Institute of Mining and Technology (M.S.). He has 35 years of experience in exploration, mine development, and operations throughout the Americas and in Indonesia. He has played a

key role in several major gold discoveries and mine development projects including the world-class Yanacocha gold mine in Peru, the Batu Hijau copper-gold mine in Indonesia, the Merian gold mine in Suriname and the Magino gold mine in Canada. From 2018 to 2023, Mr. Arkell served as Vice President Exploration and Mine Technical Services for Argonaut Gold, a mid-tier gold producer. During this time, he was responsible for all exploration, mine planning, mine geology, corporate reserves, and corporate land departments. This involved five gold mines and several projects, ranging from scoping through feasibility-level stages. Prior to that, he was CEO for Caza Gold Corp., Senior Vice President Exploration and Corporate Development for Rio Novo Gold, Inc., and spent 22 years with Newmont Mining Corp. where he held a variety of positions, including Director of Geology and Exploration, South America. Mr. Arkell is a Registered Member of SME, a Fellow of AusIMM, and a Fellow of the Society of Economic Geologists. He is a Qualified Person (QP) under Canadian National Instrument 43-101 Standards.

### ***Corporate Cease Trade Orders and Bankruptcies***

Except as set out below, none of the proposed directors of the Corporation is, or has been within the ten (10) years prior to the date hereof, a director or executive officer (including chief executive officer or chief financial officer) of any company (including the Corporation) that: (i) while such person was acting in that capacity, was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than thirty (30) consecutive days (any such order, an "**Order**"); (ii) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in that capacity; or (iii) while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Grant was an officer and director of Fundy Drinks Ltd. when it was placed into receivership by the company's largest creditor, Nova Scotia Farm Loan Board, on October 11, 2022.

No proposed director has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Penalties or Sanctions***

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or was subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditor**

Davidson and Company LLP, Chartered Professional Accountants, serves as the Corporation's auditor. Shareholders will be asked at the Meeting to vote on the reappointment of Davidson and Company LLP as auditor of the Corporation to hold office until the next annual meeting of shareholders, with remuneration to be fixed by the Board. Management recommends their reappointment.

**Unless the shareholder directs that his, her or its common shares are to be withheld from voting in connection with the confirmation and appointment of auditors, the persons named in the enclosed form of proxy intend to vote for the appointment of Davidson and Company LLP, Chartered Accountants as the auditors of the Corporation until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.**

## **Approval of Incentive Stock Option Plan**

### ***Introduction***

The Board of Directors and the Shareholders approved and adopted a ten percent (10%) "rolling" incentive stock option plan on June 14, 2010 (the "**Plan**"). The Shareholders re-approved the Plan, as amended and restated, at the annual and special meeting of the Shareholders on May 28, 2025. The Plan is a ten percent (10%) "rolling" stock option plan that is subject to annual Shareholder approval in accordance with Policy 4.4 – *Security Based Compensation* of the TSX-V ("**Policy 4.4**").

The Corporation is seeking re-approval of the Plan by the Shareholders at the Meeting in accordance with the rules and policies of the TSX-V, in particular Policy 4.4. The purpose of the Plan is to attract and retain service providers, employees, officers and directors of the Corporation and to motivate them to advance the interests of the Corporation by affording them with the opportunity to acquire an equity interest in the Corporation through options. The Plan has been drafted to comply with the policies of the TSX-V. The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself as attached as Schedule B. A copy of the Plan will also be promptly provided by the Corporation free of charge to any Shareholder upon request. To request a copy of the Plan, Shareholders should contact David Felderhof at Zephyr Minerals Ltd., 653 – 1475 Lower Water Street, Halifax, Nova Scotia, B3J 3Z2.

### ***The Plan***

The Plan provides that the number of Common Shares reserved for issuance upon the exercise of options granted under the Plan is a rolling maximum number that shall not be greater than ten percent (10%) of the issued and outstanding Common Shares of the Corporation (on a non-diluted basis) at any point in time.

The Plan is administered by the Board and the principal terms of the Plan are summarized as follows:

1. Options may be granted to "eligible persons", which include directors, officers, employees, consultants or management company employees of the Corporation or its affiliates, and any other person or entity engaged to provide ongoing services to the Corporation or its affiliates determined by the Board as eligible for participation in the Plan.
2. The aggregate number of Common Shares that may be reserved for issuance upon the exercise of options granted to:
  - (a) any one individual may not exceed five percent (5%) of the total outstanding Common Shares (on a non-diluted basis) in any 12 month period;
  - (b) insiders of the Corporation may not exceed ten percent (10%) of the total outstanding Common Shares (on a non-diluted basis) and the Plan may not result in the issuance to insiders, within a one-year period, of a number of Common Shares exceeding ten percent (10%) of the total outstanding Common Shares (on a non-diluted basis);
  - (c) any one consultant of the Corporation may not exceed two percent (2%) of the total outstanding Common Shares (on a non-diluted basis) in any 12 month period; and
  - (d) persons employed to conduct investor relations activities may not exceed two percent (2%) of the total outstanding Common Shares (on a non-diluted basis) in any 12 month period.
3. Unless otherwise determined by the Board at the time of grant, options are exercisable at any time after the date of grant, except in the event the optionee is a consultant engaged in investor relations activities. The options of such optionee must vest in stages with no more than one quarter (1/4) of the options vesting in any three (3) month period.

4. The exercise price under any option shall be determined by the Board but shall not be less than the greater of: (i) the price permitted by the TSX-V, and (ii) the price permitted by any other regulatory body having jurisdiction.
5. Options may be granted for a term of up to ten (10) years, as determined by the Board, and except where not permitted by the TSX-V, are subject to an automatic extension for ten (10) business days in the event the expiry date of the options occurs during a blackout period imposed by the Corporation during which time no securities of the Corporation may be traded by certain persons such as insiders or employees of the Corporation.
6. Options may not be assigned or transferred.
7. If an optionee ceases to be an eligible person under the Plan for any reason other than termination by the Corporation for cause, the options will continue to be exercisable within the ninety (90) days (or twelve (12) months in the case of the death of the optionee) following the date the optionee ceased to be an eligible person. If an optionee is terminated for cause, the options will expire and terminate immediately upon the optionee ceasing to be a director, officer, employee, consultant or management company employee.
8. The amendment procedure of the Plan designates a category of listed amendments that can be made to the Plan by the Board without requiring the approval of Shareholders unless specifically required by the TSX-V. These amendments include: (i) altering, extending or accelerating option vesting terms and conditions; (ii) amending the termination provisions of an option; (iii) accelerating the expiry date of options; (iv) amending or modifying the mechanics of exercising options; (v) amending provisions relating to financial assistance to optionees under the Plan; and (vi) making "housekeeping" amendments, such as those necessary to cure errors or ambiguities contained in the Plan. Certain other amendments require shareholder approval, such as increasing the number of Common Shares issuable under the Plan and extending the term of the options granted under the Plan.

#### ***Existing Stock Options***

As of April 21, 2026, the Corporation had stock options outstanding under the Plan that were exercisable to acquire, in the aggregate, 5,600,000 Common Shares. See "*Securities Authorized for Issuance Under Equity Compensation Plans*" in this Circular for additional information with regard to the options outstanding as at December 31, 2025.

#### ***Approving the Plan***

Policy 4.4 of the TSXV requires that rolling stock option plans must receive shareholder approval yearly, at the issuer's annual shareholders meeting. In accordance with Policy 4.4, Shareholders will be asked to consider and if thought fit, approve the following ordinary resolution approving, adopting and ratifying the Plan:

**BE IT RESOLVED** as an ordinary resolution of the Shareholders of the Corporation that:

1. the Plan, as included in its entirety in Schedule B to the Corporation's management information circular dated April 21, 2026, is hereby ratified, confirmed and approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders; and
3. any one of the directors or officers of the Corporation is hereby authorized to take all such actions and execute and deliver all such documents as are necessary or desirable for the implementation of this resolution.

The directors of the Corporation believe the Plan is in the Corporation's best interest and recommend that the Shareholders approve the Plan. **It is intended that all proxies received will be voted in favour of approving the Plan, unless a proxy contains instructions to vote against. Greater than fifty percent (50%) of the votes of Shareholders present in person or by proxy are required to approve the Plan.**

## EXECUTIVE COMPENSATION

### **Director and Named Executive Officer Compensation**

The following sets forth the information required under Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") regarding all compensation paid, payable, awarded, granted, given, or otherwise provided during the Corporation's two most recently completed financial years to all persons acting as directors or as "named executive officers" or "NEOs".

The following persons are named executive officers of the Corporation under Form 51-102F6V:

- (a) the chief executive officer (the "**CEO**");
- (b) the chief financial officer (the "**CFO**");
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) any individual who would be a named executive officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the most recently completed financial year of the Corporation, the Corporation had two named executive officers; namely, Loren Komperdo, the CEO, and David Felderhof, the CFO (collectively, the "**Named Executives**").

### **Currency**

All references to "\$" or "dollars" set forth in this Circular are in Canadian dollars, except where otherwise indicated.

### **Oversight and Description of Director and Named Executive Compensation**

The Corporation's Compensation Committee is responsible for the oversight of the Corporation's strategy, policies and programs for the compensation and development of the Named Executives, and the Board is responsible for the oversight of the compensation of directors.

The general objectives of the Corporation's compensation strategy are:

- (a) to compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term Shareholder value;
- (b) to align management's interests with the long term interests of Shareholders;
- (c) to provide a compensation package that is commensurate with other comparable mineral exploration companies to enable the Corporation to attract and retain talent; and
- (d) to ensure that the total compensation package is designed in a manner that takes into account the Corporation's present stage of development and its available financial resources.

## **Named Executive Compensation**

The Corporation's executive compensation program is comprised of three (3) components: (1) base salary; (2) a stock option plan; and (3) perquisites. Each element of compensation is described in more detail below. No Named Executive or director of the Corporation has been granted express permission by the Board to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive or director.

### ***Base Salary***

Base salary is intended to compensate Named Executives for discharging their duties in respect of their position descriptions. It is intended that salaries of the Named Executives will be primarily determined based upon the Corporation's present stage of development and its available financial resources. Individual circumstances, which may include the scope and the geographic location of a Named Executive's position, the Name Executive's relevant competencies or experience and retention risk, may also be taken into consideration. Base salary will be reviewed by the Compensation Committee each year in consultation with the Named Executive and may be adjusted as required based on the circumstances.

### ***Option-Based Awards***

Generally, it is expected that incentive stock options will be awarded to Named Executives at the commencement of employment and periodically thereafter. At the time of commencement of employment, option-based awards generally reflect industry comparables with companies at similar levels of development. During employment, options may be granted to reward Named Executives for their current performance, expected future performance and value to the Corporation, and take into account the number of options already held by the Named Executive and others.

Incentive stock options are granted to Named Executives pursuant to the Plan, the purpose of which is to advance the interests of the Corporation and its affiliates by encouraging the directors, officers, employees, and consultants of the Corporation to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, rewarding significant performance achievements and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of their affairs. The Plan will continue to be one of the Corporation's primary tools for attracting, motivating and retaining qualified employees, which is critical to the Corporation's success. For more information on the Plan, see "*Matters to be Voted on at the Meeting - Approval of Incentive Stock Option Plan*" on page 8 of this Circular.

### ***Perquisites***

The Corporation provides a limited number of perquisites to its employees and executives, including to its Named Executives, which do not account for a material portion of their overall compensation. No perquisites were granted in 2025 to any of the Named Executives.

**Directors and Named Executive Summary Compensation Table, Excluding Compensation Securities**

The following table sets forth information regarding compensation paid to members of the Board and the Named Executives for the Corporation's two (2) most recently completed financial years ended December 31, 2025 and December 31, 2024.

*Table of Compensation Excluding Compensation Securities*

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Loren Komperdo</b> , President, CEO and Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>David Felderhof</b> , CFO, Executive Vice President and Director	2025	24,000	Nil	Nil	Nil	Nil	24,000
	2024	31,605 <sup>(1)</sup>	Nil	Nil	Nil	Nil	31,605
<b>G. William Felderhof</b> , Director, Executive Chairman	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Clark</b> , Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>John F. (Ted) Grant</b> , Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Scott Rhodenizer</b> , Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Brian Arkell</b> <sup>(2)</sup> , Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Compensation of \$25,605 became payable to Mr. David Felderhof for services as Executive Vice President of the Corporation for the first quarter of 2024. See Employment Contracts for further details. In the fourth quarter, Mr. David Felderhof received compensation through consulting fees of \$6,000 for the quarter.
- (2) Mr. Brian Arkell was appointed director on December 18, 2024.

**Compensation Securities**

*Outstanding Option-Based Awards and Share-Based Awards*

The following table sets forth all compensation securities, specifically option-based awards, granted and issued to the members of the Board and Named Executives in the financial year ended December 31, 2025:

*Compensation Securities<sup>(1)</sup>*

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Loren Komperdo</b> , President, CEO and Director	Stock Options	550,000 (0.63%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>David Felderhof</b> , CFO, Executive Vice President, and Director	Stock Options	550,000 (0.63%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>G. William Felderhof</b> , Director, Executive Chairman	Stock Options	550,000 (0.63%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>John M. Clark</b> , Director	Stock Options	450,000 (0.52%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>John F. (Ted) Grant</b> , Director	Stock Options	300,000 (0.35%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>Scott Rhodenizer</b> , Director	Stock Options	300,000 (0.35%)	May 29, 2025	\$0.05	\$0.045	\$0.055	May 29, 2030
<b>Brian Arkell</b> , Director	Stock Options	300,000 (0.35%)	May 29, 2025	\$0.05	\$0.45	\$0.055	May 29, 2030

**Notes:**

- (1) Each stock option granted pursuant to the Plan is exercisable for one Common Share. The percentage of class represents the percentage of all outstanding options under the Plan.
- (2) As of December 31, 2025, each the directors and Named Executives held the following number of stock options: Loren Komperdo: 1,455,000; David Felderhof: 1,305,000; G. William Felderhof: 1,455,000; John Clark: 1,055,000; John (Ted) Grant: 575,000; Scott Rhodenizer: 830,000; and Brian Arkell: 700,000.

No members of the Board or Named Executives exercised compensation securities, specifically option-based awards, in the financial year ended December 31, 2025.

**Pension Plan Benefits**

The Corporation has no arrangements in place that provide for any form of pension plan benefits for Named Executives.

**Employment Contracts**

On March 1, 2016, and as amended effective May 1, 2018, the Corporation entered into an employment agreement (“**Agreement**”) with David Felderhof (“**Felderhof**”), in the capacity of Executive Vice President, subject to annual review by the Compensation Committee. Following a review by the Compensation Committee, the Agreement was amended to reflect a base salary of \$102,420 per year, effective January 1, 2023.

Felderhof may terminate the Agreement at any time upon providing ninety days advance written notice to the Corporation. Pursuant to the terms of the Agreement, the services of Felderhof may be terminated by the Corporation without cause at any time upon payment within thirty days of such termination a severance payment equal to one and one-half (1.5) times the base annual salary payable for the current fiscal year. Felderhof is not entitled to a payment if the Agreement is terminated for just cause. Upon a change of control,

either Felderhof or the Corporation may terminate the Agreement and Felderhof will be entitled to a severance payment equal to two (2) times the base annual salary payable for the current fiscal year.

In 2024, Felderhof and the Corporation agreed to temporarily pause the Agreement, which remains in a non-active status. While the Agreement is non-active, no wages in respect to the Agreement will accrue or become payable to Felderhof under the Agreement.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Plan is the sole equity compensation plan adopted by the Corporation. The following table sets out information as of December 31, 2025, with regard to outstanding options exercisable into Common Shares under the Plan.

#### **Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) (c)</b>
Incentive Stock Option Plan (approved by Shareholders)	7,825,000	\$0.11	866,169 <sup>(1)</sup>

**Notes:**

(1) This number equals 10% of the total issued and outstanding Common Shares on December 31, 2026 (which was 86,911,985) less the number of Common Shares reported under Column (a) above.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No current or former directors, executive officers or employees of the Corporation or any of its subsidiaries or proposed directors, or associates or affiliates of any of these persons, have been indebted to the Corporation or its subsidiaries, or indebted to another entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, at any time since the beginning of the Corporation's most recently completed financial year, other than "Routine Indebtedness" as that term is defined in applicable securities legislation.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the directors, executive officers or principal shareholders of the Corporation, or associates or affiliates of any of these persons, had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed transaction which, in either case, has materially affected or would materially affect the Corporation or its subsidiaries.

### **MANAGEMENT CONTRACTS**

No management functions of the Corporation are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## CORPORATE GOVERNANCE

The Corporation is required to include in its Circular disclosure of its corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). NI 58-101 has been adopted by the securities commissions or similar regulatory authorities across Canada (the "**Canadian Securities Administrators**").

The Board endorses the efforts of the Canadian Securities Administrators in continuing the evolution of good corporate governance practices. The Board is committed to adhering to the highest standards in all aspects of its activities. The Corporation believes that a strong Board and sound corporate governance practices are not only important to the direction and management of its business affairs but also enhance its overall performance. Furthermore, it believes that good corporate governance is essential to preserving the confidence of the Shareholders.

To support the Corporation's corporate governance practices, the Board has adopted committee charters as well as other mandates and policies, including: the charter of the Audit Committee (the "Audit Committee Charter"); the charter of the Compensation Committee (the "Compensation Committee Charter"); an anticorruption policy (the "Anticorruption Policy") and a whistleblower policy (the "Whistleblower Policy"), copies of which are available at <https://zephyrminerals.com/governance/>.

The corporate governance practices described below are subject to change as the Corporation evolves. Some of its practices are representative of its junior size, however the Board will remain sensitive to corporate governance issues and shall continuously seek to set up the necessary measures, control mechanisms and structures to ensure an effective discharge of its responsibilities without creating additional undue overhead costs and reducing the return on shareholders' equity.

### **Board of Directors**

The Board is currently comprised of seven (7) directors, namely, Brian Arkell, John M. Clark, David Felderhof, G. William Felderhof, John F. (Ted) Grant, Loren Komperdo, and Scott Rhodenizer.

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the corporation's board of directors, be reasonably expected to interfere with the exercise of the directors' independent judgment. In addition, certain individuals, by definition, are deemed to have a "material relationship" with the Corporation and therefore are deemed not to be independent. Messrs. John M. Clark, John F. (Ted) Grant, Scott Rhodenizer and Brian Arkell are considered independent of the Corporation. Messrs. William Felderhof, Loren Komperdo, and David Felderhof are not considered to be independent for the following reasons:

- (a) Mr. David Felderhof is Executive Vice President and CFO of the Corporation. William Felderhof is Executive Chairman of the Corporation;
- (b) Mr. William Felderhof is Executive Chairman of the Corporation;
- (c) Mr. Komperdo is President and CEO of the Corporation.

### **Directorships**

The following directors of the Corporation are currently serving as directors of other reporting issuers:

<b>Director</b>	<b>Name of Other Reporting Issuer</b>
John M. Clark	Russel Metals Inc. (TSX) Vista Gold Corp. (TSX, AMEX)

### **Board Meetings**

There were five (5) formal Board meetings during the year ended December 31, 2025. The attendance record of each director at such meetings was as follows:

<b>Director</b>	<b>Number of Meetings Attended/Number of Meetings when the Person was a Director</b>
David Felderhof	5/5
Loren Komperdo	5/5
John M. Clark	5/5
G. William Felderhof	5/5
Scott Rhodenizer	4/5
John F. (Ted) Grant	5/5
Brian Arkell	4/5

In addition, certain of the decisions of the Board of Directors since January 1, 2025, were passed by way of written consent following informal discussions among the directors and management of the Corporation.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, regarding the Corporation's properties and business plans and on the responsibilities of directors. New Board members are also given materials outlining the securities law obligations and restrictions on the Board and on the Corporation. Board meetings may also include presentations or briefings by the Corporation's management and employees to give the directors additional insight into the Corporation's business activities. The Corporation also ensures that directors are afforded an opportunity to meet with management to review the operations of the Corporation. Directors are encouraged to participate in the continuing professional education opportunities that their individual professions offer.

### **Ethical Business Conduct**

The Board supports ethical business practices. To date, the Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and, in particular, the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board has not formally adopted a written code of ethics, however the Board has adopted the Whistler Blower Policy and the Anticorruption Policy.

### **Nomination of Directors**

The Board does not have a formal process for identifying new candidates for Board nomination. When required, the Board collaborates with management to identify potential candidates and to consider their appropriateness for membership on the Board.

### **Compensation Committee**

The members of the Compensation Committee are John F. (Ted) Grant (Chair), John M. Clark, and Scott Rhodenizer, of whom all are considered independent. The Compensation Committee is responsible to recommend to the Board the compensation levels of the Corporation's officers. The Compensation Committee also administers the Corporation's Plan, including stock option grants to the directors and officers. In determining the compensation of the officers, the Compensation Committee evaluates their performance and monitors compensation to ensure that it is appropriate given the Corporation's level of activity, current stage of development and its available financial resources. Based upon this evaluation, the Compensation Committee makes recommendations to the Board with respect to each executive's compensation including, as appropriate, salary, bonus, incentive compensation and benefit plan. In addition, the Compensation Committee conducts an informal survey of comparable data in the mining industry, taking into account the size and level of activity of the corporation.

There were no formal meetings of the Compensation Committee held during the year ended December 31, 2025, as matters within the Committee's mandate were addressed by the Board as a whole. Subsequent to year-end, the Board dissolved the Compensation Committee and assumed responsibility for matters previously within its mandate.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

The charter of the Corporation's Audit Committee (the "**Audit Committee**") is attached to this Circular as Schedule C.

### **Composition of Audit Committee & Relevant Education and Experience**

The members of the Audit Committee are Messrs. John M. Clark (Chair), John F. (Ted) Grant and Scott Rhodenizer. All members are financially literate within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and all are considered independent of the Corporation within the meaning of NI 52-110. The education and experience of each Audit Committee member is described under the heading "*Matters to be Voted on at the Meeting - Election of Directors*" in this Circular.

Venture issuers such as the Corporation are exempt from the requirement to have an Audit Committee comprised solely of independent members.

There were four (4) formal Audit Committee meetings during the year ended December 31, 2025. The attendance record of each member at such meetings was as follows:

<b>Committee Member</b>	<b>Number of Meetings Attended/Number of Meetings when the Person was a Member</b>
John M. Clark	4/4
John F. (Ted) Grant	4/4
Scott Rhodenizer	3/4

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

### **Pre-Approval Policies and Procedures**

Pursuant to NI 52-110, the Audit Committee must approve in advance all non-audit services to be provided to the Corporation by the external auditor. The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. At no time since the commencement of the Corporation's most recently completed financial year has the Corporation retained the external auditor to provide any non-audit services to the Corporation.

### **External Auditor Service Fees**

The fees charged to the Corporation by its external auditor in each of the last two fiscal years are as follows:

	<b>Fiscal Year 2025</b>	<b>Fiscal Year 2024</b>
Audit Fees	\$25,000	\$17,000
Audit-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil

### **Other Exemptions**

The Corporation is relying upon exemptions contained in Section 6.1 of NI 52-110 in connection with the following:

1. Section 6.1 of NI 52-110 exempts the Corporation from the requirement to disclose information relating to the Audit Committee in an annual information form ("**AIF**") as the Corporation, like other venture issuers, is exempt from the requirement to file an AIF under Section 6.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*.
2. Section 6.1 of NI 52-110 exempts the Corporation from the requirements in Part 3 of NI 52-110 with regard to the composition of the Audit Committee, including the requirement that all members of the Committee must be independent.

### **Diversity for the Board and Executive Officers**

Effective April 26, 2021 the Corporation adopted a diversity policy which sets out the Corporation's approach to achieving and maintaining diversity on the Board and in executive officer positions (the "**Diversity Policy**"). While the Corporation believes that nominations to the Board and appointments to executive officer positions should be based on merit, the objectives of the Diversity Policy are to recognize that diversity will support balanced debate which, in turn, will enhance decision making. The Corporation recognizes "diversity" as any dimension that can be used to differentiate groups and people from one another including gender, age, ethnic origin, religion, disability and geographical backgrounds.

In accordance with the Diversity Policy, the Board will strive for inclusion of diverse groups, knowledge and viewpoints on the Board and in executive officer positions. In conjunction with its consideration of the qualifications and experience of potential directors and executive officers, as well as the skills, expertise, experience and independence which the Board requires to be effective, the Board will consider the level of diversity (including the representation of women, Indigenous peoples, persons with disabilities or members of visible minorities (collectively, "**members of designated groups**")) on the Board when identifying and nominating candidates for election or re-election to the Board, and will consider the level of diversity (including the representation of members of designated groups) in executive officer positions when the Board makes executive officer appointments. The Board will be responsible for recommending qualified persons for Board nominations and in doing so, it will consider the benefits of all aspects of diversity on the Board and develop recruitment protocols that seek to include diverse candidates, including proactively searching for diverse candidates in the recruitment process.

The Board has not adopted targets regarding members of designated groups on the Board or in executive officer positions at this time. Due to the small size of the Board and the management team, the Board believes that the qualifications and experience of proposed new directors or executive officers should remain the primary consideration in the selection process.

As of the date of this Circular, none (0%) of the directors or executive officers of the Corporation are members of designated groups.

### **PROPOSALS BY SHAREHOLDERS**

Pursuant to the *Canada Business Corporations Act* (the "**Act**"), resolutions intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the Act and be deposited at the Corporation's head office not earlier than December 21, 2026 and not later than February 19, 2027 in order to be included in the management information circular relating to the next annual meeting.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis ("**MD&A**") for its most recently completed financial year. To request copies of the Corporation's financial statements and MD&A, Shareholders should contact David Felderhof at Zephyr Minerals Ltd., 653 – 1475 Lower Water Street, Halifax, Nova Scotia, B3J 3Z2; or by e-mail at [info@zephyrminerals.com](mailto:info@zephyrminerals.com). The financial statements and MD&A are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

## APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS, as of the 21<sup>st</sup> day of April, 2026.

*(Signed) "David Felderhof"* \_\_\_\_\_

Chief Financial Officer

## SCHEDULE "A"

### ZEPHYR MINERALS LTD.

#### INCENTIVE STOCK OPTION PLAN

##### Article 1 - Purpose

1.1 The purpose of this Incentive Stock Option Plan ("**Plan**") of Zephyr Minerals Ltd. ("**Corporation**") is to advance the interests of the Corporation and its subsidiaries by encouraging the Directors, Officers, Employees, Consultants and Management Company Employees to acquire Shares in the Corporation thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, rewarding significant performance achievements and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates in the conduct of their affairs.

##### Article 2 - Defined Terms

2.1 The following terms used herein shall have the following meanings:

- (a) "**Affiliate**" means an affiliated entity to the Corporation as determined under the *Securities Act* (Ontario) as amended from time to time;
- (b) "**Black-Out Period**" means a time when pursuant to any policies of the Corporation any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (c) "**Board**" means the board of directors of the Corporation or, if established and duly authorized to act in respect of the Plan, a committee of the board of directors of the Corporation;
- (d) "**Business Day**" means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;
- (e) "**Consultant**" means an individual or Consultant Company, other than a Director, Officer, Employee or Management Company Employee that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or its Affiliates, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract with the Corporation or its Affiliates; and
  - (iii) spends or will spend a significant amount of time on the affairs and business of the Corporation or its Affiliates;
- (f) "**Consultant Company**" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

- (g) "**Corporation**" means Zephyr Minerals Ltd., a company incorporated under the laws of Canada, and any successor corporation;
- (h) "**Director**" means a director of the Corporation or any of its Affiliates;
- (i) "**Discounted Market Price**" shall have the meaning attributed thereto in Section 1.2 of the TSX-V Policy 1.1 - "Interpretation", as amended from time to time;
- (j) "**Eligible Person**" means any Director, Officer, Employee, Consultant or Management Company Employee of the Corporation or its Affiliates, or any other person or entity engaged to provide ongoing services to the Corporation or its Affiliates determined by the Board as eligible for participation in the Plan;
- (k) "**Employee**" means:
  - (i) an individual who is considered an employee of the Corporation or its Affiliates under the *Income Tax Act* (Canada);
  - (ii) an individual who works full-time for the Corporation or its Affiliates providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Corporation or its Affiliates on a continuing and regular basis for the minimum amount of one hour per week or otherwise as specified by the Board, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (l) "**Exchange**" means the TSX, the TSX-V or such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (m) "**Exchange Hold Period**" shall have the meaning attributed thereto in Section 1.2 of the TSX-V Policy 1.1 "Interpretation" as amended from time to time;
- (n) "**Fixed Term**" means the period of time during which the Options must be exercised pursuant to the terms of the Plan;
- (o) "**Insider**" means:
  - (i) a director or senior officer of the Corporation;
  - (ii) every director or senior officer of a company that is itself an insider of the Corporation;
  - (iii) every director or senior officer of an Affiliate of the Corporation if:

- A. such person, in the ordinary course, receives or has access to information as to material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed; or
  - B. the Affiliate is a Major Subsidiary of the Corporation; or
  - C. such person is an Insider of the Corporation in a capacity other than as a director or senior officer of the Affiliate; and
- (iv) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of voting rights attached to all outstanding voting securities of the Corporation; and
- (v) the Corporation itself if it holds any of its own securities;
- (p) "**Investor Relations Activities**" shall have the meaning attributed thereto in Section 1.2 of the TSX-V Policy 1.1 "Interpretation", as amended from time to time;
- (q) "**Major Subsidiary**" has the meaning attributed to such term under National Instrument 55-101 *Insider Reporting Exemptions*;
- (r) "**Management Company Employee**" means an individual employed by a person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation;
- (s) "**Market Price**" means the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the date on which the Option is approved by the Board. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- (t) "**Officer**" means a senior officer of the Corporation or its Affiliates;
- (u) "**Option**" means an option granted to purchase Shares under the terms of the Plan;
- (v) "**Option Price**" means the price per share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8 hereof;
- (w) "**Optionee**" means an Eligible Person to whom an Option has been granted under the terms of the Plan;
- (x) "**Plan**" means this incentive stock option plan;
- (y) "**Securities Laws**" shall have the meaning attributed thereto in Section 1.2 of the TSX-V Policy 1.1 – "Interpretation", as amended from time to time;
- (z) "**Shares**" means the common shares of the Corporation as currently constituted or, in the event of an adjustment as contemplated by Article 7, such other shares or securities to

which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

- (aa) "TSX" means the Toronto Stock Exchange;
- (bb) "TSX-V" means the TSX Venture Exchange; and

### **Article 3 - Administration of Plan**

3.1 The Plan shall be administered by the Board which shall have the power, subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (b) to interpret and construe the Plan and determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to determine to which Eligible Persons Options are granted and to grant Options;
- (d) to determine the number of Shares covered by each Option;
- (e) to determine the Option Prices;
- (f) to determine the time or times when Options will be granted and exercisable;
- (g) to determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

The power described in this Section 3.1 shall be exercised in accordance with applicable securities laws and rules and policies of the Exchange.

### **Article 4 - Shares Subject to the Plan**

4.1 Subject to adjustment as provided in Article 7, the Shares to be offered under the Plan shall consist of the Corporation's authorized but unissued Shares. The aggregate number of Shares to be delivered upon the exercise of all Options granted under the Plan shall not exceed the greater of ten percent (10%) of the issued and outstanding Shares at the time of granting of Options (on a non-diluted basis) or such other number as may be approved by the Exchange and the shareholders of the Corporation from time to time.

4.2 Under no circumstances shall this Plan, together with any other security-based compensation arrangements, result, at any time, in:

- (a) more than five percent (5%) of the issued and outstanding Shares of the Corporation (on a non-diluted basis) being granted to any one individual in any 12 month period, unless the Corporation has obtained disinterested shareholder approval; or

- (b) the number of Shares issuable to Insiders exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis); or
- (c) the issuance to Insiders, within a one-year period, of a number of Shares exceeding ten percent (10%) of the issued and outstanding Shares (on a non-diluted basis); or
- (d) the number of Shares issuable to any one consultant of the Corporation exceeding two percent (2%) of the issued and outstanding Shares (on a non-diluted basis); or
- (e) the number of Shares issuable to Employees conducting Investor Relations Activities exceeding two percent (2%) of the issued and outstanding Shares (on a non-diluted basis) in any 12 month period.

4.3 If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares subject thereto shall again be available for the purpose of the Plan.

### **Article 5 - Eligibility, Grant and Terms of Options**

5.1 Options may only be granted to Eligible Persons.

5.2 Options shall be for a Fixed Term and exercisable from time to time as determined in the discretion of the Board at the time of grant, provided that, subject to Section 5.3, no Option shall have a term exceeding ten (10) years (or such shorter or longer period as is permitted by the Exchange from time to time).

5.3 Except where not permitted by the Exchange, where a Fixed Term for an Option expires during a Black-Out Period, the term of such Option shall be extended to the date which is ten (10) Business Days following the end of such Black-Out Period.

5.4 Subject to this Article, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board; provided, however, if no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:

- (a) the Fixed Term shall be ten (10) years from the date the Option is granted to the Optionee or such shorter period as may be required by the Exchange from time to time;
- (b) the Option shall be exercisable in whole or in part at any time after the grant of the Option;
- (c) Options granted to Consultants performing Investor Relations Activities shall vest in stages with no more than  $\frac{1}{4}$  of the Options vesting in any three month period.

5.5 The Option Price shall in no circumstances be lower than the greater of: (i) the price permitted by the Exchange, and (ii) the price permitted by any other regulatory body having jurisdiction. The Option Price must be paid in cash.

5.6 Where the Option Price is based on the Discounted Market Price, all Options and any Shares issued upon exercise of the Options prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the Options were granted.

5.7 An Option is personal to the Optionee and is non-assignable and non-transferable. Where an Option is granted to a company wholly-owned by an Optionee, such company must agree, at the time of the grant, not to effect or permit any transfer of ownership of Options or shares of such company, nor issue any additional shares to any individual or entity for so long as Options remain outstanding to the credit of that company, except with the prior written consent of the Corporation, the Exchange and any other applicable regulatory authority.

5.8 Notwithstanding any provision contained in this Plan, no Optionee may exercise any Option granted under this Plan and no Shares may be issued upon exercise of an Option unless such exercise and issuance are in compliance with all applicable securities laws or other legislation of the jurisdiction of residence of such person. Unless the potential Optionee is a resident of Canada, the Corporation may require, as a condition of the grant of Options, that the potential Optionee provide a written acknowledgement that the grant of the Options does not violate any such laws.

5.9 By granting Options hereunder to an Employee, Consultant or Management Company Employee, the Corporation represents that the Optionee is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

#### **Article 6 - Ceasing to be an Eligible Person**

6.1 Subject to Section 6.2, Section 6.3 and any express resolution passed by the Board, an Option, and all rights to purchase Shares pursuant thereto, granted to an Eligible Person shall expire and terminate immediately upon the Optionee ceasing to be a Director, Officer, Employee, Consultant or Management Company Employee.

6.2 If, before the expiry of an Option in accordance with the terms thereof, the Optionee ceases to be an Eligible Person for any reason whatsoever other than termination by the Corporation for cause, but including termination by reason of death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised:

- (a) if the Optionee is deceased, by the heirs of the Optionee or by legal personal representative(s) of the estate of the Optionee at any time within twelve (12) months following the death of the Optionee; or
- (b) if he is alive, by the Optionee at any time within ninety (90) days following the date of the Optionee ceased to be an Eligible Person,

but, in any case, the exercise of the Option must be: (i) prior to the expiry of the Fixed Term of the Option in accordance with the terms thereof, and (ii) only to the extent that the Optionee was entitled to exercise such Option at the date he ceased to be an Eligible Person.

6.3 Options shall not be affected in the event the Optionee ceases to fall within a listed category contained in the definition of an "Eligible Person" hereunder where such Optionee continues to fall within another listed category of such definition.

6.4 If an Optionee who has ceased to be an Eligible Person again becomes an Eligible Person before the expiration of the applicable period referred to in Section 6.2(b), any of the Optionee's

unexercised Options shall continue to be exercisable under the same terms and conditions as though the Optionee never ceased to be an Eligible Person.

### **Article 7 - Certain Adjustments**

7.1 If a bona fide offer ("**Offer**") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Corporation within the meaning of subsection 1(3) of the *Securities Act* (Ontario) (as amended from time to time), then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof, whereupon, notwithstanding the terms of the Option, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer. If:

- (a) the Offer is not completed within the time specified therein; or
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) any of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof,

then the Optioned Shares or, in the case of paragraph (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option applicable prior to the Offer shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer.

7.2 If the Corporation amalgamates or merges with or into another company or enters into an arrangement or other business combination with another company, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, merger, arrangement or other business combination if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, merger, arrangement or other business combination and the Option Price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan. Any adjustment, other than in connection with a security consolidation or security split, are subject to prior approval of the Exchange.

7.3 If there is any change in the Shares through the declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Option Price shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. Any adjustment, other than in connection with a security consolidation or security split, are subject to prior approval of the Exchange.

7.4 The Corporation shall not be obligated to issue fractional shares in satisfaction of any of its obligations hereunder.

### **Article 8 - Exercise of Options**

8.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its principal office of a written notice of exercise addressed to the president of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price for the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

8.2 Notwithstanding any of the provisions contained in the Plan or any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of the Exchange or such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of Shares to listing on the Exchange; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain necessary shareholder, regulatory or stock exchange approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's contribution or Option Price paid to the Corporation shall be returned to the Optionee.

### **Article 9 - Amendment Procedure**

9.1 Where permissible, the Corporation retains the right to amend or terminate the terms and conditions of the Plan by resolution of the Board. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Exchange. Any amendment to the Plan shall take effect with respect to all outstanding Options on the date of, and all Options granted after, the effective date of such amendment, provided that in the event any amendment materially and adversely affects any outstanding Options, it may apply to such outstanding Options only with the mutual consent of the Corporation and the Optionees to whom such Options have been granted. The Board shall have the power and authority to approve amendments relating to the Plan or to Options, without further approval of the shareholders of the Corporation, to the extent that such amendments relate to:

- (a) altering, extending or accelerating the terms and conditions of vesting of any Options;
- (b) in accordance with applicable securities laws and rules and policies of the Exchange, amending the termination provisions of an Option, which amendment shall include determining that any provisions of Article 6 concerning the effect of the Optionee ceasing to be an Eligible Person shall not apply for any reason acceptable to the Board;

- (c) accelerating the expiry of the Fixed Term of any Option;
- (d) determining adjustments pursuant to Article 7 hereof;
- (e) amending or modifying the mechanics of exercise of the Options as set forth in Article 8, other than Net Exercise;
- (f) effecting amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Plan;
- (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the Exchange);
- (h) effecting amendments respecting the administration of the Plan; and
- (i) effecting amendments necessary to suspend or terminate the Plan.

9.2 Approval of the shareholders of the Corporation shall be required for the following types of amendments:

- (a) increasing the number of Shares issuable under the Plan, except such increase by operation of Section 4.1 and in the event of an adjustment contemplated by Article 7;
- (b) amending the Plan which amendment could result in the aggregate number of Shares of the Corporation issued to Insiders within any one year period under the Plan together with any other security-based compensation arrangement, or issuable to Insiders at any time under the Plan together with any other security-based compensation arrangement, exceeding 10% of the issued and outstanding Shares;
- (c) extending the Fixed Term of the Option; provided that in the event that the Corporation proposes to extend the Fixed Term of an Option granted to an Optionee who is an Insider at the time of the proposed amendment, such amendment shall not be effective until disinterested shareholder approval has been obtained in respect of the extended Fixed Term;
- (d) reducing the Option Price of the Option or cancelling the Option and replacing such Option with a lower Option Price under such replacement Option, except as permitted pursuant to Article 7; provided that in the event that the Corporation proposes to reduce the Option Price of an Option granted to an Optionee who is an Insider at the time of the proposed amendment, such amendment shall not be effective until disinterested shareholder approval has been obtained in respect of the reduction of Option Price.
- (e) amending the listed categories contained in the definition of "Eligible Persons" hereunder which would have the potential of broadening or increasing participation in the Plan by Insiders;
- (f) amending Section 9.1 hereof and this Section 9.2; and

- (g) making any amendments required to be approved by shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the Exchange).

Where required by the policies of the Exchange, the shareholder approval required by this Section 9.2 shall be by the majority vote of the shareholders of the Corporation excluding any votes cast by Insiders who are entitled to participate as Eligible Persons under the Plan or who will specifically benefit from the proposed amendment. In the event of any conflict between Sections 9.1 and this Section 9.2, the latter shall prevail to the extent of the conflict.

#### **Article 10 - General**

10.1 The holder of an Option shall not have any rights as a Shareholder of the Corporation with respect to any Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tender of payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the Corporation shall issue such Shares to the Optionee in accordance with the terms of the Plan in those circumstances.

10.2 Nothing contained in the Plan or any Option shall confer upon any Optionee any right with respect continuance as a Director, Officer, Employee, Consultant or Management Company Employee of the Corporation or its Affiliates, or interfere in any way with the right of the Corporation or its Affiliates to terminate the Optionee's employment at any time.

10.3 Nothing contained in the Plan or any Option shall confer on any Optionee who is not a Director, Officer, Employee, Consultant or Management Company Employee any right to continue providing ongoing services to the Corporation or its Affiliates or affect in any way the right of the Corporation or its Affiliates to determine to terminate his, her or its contract at any time.

10.4 The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

10.5 The Plan will be governed by and construed in accordance with the laws of Nova Scotia and the federal laws of Canada applicable therein.

10.6 If any provision of this Plan or any agreement entered into pursuant to this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

10.7 If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:

- (a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance;
- (b) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being

issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or

- (c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

**Article 11 - Shareholder and Regulatory Approval**

11.1 This Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance by the Exchange and any other relevant regulatory authority. Any Options granted hereunder prior to such approval and acceptance shall be conditional upon such approval and acceptance being given, and no such Options may be exercised unless and until such approval and acceptance is given.

## SCHEDULE "B"

### ZEPHYR MINERALS LTD.

#### AUDIT COMMITTEE CHARTER

##### 1.0 PURPOSE

- 1.1 The Audit Committee ("**Committee**") is a standing committee of the board of directors (the "**Board**") of Zephyr Minerals Ltd. ("**Zephyr**" or the "**Corporation**") charged with assisting the Board in fulfilling its responsibility to its shareholders and to the investment community. Its role is to serve as an independent and objective party to oversee Zephyr accounting and financial reporting processes, internal control system and external audits of its financial statements.

##### 2.0 COMMITTEE MEMBERSHIP

- 2.1 The Board shall annually appoint a minimum of three directors to the Committee the majority of whom shall be directors of Zephyr who are independent of management and free from any material relationship that, in the opinion of the Board, would interfere with the director's exercise of independent judgment as a member of the Committee.
- 2.2 Each member of the Committee must be financially literate, or if not financially literate at the time of his appointment, must become so within a reasonable period of time following his appointment.
- 2.3 Members of the Committee shall typically be appointed at the first meeting of the Board held following each annual meeting of the shareholders of Zephyr.
- 2.4 A member may resign or be removed from the Committee at any time and thereafter shall be replaced by the Board. A member of the Committee will automatically cease to be a member at such time as that individual ceases to be a director of Zephyr.

##### 3.0 CHAIR OF THE COMMITTEE

- 3.1 The Board shall in each year appoint a chair of the committee ("**Chair**") from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member to act as interim Chair.
- 3.2 The Chair shall be responsible to ensure the Committee meets regularly and performs its duties as set out herein, and to report to the Board of Directors on the activities of the Committee.

##### 4.0 AUDIT RESPONSIBILITIES

- 4.1 The Committee is responsible to:

###### *Financial Statement and Disclosure Matters*

- (a) review the annual audited financial statements, and shall report thereon to the Board;
- (b) review the interim unaudited financial statements and, if satisfactory, approve such interim unaudited financial statements;

- (c) satisfy itself that Zephyr's annual audited financial statements are fairly presented in accordance with applicable Canadian generally accepted accounting principles and recommend to the Board whether the annual financial statements should be approved and included in Zephyr's Annual Report;
- (d) satisfy itself that the information contained in the Corporation's quarterly financial statements, MD&A and any other financial publication or disclosure of financial information extracted or derived from the Corporation's financial statements, does not include any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading in light of the circumstances under which it was made;
- (e) review Zephyr's financial statements, MD&A and, if applicable, annual and interim earnings press releases referring to financial information before the information is publicly disclosed, and ensure that adequate procedures are in place for the review of any other public disclosure derived from Zephyr's financial statements;
- (f) discuss with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies;
- (g) review and discuss quarterly reports from the external auditor on:
  - (i) all critical accounting policies and practices to be used;
  - (ii) all alternative treatments of financial information within applicable Canadian generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and
  - (iii) other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;

***Oversight of the Corporation's External Auditors***

- (h) make recommendations to the Board regarding the selection and compensation of the external auditor to be put forth for appointment at each annual meeting of the Corporation;
- (i) satisfy itself that the external auditor reports directly to the Committee;
- (j) oversee the work of the external auditor engaged to prepare or issue an auditor's report or perform other audit, review or attest services for Zephyr, including the resolution of any disagreements between management and the external auditor regarding financial reporting;
- (k) obtain and review a report from the external auditor at least annually regarding:
  - (i) the external auditor's internal quality-control procedures;
  - (ii) any material issues raised by the most recent internal quality control review, or peer review, of the external audit firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

- (iii) any steps taken to deal with any such issues; and
- (iv) all relationships between the external auditor and Zephyr, including non-audit services;
- (l) evaluate the qualifications, performance and independence of the external auditor, including considering whether the external auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management, and to present its conclusions with respect to the external auditor to the Board;
- (m) satisfy itself of the rotation of the audit partners and consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis;
- (n) meet with the external auditor and financial management of Zephyr to review the scope of the proposed audit for the current year and the audit procedures to be used;
- (o) satisfy itself that the audit function has been effectively carried out and that any matter which the external auditor wishes to bring to the attention of the Board has been addressed and that there are no unresolved differences between management and the external auditor;
- (p) pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Corporation by its external auditor, subject to the *de minimis* exceptions for non-audit services described in Multilateral Instrument 52-110, section 2.4, which are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting;
- (q) review and approve Zephyr's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

#### ***Financial Reporting and Risk Management***

- (r) review the audit plan of the external auditor for the current year, and review advice from the external auditors relating to management and internal controls and the Corporation's responses to the suggestions made therein;
- (s) discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies;
- (t) satisfy itself that the Corporation has implemented appropriate systems of internal control over financial reporting, the safeguarding of the Corporation's assets and other "risk management" functions affecting the Corporation's assets, management and financial and business operations, and that these systems are operating effectively;

#### ***Compliance Oversight Responsibilities***

- (u) establish procedures for the receipt, retention and treatment of complaints received by Zephyr regarding accounting, internal accounting controls, or auditing matters;

- (v) establish procedures for the confidential, anonymous submission by employees of Zephyr of concerns regarding questionable accounting or auditing matters;
- (w) discuss with management and the external auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting policies;
- (x) discuss with the Corporation's general counsel or outside counsel, as appropriate, legal matters that may have a material impact on the financial statements, or the Corporation's compliance policies; and
- (y) satisfy itself that all regulatory compliance issues have been identified and addressed and identifying those that require further work.

4.2 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles applicable rules and regulations. These are the responsibilities of management and the external auditor.

## **5.0 GENERAL RESPONSIBILITIES**

5.1 The Committee shall:

- (a) make regular reports to the Board;
- (b) have the right, for the purpose of performing their duties:
  - (i) to inspect all the books and records of the Corporation and its subsidiaries;
  - (ii) to discuss such accounts and records and any matters relating to the financial position of the Corporation with the officers and auditor of the Corporation and its subsidiaries; and
  - (iii) to commission reports or supplemental information relating thereto;
- (c) permit the Board to refer to the Committee such matters and questions relating to the financial position of the Corporation and its affiliates or the reporting related thereto as the Board may from time to time see fit; and
- (d) perform any other activities consistent with this Charter, the Corporation's By-Laws and governing law, as the Committee or the Board deems necessary or appropriate.

## **6.0 MEETINGS**

6.1 The Chairman will appoint a secretary who will keep minutes of all meetings ("Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.

6.2 No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

- 6.3 The Committee shall meet often as it deems necessary to carry out its responsibilities but not less frequently than quarterly.
- 6.4 The time at which, and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the By-Laws of Zephyr or otherwise determined by resolution of the Board.
- 6.5 Meetings may be held in person, by teleconferencing or by videoconferencing.
- 6.6 Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.
- 6.7 Minutes of the Committee will be kept by the Secretary. The approved minutes of the Committee shall be circulated to the Board forthwith and shall be duly entered in the books of Zephyr.

## **7.0 ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS**

- 7.1 The Committee shall have full, free and unrestricted access to management and employees and to the relevant books and records of Zephyr.
- 7.2 The Committee may invite such other persons (e.g. the CEO, CFO, Controller) to its meetings, as it deems necessary.
- 7.3 The Committee shall have the authority to:
- (a) retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities;
  - (b) set and pay the compensation of any such advisors, at the expense of Zephyr; and
  - (c) to communicate directly with the internal and external auditor.
- 7.4 Any advisors retained shall report directly to the Committee.

## **8.0 REPORTING REQUIREMENTS**

- 8.1 The Committee shall make regular reports to the Board, through the Chair, following meetings of the Committee.

## **9.0 ANNUAL REVIEW AND ASSESSMENT**

- 9.1 The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 9.2 The Committee shall review its own performance annually and report to the Board.

## **10.0 REMUNERATION**

- 10.1 The members of the Committee shall be entitled to receive such remuneration for acting as a member of the Committee as the Board may from time to time determine.