**FORM 51-102F3**
**MATERIAL CHANGE REPORT**

**Item One – Name and Address of Company**

Zephyr Minerals Ltd.
1300 – 1959 Upper Water Street
Purdy's Wharf Tower 1
Halifax, Nova Scotia B3J 3N2

**Item Two - Date of Material Change**

December 14, 2016

**Item Three - News Release**

The news release was issued in Halifax, Nova Scotia on December 14, 2016 via CNW and filed on SEDAR (www.SEDAR.com). See Schedule "A" attached hereto for a copy of the news release.

**Item Four - Summary of Material Change**

On December 14, 2016, Zephyr Minerals Ltd. (TSXV: ZFR) ("**Zephyr**" or the "**Company**") announced the closing of a tranche of the previously announced private placement and that it issued 661,300 units at a price of $0.32 per unit for aggregate gross proceeds of $211,616.

**Item Five - Full Description of Material Change**

Please see Schedule "A" attached hereto for a copy of the news release.

**Item Six – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

**Item Seven - Omitted Information**

None.

**Item Eight - Executive Officer**

For further information, please contact:
David Felderhof
Vice President
Phone (902) 446-4189; Fax (866) 941-4715

**Item Nine – Date of Report**

December 29, 2016

SCHEDULE "A"
**NEWS RELEASE**

**Zephyr Minerals Ltd**

Suite 1300, 1959 Upper Water St. · Purdy's Wharf Tower 1

Trading Symbol: TSX-V: ZFR
Shares Outstanding: 34,057,261

News Release No. 12-16
December 14, 2016

NEWS RELEASE

**ZEPHYR CLOSES TRANCHE OF PRIVATE PLACEMENT**

December 14, 2016 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. ("**Zephyr**" or the "**Company**") (TSX-V: ZFR) is pleased to announce the closing of a tranche of the previously announced private placement and that it issued 661,300 units at a price of $0.32 per unit for aggregate gross proceeds of $211,616. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.38 per common share at any time on or before December 14, 2017. Several additional parties have expressed interest in participating in the private placement and the Company may consider closing a second tranche subject to timing.

Net proceeds from the funds raised will be used to advance the Dawson Gold Project and for general working capital purposes. The private placement remains subject to compliance with the requirements of the TSX Venture Exchange.

In connection with the closing, the Company paid a cash finder's fees of $4,649.12 and issued 15,929 finder's warrants to Lissa Menyhart; and a cash finder's fee of $448 and issued 1,400 finder's warrants to Curtis Gibbons. Each finder's fee warrant entitles the holder to acquire one common share of the Company at $0.38 per share at any time on or before June 14, 2018.

All securities issued in connection with the private placement, including the shares and warrants comprising the units and the finder's warrants, are subject to a four-month hold period that expires on April 15, 2017.

## About Zephyr Minerals Ltd.

Zephyr Minerals Ltd. is a gold exploration and development company focused on advancing its flagship intrusion related shear hosted high grade Dawson Gold Project in Colorado, USA. Zephyr is conducting engineering and development studies along with additional exploration with a goal of completing a PEA as part of its efforts to advance the Dawson Project with the ultimate goal of production.

## For further information:

David Felderhof, Executive Vice President
or
Sean Tufford, VP Corporate Development
T: 902 446-4189 - F: 866 941-4715

To be included in the Zephyr email database for Company updates please contact info@zephyrminerals.com. You can also visit our website, www.zephyrminerals.com, or find us on Facebook for more information.

***CAUTIONARY STATEMENT:***

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This press release contains forward-looking statements. More particularly, this press release contains statements concerning the use of funds from the private placement.*

*The forward-looking statements contained in this document are based on certain key expectations and assumptions made by the Company, including, with respect to the use of funds from the private placement, expectations and assumptions concerning timing of receipt of required regulatory approvals and third party consents and the satisfaction of other conditions to the completion of the exploration work on the Dawson Gold Property.*

*The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*