Unaudited Condensed Consolidated Interim Financial Statements

Three Months ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

Notice of disclosure of non-auditor review of condensed consolidated interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying condensed consolidated interim financial statements of the Company for the period ended March 31, 2025, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed consolidated interim financial statements.

ZEPHYR MINERALS LTD.

Unaudited Condensed Consolidated Statements of Financial Position
As at March 31, 2025 and December 31, 2024

		March 31, 2025		December 31, 2024
Assets				
Current				
Cash and cash equivalents	$	44,838	$	95,729
Accounts receivable (note 3)		12,642		8,315
Prepaid expenses and deposits		5,000		7,500
		62,480		111,544
Reclamation bonds (note 4)		105,576		105,671
Exploration and evaluation assets (note 5)		5,127,939		5,118727
	$	5,295,995	$	5,335,942
Liabilities				
Current				
Accounts payable and accrued liabilities (notes 6, 9)	$	66,070	$	70,370
Non-Current				
Reclamation obligation (note 7)		105,576		105,671
Promissory note (notes 7, 9)		25,605		25,605
		197,251		201,646
Shareholders' Equity				
Share Capital (note 8)	$	10,618,600		10,618,600
Reserves (note 8)		2,793,505		2,793,505
Deficit		(8,313,361)		(8,277,809)
		5,098,744		5,134,296
	$	5,295,995	$	5,335,942

Basis of presentation and going concern – note 2

Approved by the Board of Directors

Signed "*Loren Komperdo*", Director

Signed "*David Felderhof*", Director

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

ZEPHYR MINERALS LTD.

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
For the Three Months Ended March 31

		2025		2024
Operating Expenses				
Filing fees	$	5,804	$	6,161
Foreign exchange loss (gain)		324		(127)
Investor relations		6,125		9,110
Professional fees		7,216		6,195
General and administrative		4,086		3,548
Rent		3,255		1,818
Travel		-		8,862
Exploration		-		1,994
Transfer agent		2,742		2,488
Wages and consulting fees		6,000		28,835
Net Loss and Comprehensive Loss for Period	$	(35,552)	$	(68,884)
Loss Per Share – Basic		(0.000)		(0.001)
Weighted Average Number of Common Shares Outstanding – Basic Diluted		79,086,985		75,086,985

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

ZEPHYR MINERALS LTD.

Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31

		2025		2024
Operating Activities				
Net loss	$	(35,552)	$	(68,884)
Items not requiring an outlay of cash				
Share based payments		-		-
Net changes in non-cash working capital items				
Accounts receivable		(4,327)		6,093
Prepaid expenses		2,500		5,986
Accounts payable and accrued liabilities		(4,300)		29,832
Cash Used in Operating Activities		(41,679)		(26,973)
Investing Activities				
Expenditures on exploration and evaluation assets		(9,212)		(5,463)
Cash Used for Investing Activities		(9,212)		(5,463)
Financing Activities				
Issue of common shares net of share issue costs		-		-
Cash Provided by Financing Activities		-		-
Net Change in Cash and Cash Equivalents for the Period		(50,891)		(32,436)
Cash and Cash Equivalents, Beginning of Period		95,729		116,800
Cash and Cash Equivalents, End of Period	$	44,838	$	84,364
Non-cash financing and investing activities:				
Cash paid for interest	$	-	$	-
Cash paid for income taxes	$	-	$	-
Value of brokers warrants issued	$	-	$	-
Reclamation accrual	$	-	$	-

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

ZEPHYR MINERALS LTD.

Unaudited Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
For the Three Months Ended March 31, 2025

	Number of shares	Share capital	Reserves	Deficit	Total
		$	$	$	$
January 1, 2024	75,086,985	10,500,024	2,716,079	(8,102,521)	5,113,582
Share based payments	-	-	6,400	-	6,400
Shares issued in private placement	4,000,000	127,551	72,449	-	200,000
Share issue costs	-	(8,975)	(1,423)	-	(10,398)
Loss for year	-	-	-	(175,288)	(175,288)
December 31, 2024	79,086,985	10,618,600	2,793,505	(8,277,809)	5,134,296
Loss for period	-	-	-	(35,552)	(35,552)
March 31, 2025	79,086,985	10,618,600	2,793,505	(8,313,361)	5,098,744

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

1. NATURE OF OPERATIONS

Zephyr Minerals Ltd. and its wholly owned subsidiaries, Zephyr Gold USA Ltd., and Sutter Mining (Private) Limited (collectively, the "Company") is an exploration stage mining company. The Company is incorporated in Canada and is based in Nova Scotia, Canada. The Company's head office is located at 653 – 1475 Lower Water St., Halifax, Nova Scotia Canada B3J 3Z2.

The Company is a publicly listed company continued under the Canada Business Companies Act with limited liability under the laws of Canada. The Company's shares trade on the Toronto Stock Venture Exchange ("TSX-V").

2. BASIS OF PRESENTATION & GOING CONCERN

Statement of Compliance

These condensed consolidated financial statements, including comparatives, have been prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2024. These condensed consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements have been set out in the Company's consolidated financial statements for the year ended December 31, 2024. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024 which are filed at www.sedarplus.ca

Approval of the financial statements

These consolidated financial statements were approved and authorized for issue by the Audit Committee and Board of Directors of the Company on May 28, 2025.

Basis of presentation

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3(i) of the Company's December 31, 2024 financial statements.

Going Concern

As at March 31, 2025, the Company has cash of $44,838, working capital deficiency of $3,590, shareholders' equity of $5,098,744 and an accumulated deficit of $8,313,361. The Company's financial statements as at March 31, 2025 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

The Company incurred a loss of $35,552 for the 3 month period ended March 31, 2025, and has no operations at this time which will generate revenue. The Company does not have sufficient working capital to fund all of the company's planned expenditures. In order to alleviate the situation, the Company intends to raise additional capital. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. If the Company is unable to raise additional capital in the future, the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These material uncertainties may cast significant doubt on the company's ability to continue as a going concern.

3. ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024
HST receivable	$ 12,642	$ 8,315

4. RECLAMATION BONDS

The Colorado Department of Reclamation, Mining and Safety, and the Colorado Bureau of Land Management hold bonds for estimated rehabilitation costs as noted below:

	March 31, 2025	December 31, 2024
Long term bonds related to project reclamations		
Balance at beginning of period	$ 105,671	$ 99,121
Foreign currency movement	(95)	6,550
Balance at end of period	105,576	105,671
(as stated in US$)	US$ $73,439	US$ 73,439

These funds are restricted for use as indicated in Note 7 and will be held until the project has been rehabilitated.

5. EXPLORATION AND EVALUATION ASSETS

	USA Dawson	Zimbabwe MAP Gold	Total
As at December 31, 2023	$ 5,026,276	$ 14,042	$ 5,040,318
Additions	78,409	-	78,409
As at December 31, 2024	$ 5,104,685	$ 14,042	$ 5,118,727
Additions	9,212	-	9,212
As at March 31, 2025	$ 5,113,897	$ 14,042	$ 5,127,939

USA

The Dawson property comprises 57 contiguous unpatented lode mining claims, eight patented lode mining claims and two patented placer claims located in Colorado. The Company holds a 100% interest in the unpatented claims, a 100% interest in the Judith Placer claim, 50% interest in the eight patented claims, and a 50% interest in one patented placer claim, which constitute Dawson.

The 50% of the eight patented lode mining claims not held by the Company is leased by the Company through a "Mining Lease and Agreement" which effectively gives the Company 100% control of these claims. Twenty-one of the 51 unpatented claims, the eight patented lode mining claims, and the 50% interest in the one patented placer claim are subject to a sliding scale Net Smelter Return ("NSR") whereby the Company agrees to pay up to a 3% NSR as contemplated in the Mining Lease and Agreement.

The Company is currently required to make annual advance royalty payments in terms of its Mining Lease and Agreement in the amount of US$ 25,000 per year. These advance royalties can be applied in the future to reduce the actual production royalty expense incurred. The Company paid and recorded the 2025 obligation in fiscal 2024, and the 2024 obligation in fiscal 2023. To date, advance royalty payments total US$604,000 which can be so applied. The Company USA is also obliged to make a payment of US$90,000 in the event of embarking on an underground program.

Zimbabwe

In 2021 the Company launched a wholly owned subsidiary, Sutter Mining (Private) Limited ("Sutter"), in Zimbabwe, which is scouting out prospective gold properties in that country. In 2021 two applications for Exclusive Prospecting Orders ("EPO") over areas prospective for gold mineralization were lodged with the Zimbabwe Ministry of Mines and Mine Development and have been processed by that agency. Both applications remain outstanding as at the date of this report and are awaiting approval by the President of Zimbabwe.

On February 7, 2023, the Company entered into an option agreement to acquire up to an 80% interest in the MAP Gold property from an arm's length citizen of Zimbabwe. Under the terms of the option agreement, the Company can acquire 75% of MAP Gold by paying US$165,000 over two years as well as certain cash payments based on the quantity of gold discovered. In addition, in the event a mine is built, the Company will pay the optionor US$ 250,000 upon declaration of commercial production. At the Company's discretion, it has the right to buy 20% of the optionor's 25% interest, hereby increasing the Company's interest in the property to 80%. The optionor is permitted to continue small scale mining within prescribed parameters from areas currently being mined until the Company makes a decision to transfer the claims into a new operating company,

owned as to the Company 75% (with option to go to 80%) and the optionor 25% (potentially decreased to 20%).

Certain conditions need to be met before exploration can begin including acquiring four additional claims which are included in the agreement. These conditions remain outstanding, and as a result no exploration work has been conducted on this property. Efforts continue to resolve this final issue prior to commencing exploration on the property.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2025	December 31, 2024
Trade payables	$ 47,489	$ 39,632
Accrued liabilities	18,581	30,738
	$ 66,070	$ 70,370

7. RECLAMATION OBLIGATION

At Dawson, the Company recognizes a rehabilitation provision where it has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. At March 31, 2025 the Company has recognized an environmental rehabilitation obligation in the amount of $105,576 (US$73,439) to rehabilitate work the Company has done to advance exploration on the Dawson property. This amount has been capitalized by increasing the carrying amount of its exploration and evaluation assets. At present the timing of the obligation is unknown and will depend primarily on the results of its future exploration program. As such the full amount of the estimated liability has been recognized and has not been discounted. Changes in the estimated timing of rehabilitation or changes to the estimated future costs will be dealt with prospectively by recognizing an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates. The Company assesses its rehabilitation provision on an annual basis. Actual reclamation costs, when incurred, will be charged against the provision. As noted in Note 4, the Company has $105,576 (US$73,439) in bonds held to cover the reclamation obligation.

8. SHARE CAPITAL

Authorized capital consists of an unlimited number of common shares.

Issuance of common shares issued in 2025

There were no common shares issued in the first quarter of 2025.

Issuances of common shares in 2024

On May 31, 2024, the Company completed a private placement through the issuance of 4,000,000 units at a price of $0.05 per unit raising $200,000. Each unit consists of one common share and one whole common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.08 per share for a period of thirty-six months from the closing date. The Company used the related fair value approach to allocate $72,449 of consideration to the warrants. In determining the value of the warrants, the fair

value of the warrants issued were estimated using a Black-Scholes pricing model with the following weighted average assumptions used.

Risk-free interest rate	4.04%
Expected dividend yield	0.00%
Expected stock price volatility	98.00%
Expected life of warrants	3.0 years
Grant date fair value of warrant	$0.034

The Company incurred share issuance cost of $10,398 and issued 131,250 finder's fee warrants with a fair value of $3,675. Each finder's fee warrant is exercisable into one common share of the Company at $0.08 per share for thirty- six months from the closing date. The finder's fee warrants were recorded at their fair value at time of issuance. The terms and assumptions used were the same as those for the warrants above.

Of the total share issuance costs, $8,975 was allocated to share capital with the balance allocated to warrants.

Warrants

There were no warrants issued in the first quarter of 2025. A summary of the change in warrants for the periods ended March 31, 2025 and December 31, 2024 is provided below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Years to Expiry
At January 1, 2024	4,189,700	0.13	0.60
Issued	4,131,250	0.08	
Expired	(4,189,700)	0.13	
At December 31, 2024	4,131,250	0.08	2.41
At March 31, 2025	4,131,250	0.08	2.17

Share-based compensation plan

The Company has an incentive share-based compensation plan (the "Plan") which permits the Board of Directors to grant stock option to directors, officers, employees and consultants. The total number of options issued at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approval are obtained. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSXV at the time of the grant. Options granted under the Plan have a maximum term of ten years. There were no stock options granted in the first quarter of 2025.

On December 18, 2024 the Company granted stock options to a newly appointed director to purchase 400,000 common shares of the Company. The exercise price of the stock options is $0.05 per share and the options expire five years from the date of grant.

In determining the share-based payments expense the fair value of the options issued were estimated using a Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.04%
Expected dividend yield	0.00%
Expected stock price volatility	99.90%
Expected life of options	5 years
Fair value at grant date	$0.016

A summary of the change in stock options for the periods ended March 31, 2025 and December 31, 2024 is provided below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Years to Expiry
At January 1, 2024	6,900,000	0.19	2.3
Issued	400,000		
Expired	(1,600,000)	0.11	
At December 31, 2024	5,700,000	0.17	1.9
At March 31, 2025	5,700,000	0.17	1.6

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Board of Directors and corporate officers. Included in accounts payable and accrued liabilities is $30,711 (2024 - $51,367) due to parties related to officers and directors.

The remuneration of directors and other members of key management personnel during the periods ended March 31, 2025 and 2024 were as follows:

	2025	2024
Salaries and consulting fees	$ 6,000	$ 25,605
Share-based payments	-	-
	$ 6,000	$ 25,605

The CFO has agreed to a long-term deferral of fees for the first quarter of 2024, in the amount of $25,605, by way of a promissory note. The promissory note is non-interest bearing and unsecured with a repayment date of December 1, 2026, or such other date as agreed to by the CFO and the Company. During the period, the Company paid rent of $3,255 (2024-$1,500) to the CFO.

10. FINANCIAL ISTRUMENTS

The Company has designated its cash as amortized cost; accounts receivable, promissory note, and accounts payable and accrued liabilities are carried at amortized cost.

Management of capital risk

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company considers capital to be cash and cash equivalents. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds will be required to finance the Company's Exploration and Evaluation Assets. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Fair value

The book value of cash and cash equivalents and accounts payable and accrued liabilities all approximate their fair values at the balance sheet dates, due to the relative short-term maturity of the instruments.

Credit risk

The Company is exposed to credit risk with respect to its cash and accounts receivable. The credit risk associated with cash is minimal as cash has been placed with a major Canadian financial institution with strong investment-grade ratings by a primary ratings agency. The Company is not exposed to significant credit risk with respect to accounts receivable, as the entire amount due is from a government agency.

Liquidity risk

The Company's approach to managing liquidity risk is to arrange equity financings in a timely manner so as to ensure that it will have sufficient liquidity to meet liabilities when due. There is no guarantee that the Company will be able to arrange future financing or that the terms of any such financing will be advantageous. As at March 31, 2025, the Company had a cash balance of $44,838 to settle current liabilities of $66,070. All of the Company's financial liabilities, other than the interest free promissory note due in December 2026, have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in the Company’s liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, foreign currency risk and other price risk.

(a) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(b) Foreign currency rate risk
Although the Company's principal exploration asset is based in the United States of America, the low annual maintenance costs have led the Company to conclude that it does not believe it is exposed to any significant foreign currency risk at the present time.

(c) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
Level 3 - Inputs that are not based on observable market date.

11. SEGMENTED INFORMATION

The company operates in one segment being the exploration and evaluation of mineral properties. The company's non-current assets as at March 31, 2025 and December 31, 2024 were located in geographical regions as follows:

March 31, 2025	**USA**	**Zimbabwe**	**Total**
Exploration and Evaluation Assets	$ 5,113,897	$ 14,042	$ 5,127,939
Reclamation Bond	105,576	-	105,576
Total	$ 5,219,473	$ 14,042	$ 5,233,515

December 31, 2024	**USA**	**Zimbabwe**	**Total**
Exploration and Evaluation Assets	$ 5,104,685	$ 14,042	$ 5,118,727
Reclamation Bond	105,671	-	105,671
Total	$ 5,210,356	$ 14,042	$ 5,224,398