



Zephyr Minerals Ltd

Suite 1300, 1959 Upper Water St. · Purdy's Wharf Tower 1 · Halifax · Nova Scotia · B3J 3N2 · Canada

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NEWS RELEASE

ZEPHYR MINERALS PROVIDES UPDATE ON DAWSON GOLD PROJECT, COLORADO, USA

February 23, 2016, Halifax, Nova Scotia - Zephyr Minerals Ltd. ("Zephyr" or the "Company") (TSX-V: ZFR) is pleased to announce that with funds in place following a financing for gross proceeds of \$1.35 million, (News Release November 19, 2015), it has begun exploration on the Windy Gulch area of the Dawson gold project, Colorado, U.S.A. as well as initiated studies in preparation for a Preliminary Economic Assessment ("PEA") of the project.

A road building and trenching program commenced this week to further assess the near surface gold potential of the Windy Gulch area. The Windy Gulch area is a high priority target that has the potential to generate easily accessible, near surface gold resources in addition to the current Windy Gulch inferred mineral resource of 49,000 tonnes grading 10.17 g/t (grams per tonne) gold that was prepared in accordance with Ni 43-101 (News Release June 2013). Gold mineralization at surface in the Windy Gulch area is open to the east of a trench completed by Zephyr in 2013 that shows 11.9 m (true width) grading 7.6 g/t gold (39.0 ft. @ 0.22 oz./ton) (News Release May 30, 2013). The new trenching program will test the continuity of this mineralization at a location approximately 50 m (160 ft.) east of the 2013 trench. New roads will be constructed to access drill pads for future drilling to test the continuity of gold mineralization to the east and at depth of drill holes WG-13-08 and WG-13-09 completed by Zephyr in 2013 and that remain open in this direction. WG-13-08 intercepted 14.4 m grading 4.5 g/t gold (47.2 ft. @ 0.13 oz./ton) including 7.1 m grading 7.9 g/t (23.3 ft. @ 0.23 oz./ton) and WG-13-09 intercepted 13.7 m grading 3.4 g/t (44.9 ft. @ 0.10 oz./ton) (News Release May 30, 2013).

Results for channel samples collected by U.S. Borax in 1984 and Jascan Resources U.S.A (Jascan) in 1988 demonstrate the near surface gold potential present at the Copper King and Sentinel areas located approximately 300m and 750m, respectively, to the east of the Windy Gulch area. Jascan collected 37 channel samples at the Copper King area that returned gold results ranging from null values to 7.7 g/t/1.2m (true width). Additional channel sample gold highlights include 5.7g/t/2.9m, 2.3g/t/1.1m, 2.0g/t/0.6m, 1.5 g/t/0.6m and 1.1g/t/4.9m (all true widths). Jascan collected 17 channel samples at the Sentinel area returning gold results ranging from null values to 1.5g/t/0.9m (true width). In 1984 US Borax collected 21 channel samples at the Sentinel area returning gold results ranging from null values to 3.3g/t/0.9m, highlighted by 6 continuous channel samples that have a length-weighted average gold grade of 2.0g/t/5.2m (all true widths). Mercator has validated these sampling results against historic reporting and considers them relevant with respect to Zephyr's current assessment of exploration potential in the Copper King and Sentinel areas.

A review of the highly prospective Windy Point area, located immediately west of Windy Gulch area, is currently ongoing with the objective of targeting drill holes and trenching for future exploration. Historic (1980's) mapping and sampling and a first phase drilling program completed by Uranerz U.S.A. Ltd. ("UUS") in 1990 supported a "preliminary" resource estimate completed by that company of 15,800 oz. gold (40,000 t @ 12.3 g/t gold - uncut) for their 1990 Annual Report of the Dawson Project, dated March 1991. The "preliminary" resource estimate is historic in nature and was not subject to resource categorization. A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources and Zephyr is not treating the historical estimate as current mineral resources. The company considers this historic estimate to be currently relevant in that it identifies an area that clearly requires additional detailed assessment.

UUS drilled a total of 15 short diamond drill holes ranging in length between 51.8 m (170 ft.) and 82.9 m (272.0 ft.), 7 of which intersected significant gold mineralization, and collected 88 channel samples from approximately 600m of trenching. No follow-up drilling or trenching has been conducted since this 1990 drill program. Highlights of the 1990 drill and trenching program are presented in Table 1 and collar locations of relevant drill holes are presented in Table 2. Mercator has validated these sampling results against historic reporting and considers them relevant with respect to Zephyr's current assessment of gold grade distribution and exploration potential in the UUS Windy Point area.

Table 1: Gold Highlights from the 1990 UUS Windy Point Drill and Trenching Program

Drill Hole ID/ Channel Sample	From ft.	To ft.	Intercept*		Uncut Gold	
			ft.*	m*	*opt	g/t
DWP-9001	125	130	5.0	1.5	0.14	4.9
DWP-9002	71	76	5.0	1.5	0.05	1.7
and	101	121	20.0	6.1	0.26	9.0
including	101	106	5.0	1.5	1.02	34.8
DWP-9003	61	81	20.0	6.1	0.44	15.0
including	66	71	5.0	1.5	1.68	57.5
and	101	116	15.0	4.6	0.05	1.8
DWP-9004	6	17	11.0	3.4	0.20	6.8
RYG-R-698/699*			7.6	2.3	0.90	30.7
RYG-R-700*			2.2	0.7	0.34	11.7
DWP-9007	24	83	59.0	18.0	0.12	4.0
including	24	26	2.0	0.6	2.02	69.2
DWP-9013	0	3	3.0	0.9	0.16	5.6
RYG-R-558/559			6.0	1.8	0.34	11.5

* 1) Intercepts lengths are downhole lengths for drill holes and true widths for channel samples

2) Channel samples RYG-R-698 to 700 were taken adjacent to drill collar DWP-9004

3) Channel samples RYG-R-558 to 559 were taken adjacent to drill collar DWP-9013

4) Opt denotes Troy ounces per ton; g/t denotes grams/tonne

Table 2: Relevant Drill Hole Collars from the 1990 UUS Windy Point Drill Program

Hole ID	Line*	Station*	Azimuth	Dip	Hole depth ft.	Elevation ft.
DWP-9001	45930	44595	vertical		200.5	7325
DWP-9002	45930	44595	335°	-75°	272.0	7325
DWP-9003	46025	44620	335°	-75°	202.0	7275
DWP-9004	46095	44620	vertical		200.0	7225
DWP-9007	45845	44585	vertical		265.0	7360
DWP-9008	45825	44525	vertical		196.0	7380
DWP-9013	45975	44650	335°	-75°	195.0	7290

* Lines and Stations in feet

Loren Komperdo, President and CEO stated: “We are pleased with the progress we are making in advancing Dawson and remain confident of achieving our objective of completing a Preliminary Economic Assessment in Q3-2016”.

Peter Webster, P.Geo., of Mercator Geological Services Ltd., is a Qualified Person as defined under National Instrument 43-101 and has reviewed the scientific and technical information in this news release.

About Zephyr Minerals Ltd.

Zephyr Minerals Ltd. is a gold exploration and development company focused on advancing its flagship high grade Dawson Gold Project in Colorado, USA. Zephyr has commenced engineering and development studies with a goal of completing a Preliminary Economic Assessment (PEA) as part of its efforts to advance the Dawson Project with the ultimate goal of production.

For further information:

David Felderhof, Director and Executive VP

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 sean@zephyrminerals.com, or visit our website www.zephyrminerals.com for more information.

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