



Zephyr Minerals Ltd

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ZEPHYR PROVIDES UPDATE ON DAWSON GOLD PROJECT, COLORADO

January 9, 2018 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. (“Zephyr” or the “Company”) (TSX-V: ZFR) (OTC: ZPHYF) is pleased to report that a geological mapping, trenching and channel sampling program has recently been completed with a focus on identifying additional drill targets and confirming the continuation of the Dawson gold bearing structure in both east and west directions. The geological mapping program combined with a strong, geophysical magnetic low signature was successful in indicating that the gold mineralized Dawson Shear Structure at the Sentinel Zone continues for a minimum of 300 m to the east of the Dawson Zone and remains open. The Sentinel Zone geology has all the attributes for the continuation of the high grade gold resource directly to the west in the Dawson Zone. Sentinel has never been drilled. Analytical results for channel samples collected at Windy Point, Windy Gulch and Sentinel are expected by the end of January 2018.

The strong magnetic low at Sentinel is the easterly continuation of the magnetic anomaly coincident with the Dawson Zone which hosts the principal gold resource on the Dawson Property (See News Release No. 02-17). Trenching and geological mapping has confirmed the presence of a thick (20 to 25 m) interval of the favourable biotite aplite unit which is the principal gold host at the Dawson Zone. Both the magnetic anomaly and the biotite aplite unit are open to the east. This area is viewed as having high potential to contain significant additional gold mineralization on the Dawson Property and will be drilled in the next drill campaign.

Important findings were also made in the western portion of the property where geological mapping suggests the Dawson Shear Structure is continuous between the Windy Gulch Zone and the Windy Point Zone, and not fault offset as had been previously believed. In addition, the gold mineralization discovered in shallow historic drill holes at the Windy Point Zone was determined to be hosted in a north-northwest striking cross-cutting structure (the “North Structure”), distinct from the east - west Dawson Shear Structure (See Table 1 with highlights of historic drill results at Windy Point). This is potentially an important new development as the intersection of the newly recognized North Structure with the Dawson Shear Structure represents a highly attractive drill target given that both structures are gold mineralized. It is anticipated this target will also be drilled in the next drill program along with a host of additional drill targets along the entire strike length of the Dawson Shear Structure on the Dawson Property.

Table 1 – Highlights of a historic drill program by Uranerz USA Inc. in 1990

Drill Hole ID	From (m)	To (m)	Intercept (m)*	Gold (g/t)
DWP-9002	30.8	36.9	6.1	9.0
including	30.8	32.3	1.5	34.8

DWP-9003	18.6	24.7	6.1	15.0
including	18.6	20.1	1.5	57.5
DWP-9004	1.8	5.2	3.4	6.8
DWP-9007	7.3	25.3	18.0	4.0
including	7.3	16.2	8.8	7.2
including	7.3	7.9	0.6	69.2

- 1) This information is historic in nature and is based on drilling results reported by Uranerz USA Inc. 1990.
- 2) The company believes this information is reliable and relevant as it was completed by a reputable company using industry standard drilling and sampling practices.
- 3) The company or its qualified person has not done sufficient work to verify this information.
- 4) The company plans to complete verification sampling of historic drill core and will complete twinning of selected drill holes as part of its ongoing exploration.
- 5) *Intercepts are lengths downhole lengths for drill holes and true widths for channel samples.

Activities pertaining to completion of a mine permitting application continued, which included surveying all the claims relevant to the mine permit and the drilling of three geotechnical holes at the proposed dry stack tailings site. The remaining principal task to be undertaken with respect to the permit application is the completion of a large diameter drill hole in the Dawson Zone to provide technical information relevant to the proposed dry stack tailings site.

Loren Komperdo stated, “Zephyr made significant progress in advancing the Dawson Gold Project on all fronts. Our technical team in Colorado have been busy with trenching, geological mapping, relogging historical drill core to incorporate into our new geological model, as well as new road and drill pad construction. Subject to funding, we are confident of significantly growing the gold resources through planned extensive drill programs and submitting the mine permit application upon receipt of final drill generated process related technical data. We wish to thank our shareholders for their continued support and remain confident their patience will be rewarded.”

Mr. Mark Graves, P.Ge. registered with the Association of Professional Geoscientists of Nova Scotia (APGNS), has prepared 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 Dawson Gold Project in Colorado, USA. After completing a positive PEA, Zephyr is continuing to advance the project through permitting, additional exploration as well as further engineering work. The Company’s objective is to expand resources and obtain a mining permit to support a potential production decision.

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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 private placements, 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.