



# Zephyr Minerals Ltd

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Trading Symbol: TSX-V: ZFR  
Shares Outstanding: 14,544,797

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## NEWS RELEASE

### ZEPHYR MINERALS LTD. ANNOUNCES GOLD PROJECT ACQUISITION

October 5, 2012 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. ("**Zephyr**" or the "**Company**") (TSX-V: ZFR) is pleased to announce that it has entered into a purchase and sale agreement (the "Agreement") with Celtic Minerals Ltd. ("Celtic") to purchase a 100% interest in the Dawson gold project ("Dawson") in Colorado, USA. The purchase price is \$200,000 cash payable to Celtic and \$20,000 cash payable to UUS Inc. The payment to UUS Inc., a 100% owned subsidiary of Cameco Corp., is to fulfill a previous purchase agreement between Celtic and UUS Inc. The transaction is scheduled to close October 31, 2012, or such date as mutually agreed between Celtic and Zephyr, and is subject to due diligence and regulatory approval.

Dawson is an advanced gold project with excellent exploration potential. It consists of 45 contiguous unpatented, and eight patented mining claims and one patented placer claim covering approximately 275 hectares. The gold mineralization was discovered by U.S. Borax Ltd. in the early 1980's and last explored by Uranerz U.S.A. Inc. in the early 1990's. During this period a total of 142 diamond drill holes for 27,206 metres were drilled, from which several resource estimates were completed. Gold mineralization at Dawson is hosted in discrete deposits within a Proterozoic-aged exhalite unit that trends east-west for approximately 2.6 km's on the property. Future exploration programs will be focused on drill testing targets identified through historic programs and identifying new drill targets along this laterally extensive zone. Selected drill highlights from the main zone at Dawson illustrate the property's exploration potential.

#### Selected Drill Highlights – 1984-1992

Hole ID	From (m)	To (m)	Intercept (m)*	Gold (g/t)**
GC-12	130.18	143.99	13.81	5.5
including	136.37	143.99	7.62	8.2
GC-13	186.89	202.13	15.24	13.1
including	186.89	192.98	6.09	29.1
GC-40	237.20	248.18	10.06	24.3
including	239.02	243.60	4.58	37.3
GC-44	238.96	249.02	10.06	25.8
including	245.36	246.27	0.91	228.7
DA-9006	219.52	241.77	22.25	8.1
including	226.83	231.86	5.03	14.5
and	237.80	238.26	0.46	114.0

- 1) This information is historic in nature and is based on drilling results reported by US Borax Ltd. 1982 and Uranerz USA Inc. 1990.
- 2) The company believes this information is reliable and relevant as it was completed by reputable companies that use industry standard drilling and sampling practices.
- 3) The company or its qualified person has not done sufficient work to verify this information.
- 4) This information should not be relied on until the company has completed verification.
- 5) 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.
- 6) \*True width is approximately 75-85% of the report intercept width.
- 7) \*\*Reported values are uncut.

### Hole Locations of Selected Drill Highlights

Hole ID	Northing (m)*	Easting (m)*	Elevation (m)*	Depth (m)*	Azimuth (deg)	Dip (deg)
GC-12	13,927.03	14,803.79	2,001.31	183.06	313.00	-60.00
GC-13	13,927.03	14,803.79	2,001.31	230.46	313.00	-75.00
GC-40	13,780.02	14,744.48	2,020.48	280.11	332.00	-55.00
GC-44	13,816.62	14,768.94	2,011.45	280.26	334.50	-62.00
DA-9006	13,824.45	14,709.81	2,043.27	267.61	356.00	-67.00

\* converted from feet into metres.

Loren Komperdo, President and CEO, stated “We see Dawson as a highly attractive opportunity featuring key attributes; sufficient drill information to generate a compliant resource estimate, large database from which to build on, excellent exploration potential, attractive grades, simple metallurgy, road accessible and a supportive government in a politically stable location”.

Zephyr’s immediate plan of action is to complete a NI 43-101 compliant resource estimate and a compilation of historical data to identify trenching and drill targets.

### For further information please contact:

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### Advisories:

*Mr. Peter Webster, P.Geo., who is the who is a Qualified Person as defined under National Instrument 43-101 has reviewed the technical contents of this news release. Mr. Webster has not verified the data disclosed, including sampling, analytical and test data underlying the information or opinions contained in the written disclosure.*

**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 News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Zephyr, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Zephyr's expectations are exploration risks detailed herein and from time to time in the filings made by Zephyr with securities regulators. **(Not for distribution to US wire services or for dissemination in the United States of America)***