



ZEPHYR MINERALS LTD. ANNOUNCES PROPOSED QUALIFYING TRANSACTION

June 8, 2011 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. ("Zephyr" or the "Company") (TSX-V:ZFR.P) is pleased to announce that it has entered into an arm's length binding letter of intent with SLAM Exploration Ltd. (TSX-V: SXL) (US-OTC:SLMXF) ("SLAM") dated June 7th, 2011 (the "Letter of Intent") for the right to earn up to a 70% interest in the Keezhik Lake gold project in Ontario, Canada, (the "Transaction") located approximately 115 kilometers east-northeast of the town of Pickle Lake on NTS Map Sheet 52P/15SE&16SW and consisting of 12 contiguous claims covering approximately 2,704 hectares (the "Keezhik Claims").

The Company is a Capital Pool Company ("CPC") and intends the Transaction to constitute its Qualifying Transaction under the policies of the TSX Venture Exchange (the "Exchange"). Following completion of the Transaction, the resulting issuer will be a Tier 2 mining exploration company.

Trading of the common shares of Zephyr has been halted at Zephyr's request and will remain halted pending the Exchange's receipt of satisfactory documentation and the issuance of a comprehensive press release.

The Transaction

Under the terms of the Letter of Intent, Zephyr has the exclusive right to earn up to a 70% interest in the Keezhik Claims by making cash payments, issuing common shares of Zephyr, and conducting work programs on the Keezhik Claims over two phases. In phase one, Zephyr may earn a 50% interest in the Keezhik Claims by making cash payments totaling \$104,500, issuing 594,000 common shares, and completing work programs on the Keezhik Claims with a total value of a minimum of \$650,000 over a three year period.

If Zephyr completes phase one and earns a 50% interest, Zephyr has the right to earn a further 20% in the Keezhik Claims by competing phase two and making cash payments totaling \$121,000, issuing 880,000 common shares, and completing work programs on the Keezhik Claims with a total value of a minimum of \$900,000 over a two year period.

Zephyr may accelerate the cash payments, delivery of common shares and work programs in order to exercise the option at any time. Zephyr may terminate its obligations and forfeit its rights under the Letter of Intent at its sole discretion at any time on 30 days notice after completing the initial requirements of making a cash payment of an aggregate of \$27,500, the delivery of 132,000 common shares and the completion of a work program of a minimum of \$150,000, provided that the Keezhik Claims have sufficient assessment work for one year at the time.

Zephyr paid a \$10,000 non-refundable deposit on the signing of the Letter of Intent, which will be applied to its initial cash obligation of \$27,500.

Shareholder approval is not expected to be required under the policies of the Exchange because of the arm's length nature of the Transaction. Zephyr expects to complete a financing

in conjunction with the Transaction but neither the amount nor the structure of the financing has yet been determined.

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange policies or waived by the Exchange. Zephyr expects that the Transaction may require sponsorship and plans to provide a news release update should a sponsor be retained. Zephyr also expects that trading in its common shares will remain halted pending completion of the Qualifying Transaction. The common shares of Zephyr may trade sooner, only upon Exchange approval and the filing of required materials with the Exchange as contemplated by the CPC policy of the Exchange.

Completion of the Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance, preparation of a National Instrument 42-101 compliant Technical Report acceptable to the Exchange and, if applicable pursuant to Exchange requirements, shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

A comprehensive press release will be filed by Zephyr when a definitive agreement is finalized.

Forward Looking Statement

Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at www.sedar.com.

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The Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.