



NEWS RELEASE

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ZEPHYR RECEIVES INITIAL TAILINGS CHARACTERIZATION DATA

May 26, 2021 - Halifax, Nova Scotia – Zephyr Minerals Ltd. (“Zephyr” or the “Company”) (TSXV:ZFR) (OTC:ZPHYF), is pleased to announce that it has received initial tailings characterization data required to submit a mine permit application for the Dawson gold deposit. The Company is on schedule with respect to completing the mine permit application, with submission to the Colorado Department of Reclamation and Mine Safety and the Fremont County Board of Commissioners expected to occur by June 30, 2021. All of the proposed mining activities at Dawson are on privately owned lands and as such mine permitting does not require the involvement of the Federal Bureau of Land Management.

The test results of representative tailings samples from the Dawson gold deposit demonstrate the gold mineralized rock is non-potentially acid generating. Sulfur is present as sulfate and non-extractable sulfur. Process water filtered from the tailings samples meet the EPA Ore Mining and Dressing Effluent Guidelines and Standards (40 CFR Part 440 Subpart J). The State of Colorado uses the EPA effluent standards in its regulations pertaining to mine permitting.

The proposed tailings supporting buttress material tested is also non-potentially acid generating. Sulfur is predominantly present as sulfate, with only one sample with detectable sulfide sulfur. Neutralizing potential is dominated by carbonates. Results indicate metal leaching will likely be consistent with background levels typical of unmineralized granitic rocks. .

It is management’s view that the highly attractive current and forecast gold prices combined with the excellent gold grades at Dawson creates a unique opportunity warranting acceleration of development plans for the deposit. Moving now to obtain a mining permit is the best way to enhance shareholder value at this juncture.