



NEWS RELEASE

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ZEPHYR MINERALS SUBMITS MINE PERMIT APPLICATION

July 5, 2021 - Halifax, Nova Scotia – Zephyr Minerals Ltd. (“Zephyr” or the “Company”) (TSXV:ZFR) (OTC:ZPHYF), is pleased to announce that it has submitted the application for a mining permit for the Dawson gold deposit (“Dawson”) with the Colorado Department of Reclamation and Mine Safety. The application is for a proposed underground mine, mill, mine support facilities and a dry stack tailings facility.

Success in obtaining a mining permit at Dawson will enable the implementation of an underground development program which will include construction of drill stations to undertake infill drilling on the current resource as well as further drilling at depth. The underground infrastructure is particularly important at Dawson as the deposit is blind, with the top approximately 130 meters below surface and dipping steeply underneath Dawson Mountain which results in inordinately long and expensive drill holes to explore at depth from surface. An updated resource estimate is planned for the project subsequent to completion of an underground drilling program. The scheduling of the underground program will hinge on obtaining the mining permit and requisite funding.

A Preliminary Economic Assessment (“PEA”) completed on the Dawson deposit in 2017 demonstrates robust economics at a gold price of US\$1,250/oz. The PEA assumes 409,000 tonnes of mined/milled material with a diluted grade of 9.2 g/t gold, for recovery of 111,000 oz. gold at an all-in sustaining cost of US\$692/oz (see news release of February 7, 2017). The PEA includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable categorization as mineral reserves. There has been insufficient drilling to define the inferred resources as Indicated or Measured mineral resources; however, it is reasonable to expect that Inferred mineral resources could be upgraded to Indicated and Measured resources with continued drilling. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future.