Zephyr Minerals provides update on Dawson Gold Project, Colorado, USA

Trading Symbol: TSX-V: ZFR
Shares Outstanding: 33,395,961

HALIFAX, May 5, 2016 /CNW/ - Zephyr Minerals Ltd. ("Zephyr" or the "Company") (TSXV: ZFR) is pleased to announce an update on the development of its Dawson Gold Project in Colorado. The following work programs required to advance the project towards the completion of a Preliminary Economic Assessment ("PEA") and submission of a Mine Permitting Application are currently underway:

- **Drill Program** - A diamond drill program comprising 10 – 15 drill holes targeted to potentially boost near surface gold resources is expected to commence in early June, 2016. The company has identified priority targets contiguous with and east of a possible initial site for open pit development at Windy Gulch. Success with this drill program will result in expansion of the potential open pit which is a key component of the Company's strategy for developing the Dawson project. Tender requests have been issued and the diamond drilling program is expected to be completed by late June 2016. Initial assay results are expected in July, 2016.
- **Preliminary Process Plant Design** – Progress continues on the preliminary process plant design by Bomenco Inc. with completion expected in mid 2016. The design envisions a 300 tonne per day (330 tons per day) capacity and will incorporate conventional gravity-flotation circuits with gold concentrates produced from the gravity circuit poured into dore gold bars, and the gold reporting to the flotation concentrate shipped to a smelter. No cyanide will be used to recover gold.
- **Airborne Survey** – A Lidar survey was completed by Eagle Mapping which generated a detailed topographic contour map and Orthophoto which are being utilized for accurate ground mapping and sampling control, and will also be used for plant site and mine engineering.
- **Gold Targeting and Modeling** - Exploration activities including geophysical and geochemical evaluations are currently underway to strategically direct drilling as the company continues to expand high grade priority targets at the project. These studies are being completed under the direction of Mr. Monte Swan, M.Sc., of Magma Chem Ltd., Denver, Colorado, assisted by Stan Keith, M.Sc.. The results of these programs are anticipated in Q2-2016.

All interested parties are cordially invited to meet with directors and management of Zephyr Minerals Ltd. for a corporate presentation at the company's AGM being held on June 7, 2016 at the Delta Barrington Hotel in Halifax, Canada. For more information please contact Sean Tufford, V.P. Corporate Development at 902-818-8807 or sean@zephyrminerals.com.

Loren Komperdo, President and CEO states: "Progress at our Dawson Gold Project has been proceeding better than expected. Our technical team has been executing a strategic approach to exploration and we continue to make steady progress towards obtaining a PEA in 2016 and subsequent filing of a mine permit application. Our focus is to develop this high grade gold property into a mine as quickly as possible with the intent to utilize potential cash flow to finance drilling to expand gold resources at the project."

The Company does not intend on basing its production decision on a feasibility study of mineral reserves demonstrating economic and technical viability. Projects without established mineral reserves have increased uncertainty and economic and technical risks of failure associated with a production decision.

About Zephyr Minerals Ltd.

Zephyr Minerals Ltd. is a gold exploration and development company focused on advancing its flagship high grade Dawson Gold Project in Colorado, USA. Zephyr has commenced engineering and development studies along with additional exploration with a goal of completing a Preliminary Economic Assessment (PEA) as part of its efforts to advance the Dawson Project with the ultimate goal of production.

To be included in the Zephyr email database for Company updates please contact sean@zephyrminerals.com, or visit our website www.zephyrminerals.com for more information.

Mr. Mark Graves, P.Geo., is a Qualified Person as defined under National Instrument 43-101 and has reviewed the scientific and technical information in this news release.

Cautionary Statements:

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.

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.

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CO: Zephyr Minerals Ltd.

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