## Zephyr Minerals completes geochemical and geophysical programs and ships first set of drill core for assay

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

HALIFAX, June 22, 2016 /CNW/ - Zephyr Minerals Ltd. ("**Zephyr**" or the "**Corporation**") (TSX-V: ZFR) is pleased to announce that excellent progress continues to be made on its high grade Dawson Gold project in Colorado, USA. Five of the planned 16 hole diamond drill program have been completed with core for four holes shipped to Bureau Veritas Mineral Laboratories in Vancouver BC for fire assay. Assay results are anticipated in mid July, 2016. The drill program is focused on expanding resources in the Windy Gulch area where high grade gold mineralization occurs at surface. The current inferred resource* at Windy Gulch is 16,000 ounces comprised of 49,000 tonnes at a grade of 10.6 g/t with a cutoff of 5 g/t and a top cutoff of 40 g/t. Uncut the grade is 11.0 g/t. The majority of the drill program is outside the current resource estimate following the zone to the east. Drilling to date supported by the Induced Polarization ("IP") results of the recently completed geophysical program points to gold mineralized body raking to the southeast.

The Company is expecting delivery of a report late June – early July by Denver-Sonoita based MagmaChem Exploration, Inc. on detailed mapping and geochemical sampling conducted in the Windy Gulch area. Results of this work indicate the gold mineralization at Dawson Gold is related to a low pressure, northeast trending dilatational jog along an east west trending shear zone between two large granites. The deposit type is postulated to be a weakly oxidized peraluminous intrusion related deposit sourced in peraluminous granitic intrusions.

Ground geophysical programs comprised of magnetics and IP has just been completed and the Company anticipates having a report in hand by early July 2016. The magnetic survey was successful in outlining the rock types hosting the gold mineralization as a strong magnetic low anomaly. The readily identifiable low magnetic signature will assist in tracking the gold mineralized shear zone in overburden obscured areas. The IP survey successfully demonstrated a strong correlation between chargeability anomalies and gold mineralization. This strong correlation has identified new drill targets both near surface and at depth and may prove to be an important exploration tool in discovering new blind gold deposits at Dawson Gold similar to the Dawson Main Zone which is a blind deposit approximately 130 m (400 ft) below surface.

The preliminary proposed process plant design for the project is expected to be completed by the end of the month and will be integrated into the Preliminary Economic Assessment ("PEA") which is tentatively scheduled to be completed by the end of 2016.

The preliminary tailings dam design for the project has been commenced and is being undertaken by the engineering firm of Amec Foster Wheeler in Denver, CO. Completion date is expected to be the end of the Q3 2016.

Loren Komperdo, President & CEO stated, "We are very pleased with the continued progress at Dawson and look forward to reporting pending drill results as they are received. The high gold grades, favourable metallurgy and excellent location, mitigates many of the risks often associated with developing a new gold mine."

*Resource was estimated in conformance with the Canadian Institute of Ming, Metallurgy and Petroleum – Standards on Mineral Resources and Reserves – Definitions and Guidelines, as referenced in National Instrument 43-101.

**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 PEA as part of its efforts to advance the Dawson Project with the ultimate goal of production.

Mr. Mark Graves who is a P.Geo. registered with the Association of Professional Geoscientists of Nova Scotia (APNS), has prepared the scientific and technical information in this news release. The technical information related to the metallurgical content contained in this press release has been prepared by Mr. H.M. Matt Bolu, Principal Metallurgical Engineer of BOMENCO Inc., and the Company's metallurgical consultant, who is a P.Eng. registered with the Association of Professional Engineers and Geoscientists of BC (APEGBC). The technical information related to the geophysical content contained in this press release has been verified and approved by Dean Fraser, P.Geo., a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral projects of the Canadian securities administrators.

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.

*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.*

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