

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item One – Name and Address of Company

Zephyr Minerals Ltd.
1300 – 1959 Upper Water Street
Purdy's Wharf Tower 1
Halifax, Nova Scotia B3J 3N2

Item Two - Date of Material Change

August 9, 2016

Item Three - News Release

The news release was issued in Halifax, Nova Scotia on August 9, 2016 via CNW and filed on SEDAR (www.SEDAR.com). See Schedule "A" attached hereto for a copy of the news release.

Item Four - Summary of Material Change

On August 9, 2016, Zephyr Minerals Ltd. (TSXV: ZFR) ("**Zephyr**" or the "**Company**"), announced results for the initial seven diamond drill holes on the Windy Gulch section of the Dawson gold project in Colorado, United States.

Item Five - Full Description of Material Change

Please see Schedule "A" attached hereto for a copy of the news release.

Item Six – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item Seven - Omitted Information

None.

Item Eight - Executive Officer

For further information, please contact:
David Felderhof
Vice President
Phone (902) 446-4189; Fax (866) 941-4715

Item Nine – Date of Report

August 17, 2016

SCHEDULE "A"
NEWS RELEASE



Zephyr Minerals Ltd.

Suite 1300, 1959 Upper Water St. · Purdy's Wharf Tower 1

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

News Release No. 06-16
August 9, 2016

NEWS RELEASE

**ZEPHYR MINERALS DRILLS 21.8 M OF 4.0 G/T GOLD
AND AWARDS CONTRACT TO GOLDER ASSOCIATES LTD.**

August 9, 2016 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. ("Zephyr" or the "Company") (TSX-V: ZFR) is pleased to report results for the initial seven diamond drill holes on the Windy Gulch section of the Dawson Gold Project ("Dawson") in Colorado, USA. The Windy Gulch section is being targeted for a potential open pit in the mine plan at Dawson which is primarily a high grade underground project centered on the Dawson Main section.

Drill holes WG-16-26 and WG-16-27 demonstrate not only continued high grade gold mineralization defined in the current resource estimate but a much thicker lower grade zone which may be amenable to open pit mining methods.

The Company is currently drilling WG-16-32 and anticipates drilling a further four holes for a total of 16. The majority of the remaining holes are targeted for infill data and expansion of the current resource.

Drill Hole ID	From (m)	To (m)	Intercept (m)	Estimated True Width (m)	Gold (g/t)
WG-16-21	42.1	47.7	5.6	4.2	1.6
including	42.1	43.2	1.1		4.6
And	51.8	53.7	1.9	1.4	2.0
WG-16-26	16.2	30.2	14.0	14.0	3.4
including	22.4	30.2	7.8		5.0
including	22.4	26.2	3.8		7.4
WG-13-27	20.3	42.1	21.8	18.5	4.0
including	23.6	42.1	18.5		4.5
including	27.4	31.9	4.5		15.2
including	29.7	31.9	2.2		26.5

Of the seven drill holes, WG-16-21 to WG-16-25 were drilled east of the Windy Gulch resource to put definition on the eastern limits of the near surface gold mineralization and provide data needed to develop the open pit mine plan. Drill holes WG-16-26 and

WG-16-27 were drilled to infill areas where no resources were assigned and to better define the resource. Drill holes WG-16-22 to WG-16-25 encountered nil to low grade gold. Resource expansion potential remains open at depth in the central and western areas of Windy Gulch.

In its continuing effort to advance the Dawson gold project to a potential production decision, Zephyr has awarded contracts to Golder Associates Ltd. to update the resource estimate at Windy Gulch following completion of the current drill program, undertake an initial resource estimate on the Windy Point section located 250 m (800 ft) west of Windy Gulch, and complete a Preliminary Economic Assessment ("PEA") on the overall project.

A review of the highly prospective Windy Point area is currently ongoing. Historic (1980's) mapping and sampling and a first phase drilling program completed by Uranerz U.S.A. Ltd. ("UUS") in 1990 supported a "preliminary" resource estimate completed by that company of 15,800 oz. gold (40,000 t @ 12.3 g/t gold - uncut) for their 1990 Annual Report of the Dawson Project, dated March 1991. The "preliminary" resource estimate is historic in nature and was not subject to resource categorization. A Qualified Person has not done sufficient work to classify the historical estimate as current mineral resources and Zephyr is not treating the historical estimate as current mineral resources. The company considers this historic estimate to be currently relevant in that it identifies an area that clearly requires additional detailed assessment.

Loren Komperdo, President and CEO, stated "We are very pleased with the thick gold intercepts in holes WG-16-26 and WG-16-27. These thick intercepts will go a long way to support the open pit mine plan at Dawson. We look forward to reporting the remaining drill holes, the results from the recently completed geophysical program, and updated resource estimates as these reports are received. The PEA is anticipated to be in hand by the end of 2016, following which a mine permitting application will be filed with the state of Colorado. We remain on track with our strategy of focusing project expenditures on advancing Dawson to a production decision."

Hole ID	Easting*	Northing*	Azimuth	Dip	Elevation* (m)	Hole Depth (m)
WG-16-21	3056171	1203054	265.0°	-25.0°	2,190	62.2
WG-16-22	3055961	1202973	26.1°	-1.8°	2,197	54.3
WG-16-23	3055961	1202973	25.2°	-22.0°	2,197	44.5
WG-16-24	3055941	1202933	52.2°	-40.4°	2,197	69.8
WG-16-25	3055961	1202973	8.4°	-3.2°	2,197	47.2
WG-16-26	3055945	1202981	321.5°	-40.5°	2,196	37.8
WG-16-27	3055941	1202933	312°	-73.9°	2,197	54.3

* Note: Easting and Northing in UTM NAD 83 Colorado State Plane in feet. Coordinate and elevation are GPS only. Locations will be surveyed for exact coordinates upon completion of drill program.

Zephyr Minerals Core Handling Protocols

Standard sampling procedures were followed whereby NQ core was sampled and cut using a diamond saw. One-half of the core was placed in plastic sample bags and half were left in the core box for reference. The sample weight delivered to the laboratory varied from 0.6 to 1.4 kg. Analytical standards, duplicates, and blanks were inserted at approximately every five sample intervals. The core samples were shipped by Fedex Ltd., Canon City, Colorado to Bureau Veritas

Commodities Canada Ltd. ("BVCC") in Vancouver, BC and Activation Laboratories Ltd. ("Actlabs") in Ancaster, ON for sample preparation and gold analysis.

All samples were assayed using fire assay with Screen Fire Assay Method (Screen Metallics Gold, Double Minus) for all samples over 1 ppm as well as additional selected samples were completed at BVCC in Vancouver and Actlabs.

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.

For further information:

For further information:

Loren Komperdo, President

or

Sean Tufford, VP Corporate Development

T: 902 446-4189 - F: 866 941-4715

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

Mr. Mark Graves, P.Geo. registered with the Association of Professional Geoscientists of Nova Scotia (APNS), has prepared the scientific and technical information in this news release.

CAUTIONARY STATEMENT:

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. This press release contains forward-looking statements. More particularly, this press release contains statements concerning the use of funds from the private placement.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by the Company, including, with respect to the use of funds from the private placement, expectations and assumptions concerning timing of receipt of required regulatory approvals and third party consents and the satisfaction of other conditions to the completion of the exploration work on the Dawson Gold Property.

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.