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ZEPHYR REPORTS EL PLOMO DRILLING

August 28, 2020 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. (TSXV:ZFR and OTC:ZPHYF) ("**Zephyr**" or the "**Company**") announces that drill hole EP-20-01 was terminated on August 27, 2020 at a depth of 416.5 m (1,366 ft.) and was not successful in intercepting significant sulphide mineralization. The targeted mineralized zone which measured 30.5 m (100 ft) (drill intercept length) in historic drill hole GC-9 and hosted magnetic silver-lead-zinc mineralization was largely absent in EP-20-01, which intersected a magnetic sulphide mineralized zone of 2.9 m (9.5 ft.) (drill intercept length) from 220.0 to 222.9 m (721.5 to 731.0 ft). Initial observations of the drill core suggest either a pinched section of the mineralized zone occurs at this depth and/or destruction of the zone has occurred as a result of younger age silica and pegmatite flooding. Pinch and swell is not an uncommon feature in mineralized zones thus discovery potential, although diminished, remains. Below this zone discrete bands of mafic rocks with disseminated sulphides occur within quartz-biotite-feldspar gneiss over an interval of 122.0 m from 228.6 to 350.6 m (750.0 to 1,150.0 ft.). In addition to samples from the mineralized zone, composite samples collected from the mafic rocks over lengths of 15.2 m (50 ft.) from 228.6 to 350.6 m were collected for gold assaying. Assay results for this drill hole are not yet available.

Loren Komperdo, President and CEO, stated "At this stage it is prudent to postpone any further drill testing of the Broken Hill Type silver-lead-zinc targets in the El Plomo area until assays are received and all data is further evaluated by Zephyr's geologists and Technical Advisor, Dr. Paul Spry. In the meantime, Zephyr will recommence its activities centered on the Dawson gold deposit by working to build additional gold resources on the Dawson and Green Mountain sections of the property where multiple drill targets have been identified. The property is characterised by high grade gold which is particularly attractive in the current bull market in gold which shows every sign of continuing to grow in the medium term. The Company is well funded to continue its exploration program."

The Company will focus exploration on the Dawson gold deposit and on the mineralized trend along strike to the east and west. The Dawson gold deposit is located on the eastern side of the Dawson-Green Mountain property and is fully permitted for drilling. The gold deposit is host to an *Inferred Mineral Resource prepared in accordance with National Instrument 43-101 that totals 116,300 ounces gold (343,000 tonnes at 10.55 g/t defined at a 5 g/t cutoff and 40 g/t topcut), (uncut: 133,500 ounces grading 12.11 g/t gold), and is open at depth. This estimate has an effective date of July 19, 2013 (see Company news release dated July 23, 2013). Average width of the gold mineralized zone is approximately 3.5 m (11.5 ft.) and ranges between approximately 1 and 15 m (3.3 to 49.2 ft.). A **Preliminary Economic Assessment prepared in accordance with National Instrument 43-101 and having an effective date of March 21, 2017 was subsequently completed and showed robust economics at a \$1,250/oz gold price (see Company news release dated February 7, 2017). Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Management feels that current and projected gold prices support proceeding immediately with gold exploration at the Dawson and Green Mountain

sections; both of which boast excellent potential for resource discovery/growth. The combined length of the gold prospective mineralized trend at Dawson and Green Mountain is approximately 8 km (5 mi).

About Zephyr Minerals Ltd.

Zephyr Minerals Ltd. continues to advance its 100% owned high grade Dawson-Green Mountain property in Colorado, USA. After expanding its land package to 1,385 hectares (3,430 acres) the Company now controls a 12.2 km long Dawson-Green Mountain mineralized trend. The Dawson section is currently host to a high grade Inferred category gold Mineral Resource. The Company believes the combined Dawson and Green Mountain sections encompassing approximately 5 km of potentially mineralized trend provide excellent resource expansion and new discovery potential.

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To be included in the Zephyr email database for Company updates please contact info@zephyrminerals.com.

Notes:

* The Report is titled Resource Estimate Technical Report for the Dawson Property Fremont County, Colorado, USA, dated September 6, 2013, and was prepared for Zephyr by Andrew Hilchey, P.Geo., Mercator Geological Services Limited, Isobel Wolfson, M.Sc., P.Geo., and Mark Graves, P.Geo..

** The report is entitled "National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA", effective March 21, 2017 (the "Technical Report"). The Technical Report was prepared by independent engineering firm, Golder Associates Ltd., with input from a number of other specialized and experienced consulting firms, and is in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

This PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There has been insufficient drilling to define the inferred resources as indicated or measured mineral resource; however, it is reasonable to expect that the inferred mineral resources could be upgraded to indicated and possibly 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.

Mr. Scott Parks, P.Geo., is a qualified person as defined by National Instrument 43-101 and has reviewed and is responsible for the technical information in this news release pertaining to the El Plomo drill program.

Mr. Michael Cullen, P.Geo., is a qualified person as defined by National Instrument 43-101 and has reviewed and is responsible for the 2013 Mineral Resource Estimate information presented in this press release.

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 based on certain key expectations and assumptions made by the Company, including, readiness of contractors and equipment, 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-Green Mountain 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.