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ZEPHYR COMMENCES DRILLING

August 6, 2020 HALIFAX, NOVA SCOTIA – Zephyr Minerals Ltd. ("**Zephyr**" or the "**Corporation**") (TSX-V: ZFR) is pleased to announce that core drilling has commenced on its Broken Hill Type (BHT) silver-lead-zinc target on the El Plomo section of its wholly own Dawson-Green Mountain Property in Colorado. The initial drill hole, EP-20-01 will test the core zone of the western magnetic anomaly approximately 200 m (650 ft) down-dip of historic drill hole DDH GC-9 (US Borax, 1981), which intersected magnetic silver-lead-zinc mineralization at shallow depths (news release April 16, 2020). DDH GC-9 had a total depth of 94.9 m (311 ft). Significantly, electron microprobe analyses of this historic core has shown that the silver is in the silver mineral argentotetrahedrite, a high silver content variant of Freibergite. Freibergite is the main silver mineral at the Broken Hill and Cannington mines in Australia (news release May 5, 2020).

It is anticipated that drill hole EP-20-01 will be completed in 10-14 days. A news release of the visual assessment of the drill core will be issued at that time.

Loren Komperdo, President & CEO stated, "Clearly this is a particularly exciting time for Zephyr shareholders. Discovery of a BHT deposit would be a transformative event for Zephyr."

Mapping and sampling has also commenced on the Green Mountain section (west of El Plomo) which is highly prospective for Dawson type gold mineralization. Previous sampling by Zephyr has demonstrated low sulphide high grade gold mineralization similar to that found in the Dawson section in surface grab samples with up to 13.6 g/t (new release July 25, 2018).

From east to west, the large mineralized system stretches for 12.2 km (7.5 mi). The Dawson and Green Mountain sections (gold) combined totals 9 km of mineralized trend and the central El Plomo section (silver) 3.2 km (2 mi). The Dawson section is currently host to an inferred resource of 120,400 oz. gold (371,000 t grading 10.09 g/t at a 4 g/t cut-off and 40 g/t top-cut). A preliminary economic assessment (PEA) conducted in 2017 to provide management with additional forward planning information showed very robust economics at a \$1,250 oz. gold price (news release Feb.7, 2017). This deposit remains open at depth and numerous drill targets remain to be tested in both the Dawson and Green Mountain sections, thereby providing Zephyr with excellent gold resource expansion potential.

About Zephyr Minerals Ltd.

Zephyr Minerals Ltd. continues to advance its 100% owned high grade Dawson-Green Mountain Project 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 central 3.2 km long El Plomo section is the focus for potential

Broken Hill Type silver-lead-zinc mineralization and the east and west sections, Dawson and Green Mountain respectively are being targeted for gold. The Dawson section is currently host to a high grade inferred gold resource. The Company believes the combined Dawson and Green Mountain sections encompassing approximately 9 km of mineralized trend provide excellent resource expansion potential.

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

Mr. Terence F. Coughlan, P. Geo is the qualified person as defined by National Instrument 43-101 and has reviewed and is responsible for the technical information in this news 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, 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-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.