

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 31, 2015) - Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX:DMM)(OTCQX:DMMIF) announces that it has released its audited consolidated financial statements for the year ended December 31, 2014 (the "Financial Statements"). The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Financial Statements and the related notes thereto and the Company's management's discussion and analysis ("MD&A"), which are available on the Company's website (www.dynastymining.com) and on SEDAR (www.sedar.com).

All dollar amounts in United States dollars unless otherwise stated.

Zaruma Gold Project Operating Results

	Year ended September 30, 2014	Three months ended December 31, September 30, June 30, March 31, 2014 2014 2014 2014			
Gold Revenue	\$ 35,899,530	\$ 9,931,423	\$ 10,767,977	\$ 5,809,173	\$ 9,390,956
Gold sales (ounces)	28,356	8,122	8,466	4,531	7,237
Average realized price per ounce	\$ 1,266	\$ 1,223	\$ 1,272	\$ 1,282	\$ 1,298
Mined material milled (tonnes)	100,859	23,571	23,324	37,065	16,898
Average grade (grams/ tonne)	8.43	10.60	10.90	4.42	10.81
Average recovery (%)	93.7	94.5	94.5	90.4	94.7
Gold production (ounces)	25,627	7,585	7,723	4,761	5,558
Cash costs (US\$/oz Au) ^{(a), (b)}	\$ 973	\$ 930	\$ 846	\$ 1,310	\$ 919
Cash costs (US\$/tonne Au) ^{(a), (b)}	\$ 247	\$ 299	\$ 280	\$ 168	\$ 302
All-in sustaining cash cost (US\$/oz Au) ^{(a), (b)}	\$ 1,328	\$ 1,303	\$ 1,147	\$ 1,646	\$ 1,310

1. Net of by-product credits.

2. Non-GAAP measure. For the disclosure of the manner in which these measures are calculated and a reconciliation to operating expenditures refer to the "Non-GAAP Measures" section of the Company's MD&A available on SEDAR (www.sedar.com).

There are no comparable operating results for year ended December 31, 2013 since the Company commenced accounting for the Zaruma Project as being in commercial production commencing on October 1, 2013 as the project was meeting production milestones to be operating, for accounting purposes, in the way intended by Management.

The average grade of material processed during year ended December 31, 2014 was 8.43 grams per tonne ("g/t"). With the exception of the second quarter of 2014 where lower grade, non-resource development material was mined, substantially all the high grade material mined during the year ended December 31, 2014 was from certain sections of the Soroche group of veins.

As previously disclosed it is not uncommon or unexpected to encounter areas of mineral deposit at the Zaruma Project with significantly higher or lower grades as compared to the average grade disclosed in the Company's mineral resource estimate, since the resource at Zaruma is known to contain a significant variability in grade between different areas, which are often in close proximity to each other. As a result, it is unlikely that the Company will achieve a consistent monthly production profile during this early production phase of operations until material is mined from multiple veins.

Cash costs per ounce and all-in sustaining cash costs per ounce for the year ended December 31, 2014 were \$973 and \$1,328 respectively which was impacted by a combination of a number of factors, including:

- normal course maintenance and development work which resulted in decreased tonnage delivered to the mill in the first quarter of 2014;
- a decrease in the average grade of material mined during the second quarter of 2014 due to limited access to regions of veins with higher grade while development work on these areas was ongoing during this period;
- the Company has adopted a policy to expense any further development expenditure as it is incurred in respect of a mine property subsequent to the commencement of commercial production, unless substantial new future economic benefits are derived from such expenditure at which point it will be capitalized. As a result all of the costs of carrying out the decline maintenance and development work was all expensed in the period and therefore included in the per ounce cost calculations; and
- the Company's operations consist of a large fixed cost proportion, with the actual cash expenditure not varying a great deal between periods.

The following tables show selected consolidated financial information as at December 31, 2014 and December 31, 2013 and for

the years ending December 31, 2014 and 2013:

	2014	2013 ^(a)
OPERATING REVENUES	\$ 37,014,115	\$ 15,937,132
OPERATING COSTS		
Mining and processing	26,894,664	7,501,301
Royalties	1,628,354	794,852
Depreciation and depletion	4,587,208	1,418,870
	33,110,226	9,715,023
EARNINGS FROM MINE OPERATIONS	3,903,889	6,222,109
EXPENSES		
Corporate administration	4,704,716	4,352,991
Stock-based compensation	880,195	458,067
	5,584,911	4,811,058
EARNINGS (LOSS) BEFORE INCOME TAXES	(1,681,022)	1,411,051
INCOME TAXES		
Current tax expense	536,326	1,446,349
Unrecoverable tax pre-payments	513,186	538,991
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (2,730,534)	\$ (574,289)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.06)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	42,461,083	42,461,083

(a) For accounting purposes the Company commenced recognizing revenue and net income from production effective October 1, 2013.

Consolidated Statements of Financial Position, as at:

As at	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash	\$ 3,449,944	\$ 4,913,500
Receivables	21,004	20,162
Prepaid expenses	619,266	556,380
Inventory	4,202,349	4,320,543
	8,292,563	9,810,585
Advances, deposits and warranties	306,348	306,348
Mine properties, plant and equipment	47,073,914	51,309,641
Exploration and evaluation properties	15,497,038	14,067,965
	\$ 71,169,863	\$ 75,494,539
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,227,981	\$ 6,090,741
Taxes payable	746,608	2,426,941
Short term loans	1,000,000	1,132,591
	6,974,589	9,650,273
Provision for closure and restoration	2,046,799	1,845,452
	9,021,388	11,495,725
Shareholders' equity		
Capital stock	89,059,365	89,059,365
Contributed surplus	14,821,581	13,941,386
Deficit	(41,732,471)	(39,001,937)
	62,148,475	63,998,814
	\$ 71,169,863	\$ 75,494,539

The Company previously commenced the development of three separate declines, being "Cabo de Hornos" (the "main decline"), "Ayapamba" and "Barbasco", at the Zaruma Project to access the resource contained therein. Primarily as a result of budget constraints since 2013, the Company has concentrated development activities on the main decline, "Cabo de Hornos", since it provided the best access to the in-situ resources and where the installation of an electrical sub-station allows the mine to be powered from the main grid.

The main decline has advanced approximately 3.3 kilometres from the portal entrance at mine Level 700 reaching a vertical depth of 340 metres ("m") and is now on Level 360. The dimension of the main decline is between 4.5 x 5 m to 5 x 5 m throughout. The majority of the high grade material mined during the year ended December 31, 2014 was extracted from the Soroche group of veins operating between Level 600 to Level 450. The proximity of old underground workings, some sections of which still contain water, has meant it has been more efficient in the short term to advance the decline deeper rather than expanding the mine laterally on these levels.

The Company has now advanced the main decline to level 360 which, based on the old mine plans available, is a depth at which the majority of old workings never reached. It is from this point that the Company has now split the decline and is advancing one extension to the north and one to the south. This is expected to provide simultaneous access to multiple veins, including the Soroche vein, the Matalanga vein, the Abundacia vein, the St. Ernest vein, the Nudo vein and other subparallel veins in the future.

The northern extension has currently advanced 100 m and has reached the Soroche vein at Level 360. In the near term, concurrent with the development of the Soroche vein to prepare it for mining, the northern extension will continue to advance for another 150 m which is the estimated length of the Soroche vein. From here it is expected that the Soroche vein will be available to be mined upwards for approximately 80 m on average.

The southern extension has currently advanced 100 m and needs to extend a further 100 m to reach the Matalanga vein, which is expected to take between 4 to 6 weeks. Once the Matalanga vein has been reached, concurrent with the development of the Matalanga vein to prepare it for mining, the southern extension will continue to advance for another 70 m which is the estimated length of the Matalanga vein. From here it is expected that the Matalanga vein will be available to be mined upwards for approximately 60 m on average.

To expedite this decline development and to facilitate the mining of multiple faces on multiple veins in the future at a deeper level of the mine the Company has made significant investments of its mining and financial resources to advance these declines in 2015 to date, including:

- the purchase of a new Atlas Copco two Boom Jumbo ("Jumbo") for approximately \$1 million. The Company now owns three of these machines which are operational as well as an additional Jumbo which is in the process of being fully refurbished in the workshop. Having three Jumbos currently operational means that at any given time a Jumbo is operating on each extension of the main decline whilst the other is being serviced in the Company workshop;
- a significant upgrade of the mine ventilation system including the purchase and installation of a 500 horsepower exhaust fan;
- additional investment to the mine pumping systems;
- the purchase of two new motors to refurbish two of the Company's underground loaders;
- the installation of another underground transformer deep in the mine as well as upgrades to electrical cables; and
- the recent employment of two underground mine decline specialists from the United States and an experienced underground mine super intendant from Chile.

With this new infrastructure in place the Company is now advancing the two extensions of the main decline at approximately 8 m per day in aggregate.

The reallocation of the Company's focus and resources from the mining of resource grade material to development has resulted in a decrease in the grade of the material mined and hence a decrease in gold production in the first quarter of 2015 as compared to the three months ended December 31, 2014 and the three months ended September 30, 2014.

Zaruma Plant Operations Update

The Zaruma Processing Plant operated efficiently during the year ending December 31, 2014, recovering an average of 93.7% of gold contained in the material processed. Recent and ongoing investments in the Plant include:

- the purchase of an additional crushing circuit to be used after the material goes through the current crushing circuit. The purpose of this investment is not to increase crushing capacity but to have finer material delivered to the ball mills so as to decrease future wear on the ball mills;
- the construction of a dam for a new tailings pond which is scheduled for completion in July of this year; and

- the expansion of the current tailings facility, which required the plant to be shut down for an additional week beyond the normal operating schedule, during which mined material was stockpiled. This tailings facility is now expected to have sufficient capacity to be operated until the new tailings facility is operational.

Liquidity

As at December 31, 2014 the Company had cash resources of \$3.5 million and a working capital surplus (current assets less current liabilities) of \$1.3 million compared to cash resources of \$4.9 million and a working capital surplus of \$0.2 million as at December 31, 2013.

Subsequent to December 31, 2014, as a result of the previously discussed recent decrease in grade being mined and the temporary disruption to gold processing operations while the tailings facility was being expanded, coupled with upcoming concession fee and taxation payments coming due to the Ecuadorean Government, the Company deemed it prudent to enter into a short term loan with Valorium International Inc. ("Valorium") so that it can meet these obligations without reallocating funds which could potentially cause delays in the main decline development.

Valorium, a company managed by the Company's Chief Executive Officer and President, has agreed to lend the Company up to \$1 million (the "Loan"). The Loan will be used for working capital and general corporate purposes while the Company focuses expenditures on mine development. The Loan is payable upon demand, is non-interest bearing and is not convertible, exchangeable or repayable into equity or voting securities of the Company. The Loan is secured by the Company's equipment, inventory, accounts receivable and other intangibles. The Loan has been approved by the Company's Board of Directors who have determined that the Loan is on reasonable commercial terms that are not less advantageous to the Company than if the Loan were obtained from a person dealing at arm's length with the Company.

Ecuadorean Ministry of Mines

The government of Ecuador recently formed a Ministry of Mines and appointed Mr. Javier Cordova as the Minister of Mines which we believe to be a positive development which will not only raise the profile of the Ecuadorian mining industry domestically and internationally but also help facilitate the growth of the industry which has the potential to be an important contributor to the future national economy of Ecuador.

About Dynasty Metals & Mining

Dynasty Metals & Mining Inc. is a Canadian based mining company involved in the exploration and development of mineral properties in Ecuador.

The Company is currently focused on developing its Zaruma Gold Project, at which the Company is engaged in intermittent production. The Company also has the following non-producing assets: the Jerusalem Project and Dynasty Goldfield Project.

Brian Speechly, a Fellow of AusIMM (Australian Institute of Mining and Metallurgy), a director of the Company and a "qualified person" within the definition of that term in the National Instrument 43-101, has supervised the preparation of and has verified the technical information contained in this news release.

For further information please visit the Company's website at www.dynastymining.com.

This news release contains statements which are, or may be deemed to be, "forward-looking information" which are prospective in nature. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this news release includes, without limitation, statements regarding Dynasty's future plans and expectations relating to the Zaruma mine development and mineral extraction. Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including assumptions relating to the Company's ability to continue progress through its declines with minimal or no interruption, that the Company will be able to continue its progress in respect of its mines as planned, that the Company will continue to sell processed gold and silver at levels that allow it to fund the continued development of its mining projects and sustain its operations, that the Company will have access to capital if required, that all necessary approvals and arrangements will be obtained, renewed and/or finalized in a satisfactory manner in order to continue developing the Company's projects, and that the Company's equipment will operate at expected levels.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Dynasty's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Important risks that could cause Dynasty's actual results, revenues, performance or achievements to differ materially from Dynasty's expectations include, among other things: (i)

risks related to prior mining activity at its mines and declines, (ii) uncertainties relating to mineral resource estimates (iii) risks related to availability of capital on satisfactory terms, (iv) risks related to being an early stage producer; (v) risks related to Dynasty's lack of history in producing metals from Dynasty's mineral exploration properties and its ability to successfully establish mining operations or profitably produce precious metals; (vi) that Dynasty will be unable to successfully negotiate agreements with the holders of surface rights on areas covered by Dynasty's project concessions; (vii) changes in the market prices of gold, silver, and other minerals, which, in the past, have fluctuated widely and which could affect the profitability of Dynasty's operations and financial condition; (viii) risks related to governmental regulations, including taxation statutes; (ix) risks related to Dynasty's primary properties being located in Ecuador, including political, economic, and regulatory instability; (x) uncertainty in Dynasty's ability to obtain and maintain certain permits necessary to the Company's current and anticipated operations; and other risks found in Dynasty's Annual Information Form for the year ended December 31, 2014, which is available on SEDAR at www.sedar.com. Other than in accordance with its legal or regulatory obligations, Dynasty is not under any obligation and Dynasty expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

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