

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 30, 2016) - Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX:DMM)(OTCQX:DMMIF) announces that it has released its unaudited consolidated financial statements for the six and three months ended June 30, 2016 (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.

Overview

The ongoing labour situation at the Zaruma mine impacted production for the second quarter of 2016. As a result, tonnage mined during the second quarter of 2016 was only 3,860 tonnes, a decrease of 15,723 tonnes compared to the previous quarter. Grade of material mined also continued to be low at 2.74 g/t Au.

As previously announced, the majority of the workers have returned to the mine and mining activity has restarted. Dynasty is also considering supplementing its existing underground labour force with contract miners to increase tonnage from the mine.

With very low tonnage mined in the second quarter of 2016, the Zaruma mill was mostly paralyzed over this period. Due to high fixed costs at the Zaruma mill, running lower tonnage causes a significant increase in the all-in cash cost per ounce. Dynasty looks forward to implementing the new investors' plan upon closing of the transaction contemplated by the letter of intent announced on August 16, 2016 (the "LOI"), in order to ramp up production at the Zaruma mine while also progressing the Green Oil contract. The additional tonnage would result in a decrease in the overall cash cost to process each ounce.

Zaruma Gold Project Operating Results

	Six months ended June 30, 2016 (unaudited)	Six months ended June 30, 2015 (unaudited)	Three months ended June 30, 2016 (unaudited)	Three months ended June 30, 2015 (unaudited)
Gold Revenue	\$ 3,736,549	\$ 7,649,186	\$ 475,314	\$ 4,220,239
Gold sales (ounces)	3,183	6,284	398	3,507
Average realized price per ounce	\$ 1,174	\$ 1,217	\$ 1,193	\$ 1,203
Mined material milled (tonnes)	23,832	41,917	4,433	17,574
Average grade (grams/tonne)	3.54	6.15	1.66	6.13
Average recovery (%)	88.82	93.2	78.7	93.8
Gold production (ounces)	2,408	7,727	187	3,245
Cash costs (US\$/oz Au) ^(a,b)	\$ 2,535	\$ 1,564	\$ 10,705	\$ 1,680
Cash costs (US\$/tonne Au) ^(a,b)	\$ 256	\$ 288	\$ 452	\$ 310
All-in sustaining cash cost (US\$/oz Au) ^(a,b)	\$ 3,411	\$ 2,041	\$ 14,926	\$ 2,269

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 for the six and three months ended June 30, 2016 available on SEDAR (www.sedar.com).

The following tables show selected consolidated financial information as at June 30, 2016 and December 31, 2015 and for the six and three months ending June 30, 2016 and 2015:

	For the Six Months Ended June 30, 2016	For the Six Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	For the Three Months Ended June 30, 2015
OPERATING REVENUES	\$ 4,190,309	\$ 8,177,533	\$ 657,017	\$ 4,451,297
OPERATING COSTS				
Mining and processing	7,466,392	11,513,925	2,540,635	5,914,799
Royalties	185,396	503,098	25,400	348,452

Depreciation and depletion	1,526,721	1,753,493	640,397	863,722
	9,178,509	13,770,516	3,206,432	7,126,973
LOSS FROM MINE OPERATIONS)))	
	(4,988,200	(5,592,983	(2,549,415	(2,675,676
EXPENSES				
Corporate administration	1,452,584	1,948,644	685,999	925,907
Stock-based compensation	24,105	51,089	13,812	33,538
	1,480,208	1,999,733	669,811	959,445
LOSS FROM OPERATIONS)))	
	(6,468,889	(7,592,716	(3,249,226	(3,635,121
OTHER EXPENSES				
Finance expense	527,505	73,030	278,800	46,885
Write-down of abandoned properties	1,321,556	-	1,321,556	-
Foreign exchange loss (gain)	(105,062	168,982	(87,086	68,503
	1,743,999	241,922	1,513,270	115,388
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD)))	
	(8,208,888	(7,834,638	(4,762,496	(3,750,509
BASIC AND DILUTED LOSS PER SHARE	\$) \$) \$) \$
	(0.19	(0.18	(0.11	(0.09
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
	46,706,968	42,461,083	46,706,968	42,461,083

Consolidated Statements of Financial Position, as at:

	June 30, 2016	December 31, 2015
ASSETS		
Current assets		
Cash	\$ 27,469	\$ 448,278
Receivables	169,796	67,125
Prepaid expenses	1,116,582	984,008
Inventory	2,171,642	3,259,553
	3,485,489	4,758,964
Advances, deposits and warranties	158,514	158,514
Mine properties, plant and equipment	40,895,392	42,419,009
Exploration and evaluation properties	14,225,336	14,421,229
	\$ 58,764,731	\$ 61,757,716
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,361,751	\$ 9,338,276
Taxes payable	459,676	528,512
Short term loans	4,767,752	3,627,435
	19,589,179	13,494,223
Derivative Liability	10,198	24,177
Long term loans	316,666	1,233,333
Provision for closure and restoration	371,082	343,594
	20,287,125	15,095,327
Shareholders' equity		
Capital stock	90,476,735	90,476,735
Contributed surplus	14,937,930	14,913,825
Deficit	(66,937,059)	(58,728,171)
	38,477,606	46,662,389
	\$ 58,764,731	\$ 61,757,716

Financial Condition, Liquidity and Capital Resources

As at June 30, 2016 the Company had cash resources of \$27,000 and a working capital deficit (current assets less current liabilities) of \$16.1 million compared to cash resources of \$0.45 million and a working capital deficit of \$8.7 million as at December 31, 2015.

As at June 30, 2016 and the date of this report the Company's accounts payable includes some balances which are significantly overdue, including but not limited to approximately \$3.8 million in aggregate of income taxes, royalties, sales taxes and other withholding taxes owed to the Ecuador Government with which the Company is currently negotiating to defer these amounts. These negotiations are ongoing and there is no assurance they will be successful.

Continuing operations are dependent upon the Company being able to successfully negotiate the deferral of taxation amounts owed to the Ecuador government and the Company's ability in the future to mitigate the risks and overcome the challenges generally associated with comparable development and early stage production enterprises. Most significantly, it must either generate sufficient cash flow from the sale of precious metals in the future or secure additional working capital as required, none of which can be assured.

More specifically, the operational improvement of the Zaruma Project, the ability to mine the Dynasty Goldfield Project to feed the Zaruma mill, the availability of financing through debt, equity or the profitable sale of assets and the level of funding by potential business partners will determine the Company's working capital requirements over the next 12 months. The Company's ability to continue as a going concern is dependent on its ability to obtain additional funding, the success of which cannot be assured. These conditions and events cast significant doubt on the assumption that the company may continue to be a going concern.

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.

Forward-Looking Information

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 and the impact of the labour stoppage at the Zaruma mine. 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 production at the Zaruma mine, that the Company will be able to continue its progress as currently planned and will not have to make additional changes to the mine plan, that the agreement with Green Oil will result in the extraction of sufficient tonnage from the Dynasty Goldfield Project, 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, whether through the completion of the transaction contemplated by the LOI or otherwise, 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 the ability of the Company to obtain contract miners, if required, (ii) risks related to the uncertainty of the Company's ability to successfully negotiate the deferral of taxation amounts owed the Ecuadorean government, (iii) that the Company will be able to generate sufficient cash flow to continue as a going concern, (iv) risks related to prior mining activity at its mines and declines, (v) uncertainties relating to mineral resource estimates (vi) risks related to availability of capital on satisfactory terms, including but not limited to risks relating to the ability to complete the transactions contemplated by the LOI in a timely manner or at all, (vii) 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; (viii) 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; (ix) risks related to governmental regulations, including taxation statutes; (x) risks related to Dynasty's

primary properties being located in Ecuador, including political, economic, and regulatory instability and other risks found in Dynasty's Annual Information Form for the year ended December 31, 2015 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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