

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 15, 2015) - Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX:DMM)(OTCQX:DMMIF) announces that it has released its unaudited consolidated financial statements for the three months ended March 31, 2015 (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 Mine Operations Update

The "Cabo de Hornos" decline (the "main decline") at the Zaruma Gold Project has now advanced in excess of 3.5 kilometres from the portal entrance at mine Level 700. During the three months ended March 31, 2015, when the main decline reached mine Level 360 it was split with extensions advancing to the north (the "Northern Extension") and the south (the "Southern Extension") which will provide future simultaneous access to multiple high grade veins including, amongst others, the Soroche vein, the Matalanga vein, the Abundacia vein, the St. Ernest vein and the Nudo vein. The dimension of the main decline remains between 4.5 x 5 metres ("m") and 5 x 5 m throughout.

The majority of the high grade material previously mined to date has been extracted from veins operating between Level 600 to Level 450. The proximity of old underground workings, some sections of which still contain water, has meant that it has been more efficient in the short term to advance the decline deeper rather than expanding the mine laterally on these levels. To achieve this, the focus of mining operations for the three months ended March 31, 2015 and to date has been on the development of the declines.

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, the three months ended September 30, 2014 and the three months ended March 31, 2014.

Northern Extension

The Company is developing a separate incline and a decline off the Northern Extension. The northern incline has now advanced 70 m and has intercepted the Soroche vein, and concurrent with the development of the Soroche vein for mining, the Company plans to extend the northern incline an additional 100 m running adjacent to the vein to provide access to additional resource material for mining in the future.

To date the northern decline has advanced 160 m and is expected to intercept the Soroche vein, approximately 40 m beneath the level of the northern incline in the coming weeks. The Company then plans to advance the northern decline for an additional 100 m running adjacent to the vein.

The development of both the incline and decline off the northern extension will allow the Company to mine multiple faces on the Soroche vein simultaneously with an estimated average of 40 m of the vein above the incline and an estimated average of 40 m of the vein above the decline, up to the level of the incline, being available to mine.

Southern Extension

The southern extension has currently advanced 190 m and needs to extend a further 60 m to reach the Matalanga vein. Once the Matalanga vein has been reached, concurrent with the development of the Matalanga vein to prepare it for mining, it is expected the southern extension will continue to advance for another 50 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; and
- The employment of two underground mine decline specialists from the United States and an experienced underground mine super intendant from Chile.

The Company has experienced frequent disruptions to the mine power supply in the current year which has, and continues to, cause delays to development. Notwithstanding this, the Company has been able to advance the two extensions of the main decline at an approximate rate of 8 m per day in aggregate.

"The grid power supply to the mine from the main power grid has been inconsistent over the past several months," added Mr. Washer. "This has caused pump motors and other underground equipment to burn out, affecting the rate at which we have been able to mine, but we are taking steps to mitigate these disruptions in the nearer term, including the installation of additional backup generators and the installation of an underground transformer."

Dynasty is working closely with the national electricity provider, which is in the process of upgrading the local infrastructure that is expected to reduce these disruptions in the future.

Zaruma Plant Operations Update

The Zaruma Processing Plant operated efficiently during the three months ending March 31, 2015, recovering an average of 92.8% 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. While this does increase the overall crushing capacity, the main reason for the additions is the finer material delivered to the ball mills so as to decrease future wear on the ball mills;
- The ongoing construction of a new tailings management facility ("TMF"), which is on schedule to be completed in the third quarter of this year. Once complete the new TMF is designed to have capacity for at least five years of plant operations at which point it can be redesigned to provide additional capacity. The current TMF is expected to have sufficient capacity to be operated until the new TMF is complete.

Zaruma Gold Project Operating Results

	Three months ended				
	March 31, 2015	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Gold Revenue	\$ 3,428,942	\$ 9,931,423	\$ 10,767,977	\$ 5,809,173	\$ 9,390,956
Gold sales (ounces)	2,777	8,122	8,466	4,531	7,237
Average realized price per ounce	\$ 1,234	\$ 1,223	\$ 1,272	\$ 1,282	\$ 1,298
Mined material milled (tonnes)	24,344	23,571	23,324	37,065	16,898
Average grade (grams/tonne)	6.17	10.60	10.90	4.42	10.81
Average recovery (%)	92.8	94.5	94.5	90.4	94.7
Gold production (ounces)	4,481	7,585	7,723	4,761	5,558
Cash costs (\$/oz Au) ^(a,b)	\$ 1,484	\$ 930	\$ 846	\$ 1,310	\$ 919
Cash costs (\$/tonne Au) ^(a,b)	\$ 273	\$ 299	\$ 280	\$ 168	\$ 302
All-in sustaining cash cost (\$/oz Au) ^(a,b)	\$ 1,904	\$ 1,303	\$ 1,147	\$ 1,686	\$ 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 for the three months ended March 31, 2015 available on SEDAR (www.sedar.com).

The difference between gold production and sales for the first the three months ended March 31, 2015 was the result of gold still being treated at the refinery before it was available for sale and dore being in transit from the mine site to the Canadian refiner as at March 31, 2015.

During the three months ended March 31, 2015 the company produced 4,481 ounces of gold from processing 24,344 tonnes of material with an average grade of 6.17 grams per tonne of gold ("g/t Au") compared to the three months ended March 31, 2014 when the company produced 5,558 ounces of gold from processing 16,898 tonnes of material with an average grade of 10.81

g/t Au.

The reallocation of the Company's focus and resources from the mining of resource grade material to development resulted in the decrease in the grade of the material mined in the three months ended March 31, 2015 as compared to the three months ended March 31, 2014, the three months ended September 30, 2014 and the three months ended December 31, 2014 (the "Prior Quarters").

Additionally, 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 for the Company to 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 three months ended March 31, 2015 were \$1,484 and \$1,904 respectively. The per ounce costs were adversely impacted by the grade of material being processed during the three months ended March 31, 2015 which meant approximately 5 tonnes of material needed to be mined and processed to produce one ounce of gold compared to approximately 3 tonnes of mined material for each of Prior Quarters. Cash costs per tonne of material processed of \$273 per tonne for the three months ended March 31, 2015 was marginally less than the per tonne cash costs for the three months ended March 31, 2014 (\$302 per tonne), September 30, 2014 (\$280 per tonne) and December 31, 2014 (\$299 per tonne).

In addition to the lower grade of mined material during the current quarter, cash costs per ounce and all-in sustaining cash costs per ounce were also impacted by a combination of a number of other factors, including:

- 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 the significant costs of carrying out the decline development work in the current period was expensed 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 March 31, 2015 and December 31, 2014 and for the three months ending March 31, 2015 and 2014:

	For the Three Months Ended March
OPERATING REVENUES	\$ 3,726,236
OPERATING COSTS	
Mining and processing	5,599,126
Royalties	154,646
Depreciation and depletion	910,200
	6,663,972
EARNINGS (LOSS) FROM MINE OPERATIONS	(2,937,736)
EXPENSES	
Corporate administration	1,128,842
Stock-based compensation	17,551
	1,146,393
EARNINGS (LOSS) BEFORE INCOME TAXES	(4,084,129)
INCOME TAXES	
Current tax expense	-
NET EARNINGS / (LOSS) AND COMPREHENSIVE EARNINGS / (LOSS) FOR THE PERIOD \$	(4,084,129)
EARNINGS / (LOSS) PER SHARE	
Basic	\$ (0.10)
Diluted	\$ (0.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	
Basic	42,461,083
Diluted	42,461,083

Consolidated Statements of Financial Position, as at:

	March 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 437,464	\$ 3,449,944
Receivables	16,504	21,004
Prepaid expenses	737,931	619,266
Inventory	5,471,540	4,202,349
	6,663,439	8,292,563
Advances, deposits and warranties	155,348	306,348
Mine properties, plant and equipment	47,212,141	47,073,914
Exploration and evaluation properties	16,503,765	15,497,038
	\$ 70,534,693	\$ 71,169,863
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,055,627	\$ 5,227,981
Taxes payable	746,608	746,608
Short term loans	2,200,000	1,000,000
	10,002,235	6,974,589
Long term loans	383,333	-
Provision for closure and restoration	2,067,228	2,046,799
	12,452,796	9,021,388
Shareholders' equity		
Capital stock	89,059,365	89,059,365
Contributed surplus	14,839,132	14,821,581
Deficit	(45,816,600)	(41,732,471)
	58,087,897	62,148,475
	\$ 70,534,693	\$ 71,169,863

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, follow Dynasty on Twitter @DynastyMining.

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. 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 and 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, 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; (xi) risks related to the timing of Dynasty's sales of precious metals including, but not limited to, shipment and other governmental regulatory delays; 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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