

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 14, 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 six and three months ended June 30, 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 Operations Update

Overview

In the current year, Dynasty has concentrated the bulk of its resources - both human and financial - on extending the Cabo des Hornos decline at the Zaruma Mine to access resource grade material below historical workings. At the end of the second quarter, the bulk of the decline work was completed to the 330 metre level with development and mining commencing on the Soroche and Matalanga veins. As of the date of this report, ore is being sourced from six mining faces on various levels with the expectation that, with the continued extension of the decline, the number of working faces will ramp up over several quarters to 10-15 faces. The six current faces are providing 300-350 tonnes per day. Although the decline has now reached below substantially all the historic workings, driving the decline is expected to further continue as is required for the Zaruma type of orebody.

With additional mining faces expected to be accessed over the next several quarters, Zaruma is expected to ramp up towards 500 tonnes per day ("tpd") in early 2016 and continue to increase tonnage through 2016 and into 2017.

Tailing Management Facility ("TMF")

Construction continues on the new TMF with completion expected during Q3 2015. Reduced production during Q1 and Q2 of 2015 extended the life of the existing TMF thereby allowing usage throughout the remainder of 2015 as production continues to ramp up at Zaruma. The first stage of the new TMF has been designed to serve for approximately one and a half years at planned production rates. The second stage will extend the TMF life by an additional 5 years, based on the expected increased processing during that time.

Zaruma Gold Project Operating Results

	Six months ended June 30, 2015 (unaudited)	Six months ended June 30, 2014 (unaudited)	Three months ended June 30, 2015 (unaudited)	Three months ended June 30, 2014 (unaudited)
Gold Revenue	\$ 7,649,186	\$ 15,200,129	\$ 4,220,239	\$ 5,809,173
Gold sales (ounces)	6,284	11,768	3,507	4,531
Average realized price per ounce	\$ 1,217	\$ 1,292	\$ 1,203	\$ 1,282
Mined material milled (tonnes)	41,917	53,963	17,574	37,065
Average grade (grams/tonne)	6.15	6.42	6.13	4.42
Average recovery (%)	93.2	92.6	93.8	90.4
Gold production (ounces)	7,727	10,319	3,245	4,761
Cash costs (US\$/oz Au) ^(a,b)	\$ 1,564	\$ 1,099	\$ 1,680	\$ 1,310
Cash costs (US\$/tonne Au) ^(a,b)	\$ 288	\$ 210	\$ 310	\$ 168
All-in sustaining cash cost (US\$/oz Au) ^(a,b)	\$ 2,041	\$ 1,465	\$ 2,269	\$ 1,646

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, 2015 available on SEDAR (www.sedar.com).

During the six months ended June 30, 2015 the company produced 7,727 ounces of gold from processing 41,917 tonnes of material with an average grade of 6.15 grams per tonne of gold ("g/t Au") compared to the six months ended June 30, 2014 when the company produced 10,319 ounces of gold from processing 53,963 tonnes of material with an average grade of 6.42 g/t Au.

During the three months ended June 30, 2015 the company produced 3,245 ounces of gold from processing 17,574 tonnes of material with an average grade of 6.13 g/t Au compared to the three months ended June 30, 2014 when the company produced 4,761 ounces of gold from processing 37,065 tonnes of material with an average grade of 4.42 g/t Au.

Subsequent to June 30, 2015, and up to the date of this news release, the Company has sold approximately 3,250 ounces of gold for proceeds of approximately \$3.6 million.

The reallocation of the Company's focus and resources from the mining of resource grade material to extending the Cabo de Hornos decline resulted in the grade of the material mined in the six and three months ended June 30, 2015 being less than the average resource grade at the Zaruma Gold Project.

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 for the six and three months ended June 30, 2015 were \$1,564 and \$1,680, respectively compare to \$1,099 and \$1,310 for the six and three months ended June 30, 2014. All-in sustaining cash costs per ounce for the six and three months ended June 30, 2015 were \$2,041 and \$2,269, respectively compare to \$1,465 and \$1,646 for the six and three months ended June 30, 2014.

The per ounce costs were adversely impacted by the grade of material being processed during these periods and for the six and three months ended June 30, 2015, the focus on extending the Cabo de Hornos decline meant that the tonnes mined and processed were lower. 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 significantly between periods.

With the extension of the decline to the 330 metre level substantially complete, the Company anticipates an increased rate of mining and milling with increasing gold production thereby lowering both the cash cost and the all-in sustaining cost going forward.

The following tables show selected consolidated financial information as at June 30, 2015 and December 31, 2014 and for the six and three months ending June 30, 2015 and 2014:

	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014	For the Six Months Ended June 30, 2014
OPERATING REVENUES	\$ 8,177,533	\$ 15,676,886	\$ 15,676,886
OPERATING COSTS			
Mining and processing	11,513,925	12,498,079	12,498,079
Royalties	503,098	752,604	752,604
Depreciation and depletion	1,753,493	2,321,189	2,321,189
	13,770,516	15,571,872	15,571,872
EARNINGS (LOSS) FROM MINE OPERATIONS	(5,592,983)	105,014	105,014
EXPENSES			
Corporate administration	1,948,644	2,062,796	2,062,796
Stock-based compensation	51,089	134,563	134,563
	1,999,733	2,197,359	2,197,359
EARNINGS (LOSS) FROM OPERATIONS	(7,592,716)	(2,092,345)	(2,092,345)
OTHER EXPENSES			
Finance expense	73,030	48,663	48,663
Foreign exchange loss (gain)	168,892	(43,781)	(43,781)
	241,922	4,942	4,942

EARNINGS (LOSS) BEFORE INCOME TAXES	(7,834,638)	(2,097,287)
INCOME TAXES		
Current tax expense	-	27,565
NET EARNINGS / (LOSS) AND COMPREHENSIVE EARNINGS / (LOSS) FOR THE PERIOD	\$ (7,834,638)	\$ (2,124,852)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.18)	\$ (0.05)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	42,461,083	42,461,083

Consolidated Statements of Financial Position, as at:

	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 1,748,629	\$ 3,449,944
Receivables	54,743	21,004
Prepaid expenses	757,060	619,266
Inventory	5,253,198	4,202,349
	7,813,630	8,292,563
Advances, deposits and warranties	155,348	306,348
Mine properties, plant and equipment	46,244,286	47,073,914
Exploration and evaluation properties	16,615,271	15,497,038
	\$ 70,828,535	\$ 71,169,863
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,718,070	\$ 5,227,981
Taxes payable	239,618	746,608
Short term loans	6,015,896	1,000,000
	13,973,584	6,974,589
Long term loans	333,333	-
Provision for closure and restoration	2,087,657	2,046,799
	16,394,574	9,021,388
Shareholders' equity		
Capital stock	89,059,365	89,059,365
Contributed surplus	14,941,705	14,821,581
Deficit	(49,567,109)	(41,732,471)
	54,433,961	62,148,475
	\$ 70,828,535	\$ 71,169,863

Liquidity

As at June 30, 2015 the Company had cash resources of \$1.7 million and a working capital deficit (current assets less current liabilities) of \$6.2 million compared to cash resources of \$3.5 million and a working capital surplus of \$1.3 million as at December 31, 2014.

Included within working capital is a \$2 million loan (the "Loan") with Valorium International Inc. ("Valorium"), a company managed by the Company's Chief Executive Officer and President. 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 is included in short term loans as at June 30, 2015.

On June 22, 2015 the Company completed a secured note financing with Vertex Managed Value Portfolio and Vertex Enhanced Income Fund in the aggregate principal amount of \$4 million. Proceeds from the issuance of the notes have been used to date to fund the continued development of the Zaruma Project including the payment of previously incurred payables related to the Zaruma Project.

Subsequent to June 30, 2015, and up to the date of this news release, the Company has sold approximately 3,250 ounces of gold for proceeds of approximately \$3.6 million which have primarily been used to fund the Zaruma Project. In the coming quarters the Company anticipates an increase in production at the Zaruma Project as additional mining faces are accessed and the daily tonnage mined is ramped up towards 500 tpd by the end of the year.

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, or please see contact information below.

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, sustain its operations and repay its indebtedness, 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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