

16 July 2014

ASX Announcement

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## **EXPLORATION UPDATE – GOLD TENEMENTS**

### **EXECUTIVE SUMMARY**

- Dynasty Resources Limited (ASX:DMA) has five granted exploration licences and ten tenement applications throughout the Eastern Goldfields Province (EGP) of WA, one of the richest gold-producing regions in the world.
- The EGP is host to around 30% of the world's economically demonstrable reserves of gold having historically produced more than 130 Moz gold.
- The Tropicana tenements are positioned along strike from the world class Tropicana Project which currently reports a resource of 6.41 Moz of gold. The tenements are adjacent to the “Black Dragon” prospect reporting an extensive geochemical anomaly with surface rock chips assayed at up to 537g/t.
- The Laveton tenements are in close proximity to production of more than 10 Million ounces of gold at Sunrise Dam and Granny Smith since their discoveries in 1979 and 1986.
- DMA's strategy is looking to evaluate these applications and identify the best prospects for major mineralisation systems within them. Rapid evaluation to minimise holding and administration costs will enhance the potential for exploration success.
- In conjunction with this, further opportunities for quality tenement acquisition are also being examined as become available.

**Dynasty Resources Ltd (ASX: DMA)** has been working on building a portfolio of 100% owned tenements in the Eastern Goldfields Province of Western Australia.

The Eastern Goldfields is one of the richest gold producing regions in the world historically producing more than 130 Moz of Au and host to around 30% of the world's economically demonstrably recoverable reserves (EDR) of gold (WA DMP, 2011).

DMA is actively exploring a number of gold tenements throughout the Eastern Goldfields of Western Australia. The following sections detail exploration potential and strategies that DMA will seek to apply as the ground becomes available.

These tenements represent a significant foothold in one of the world's most productive areas for gold and nickel. DMA are developing a strategy to rapidly evaluate and test these prospects to maximise the potential to discover significant mineralisation.

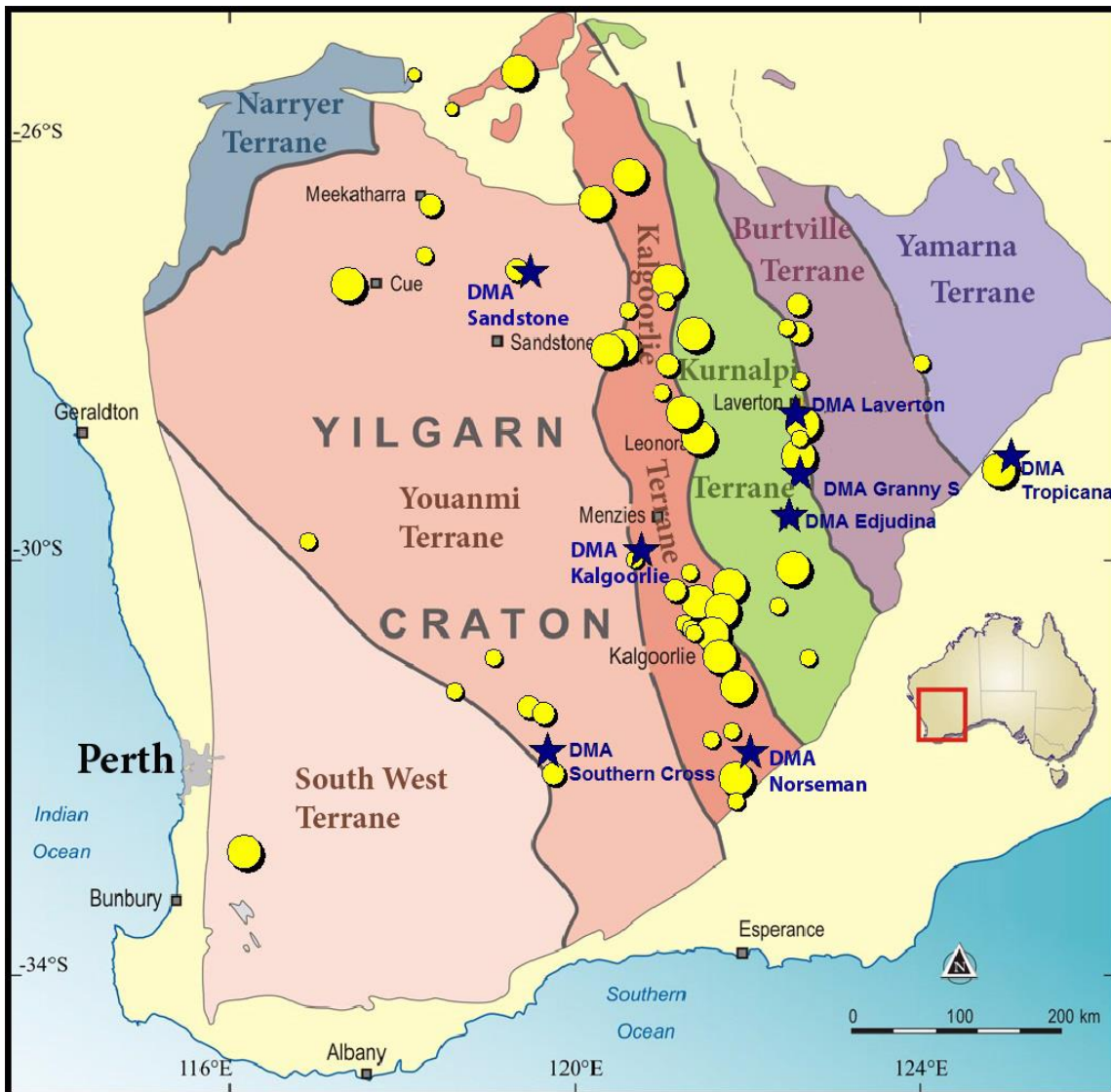


Figure 1 DMA tenements within the Yilgarn (blue stars). Yellow circles indicate major gold mines varying with deposit size.

**TROPICANA TENEMENTS**

- 48 km<sup>2</sup> tenement was won in a ballot and is positioned along strike from the world class Tropicana project which currently reports a resource of 6.41 Moz of gold.
- Within a major mineralisation trend that includes the Tropicana Project.
- Adjacent to the “Black Dragon” prospect reporting an extensive geochemical anomaly with surface rock chips assayed at up to 537g/t.
- Magnetic structures that appear to equate to mafic sequences that adjacent exploration has shown to contain gold.

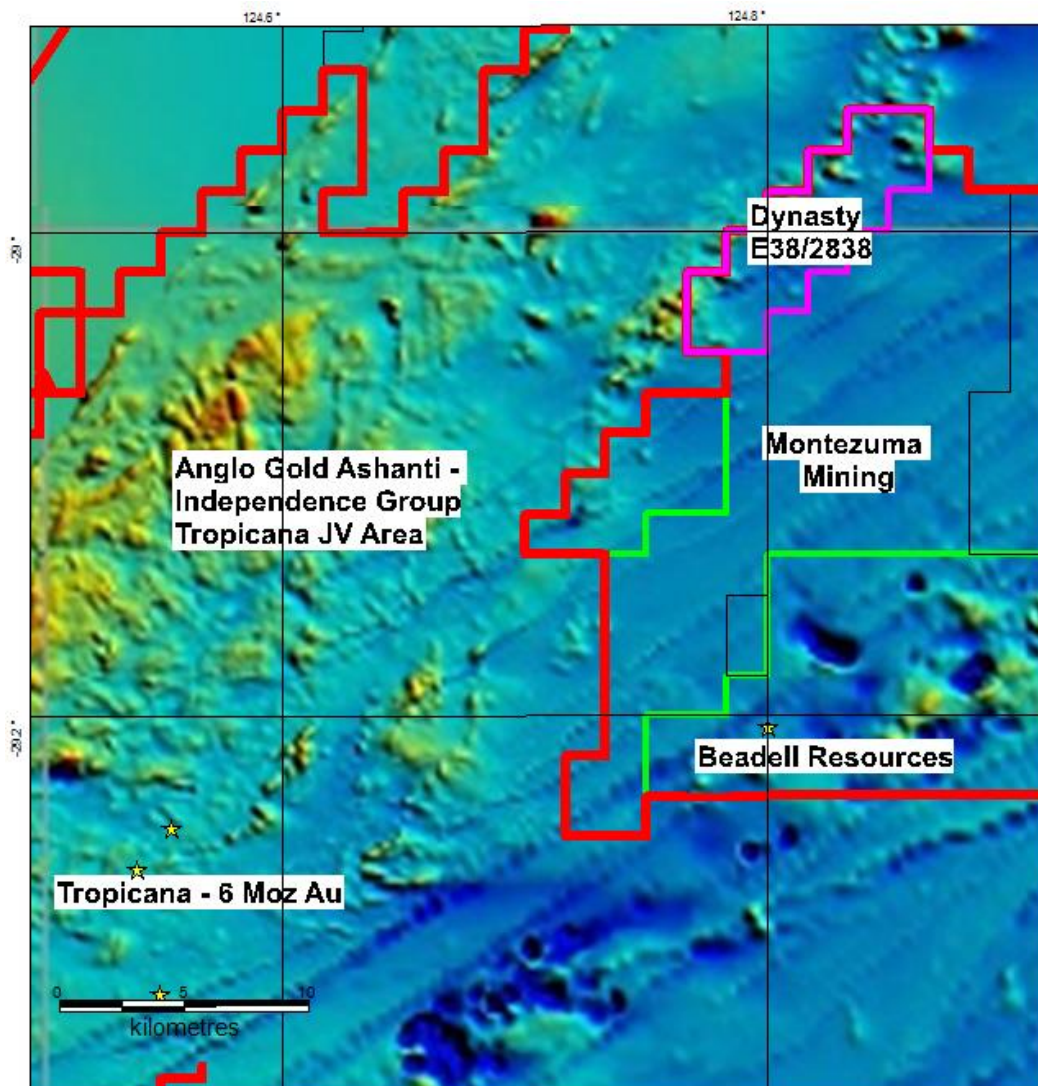


Figure 2 Tenement holdings in the Tropicana North vicinity overlain on the regional Magnetics

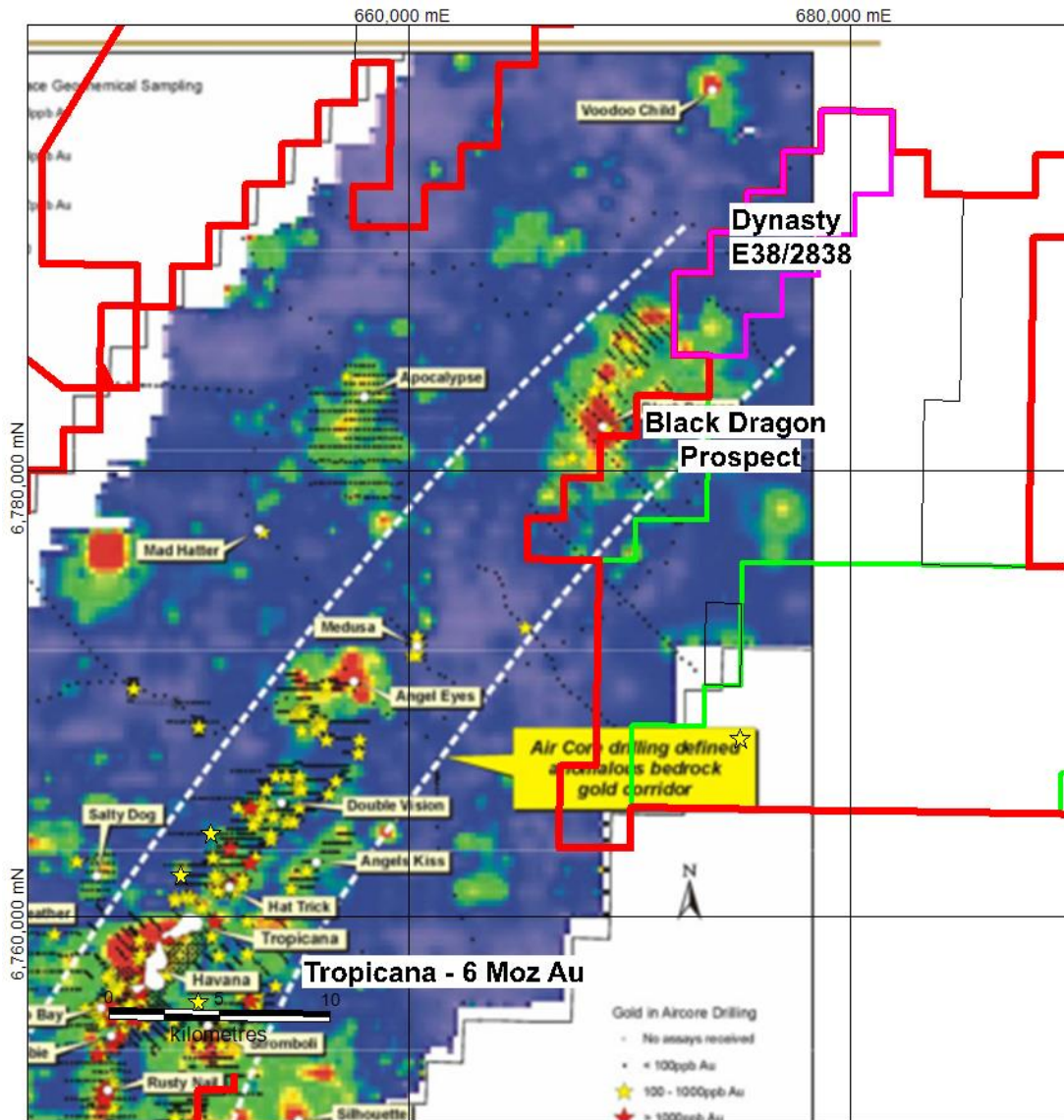


Figure 3 Regional geochemical trend from IGO quarterly report Sept 2008

The obvious prime envelope of interest is depicted in Figure 3 above. This envelope encloses the Tropicana mine and several significant geochemical anomalies with the Black Dragon prospect immediately adjacent to the tenement.

The project has excellent potential for significant mineralisation in an emerging province.

**LAVERTON TENEMENTS**

- Positioned in close proximity to some of the most prestigious gold mines in Australia (Granny Smith, Sunrise Dam).
- A multitude of surrounding mineralisation occurrences present throughout the area.
- Proximal to production of more than 10 Million ounces of gold at Sunrise Dam and Granny Smith since their discoveries in 1979 and 1986.
- Mineralization in this area generally fault-associated and/or geologically controlled.
- Conducive to identifying economic gold and support the likelihood of doing so.

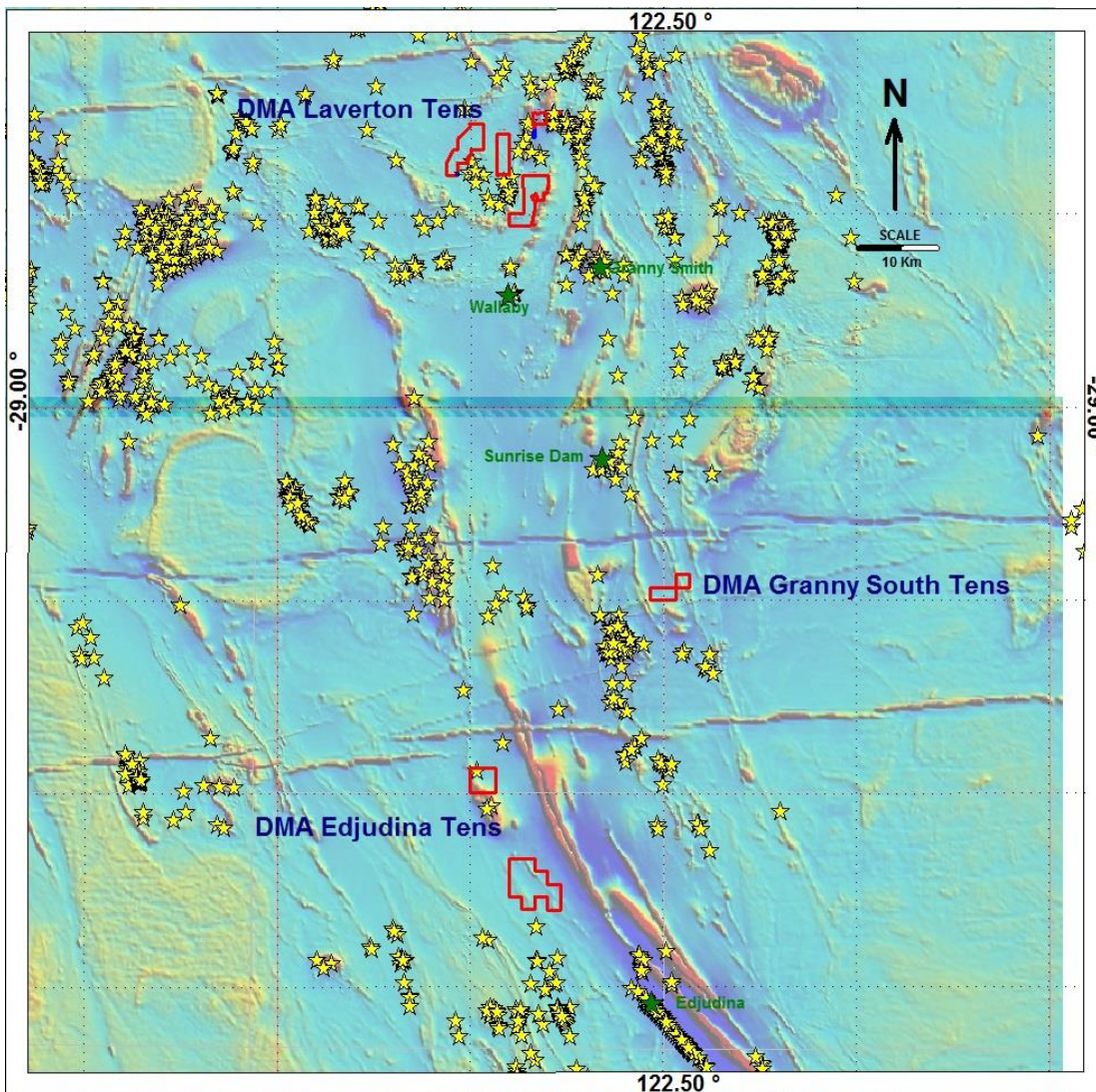


Figure 4 Locations of DMA's Laverton, Granny South and Edjudina Tenements.

In the Laverton area, DMA possesses four tenements (three have been granted, with the fourth pending), E38/2842; E38/2843; E38/2845 and E38/2846. These tenements are favourably positioned among some of the most prestigious gold mines in Australia. The Granny Smith and Sunrise Dam mining areas, in close proximity, have collectively produced more than 10 million ounces of gold since their discoveries in 1979 and 1986 respectively.

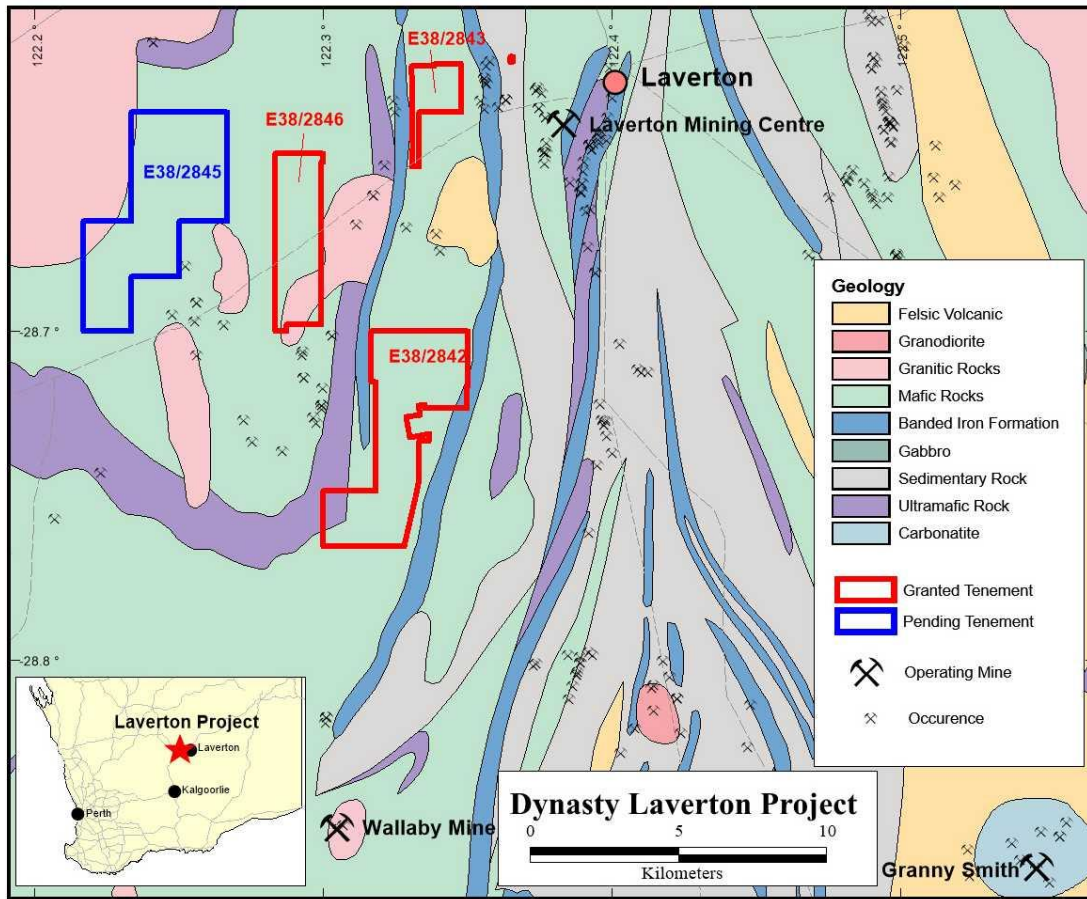


Figure 5 Laverton tenure over 1:500000 Geology.

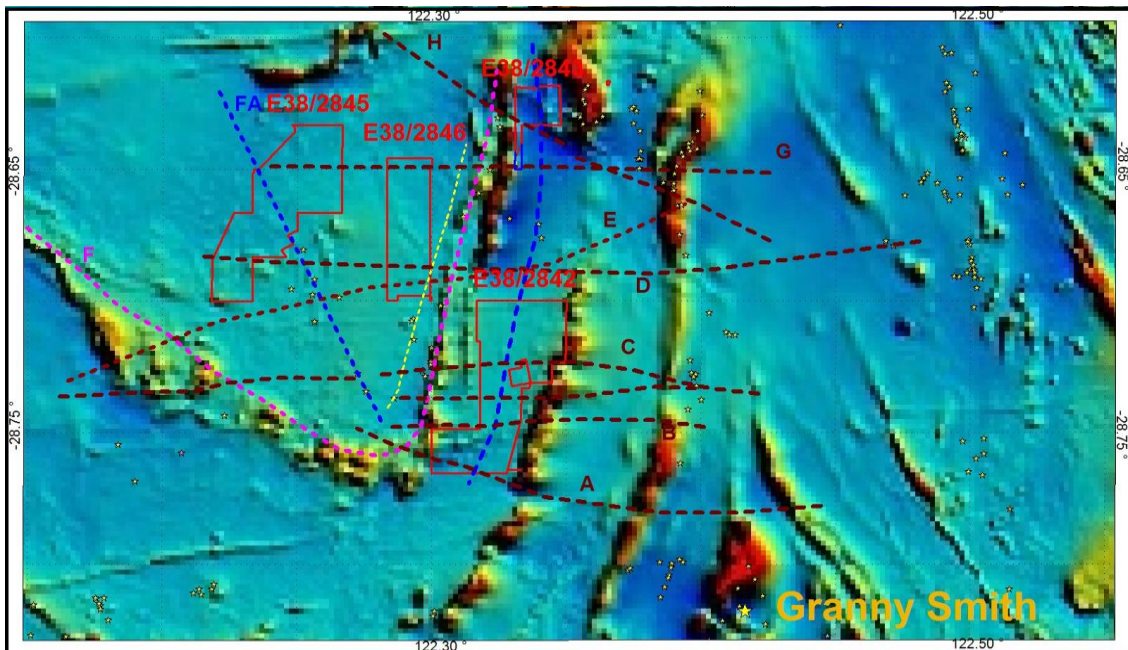


Figure 6 Laverton tenements along with magnetics overlay, interpreted structures and historic gold occurrences.

A preliminary desktop study has identified significant gold exploration potential for all of the tenements in this area (as depicted in Figure 6 above).

There are numerous surrounding mineralisation occurrences in the area that support exploration potential for these tenements. These occurrences are generally fault-associated and/or geologically controlled and the lithologies and structures that pervade the tenements appear conducive to carrying economic gold.

Interpretation of mapped lithologies and structures has identified a number of corridors that should be targeted for future exploration of these tenements (coloured dashed lines in Figure 6 above).

These areas appear to be historically underexplored and thus potential remains for future exploration.

### **GRANNY SOUTH TENEMENTS**

- Positioned in close proximity to the Sunrise Dam mine.
- Numerous surrounding gold-mineralisation occurrences.
- Mineralisation in this area is generally fault-associated and/or geologically controlled.
- Interpretation of known lithologies and structures has identified a number of corridors that should be targeted for exploration of these tenements.

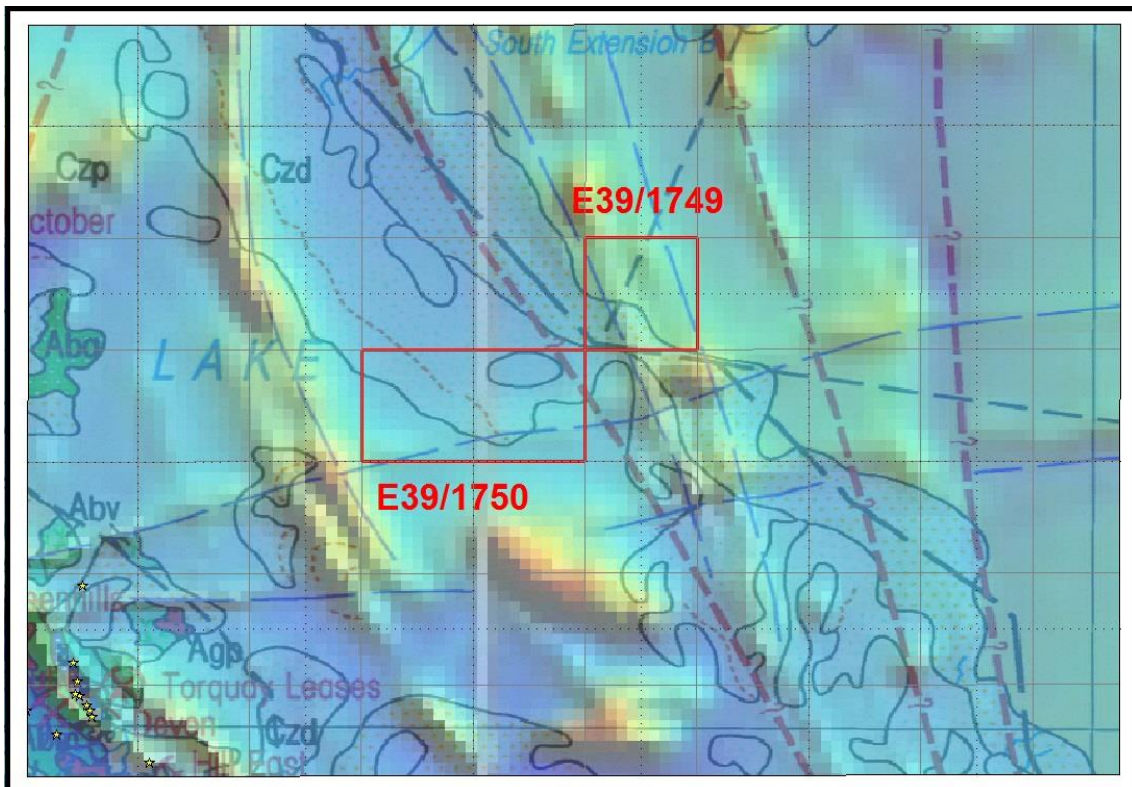


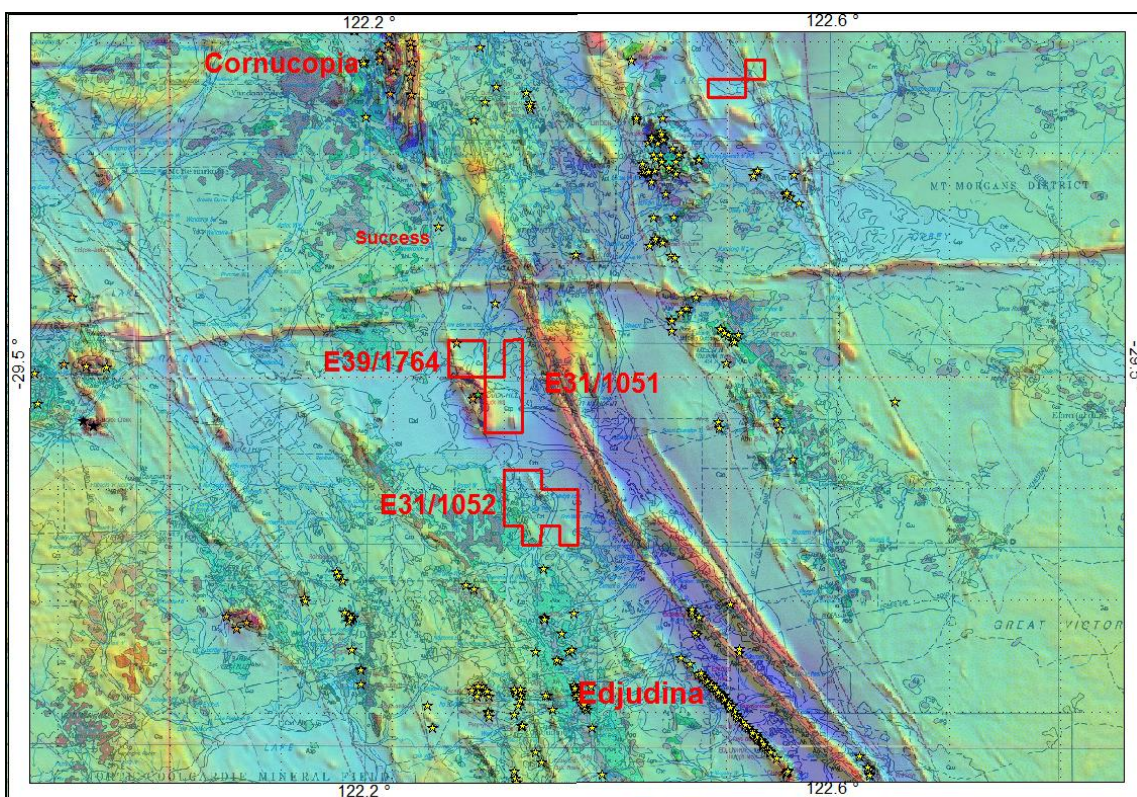
Figure 7 Granny South tenement

Situated to the south of Laverton, the "Granny South" region in which DMA's tenements are located is well-established as one of the richest gold-producing areas in the world. The nearby Granny Smith and Sunrise Dam deposits between them have produced approximately 10 million ounces of gold throughout their combined histories and tap similar lithologies and structures to those that occur throughout the tenement area.

DMA has two tenements in this area, E39/1749 and E39/1750, that are both considered to possess significant gold exploration potential. A brief interpretation of known lithologies and structures has identified a number of corridors that should be targeted for future exploration of these tenements. It appears that these areas are historically underexplored and thus potential remains for future exploration.

### EDJUDINA TENEMENTS

- Positioned in close proximity to the historic Edjudina and Cornucopia mines.
- Numerous surrounding, along-strike mineralisation occurrences.
- Mineralisation in this area is generally fault-associated and/or geologically controlled.
- Interpretation of known lithologies and structures has identified a number of corridors that should be targeted for exploration of these tenements.



**Figure 8 Geological trend connecting gold mineralization at Edjudina to the SE to gold and nickel mineralization to the NW in the Cornucopia direction.**

DMA possesses three tenements in the Edjudina area with lithologies (mafics) and structures that have historically proven base metals associated with them, but on a structural trend that hosts the major Edjudina gold trend to the south and Cornucopia to the north.

Geophysically, this ground lies directly on a significant geophysical trend that links Edjudina mafic and ultramafic-associated gold occurrences to the south with Cornucopia occurrences to the north. Furthermore the presence of a large granitoid body to the west encourages investigation into potential fluid pathway deposition at or about the contact between the mafic and felsic bodies.



Identified Nickel occurrences on and about the tenements Larkin find (inside the tenement area) and Duck Hill, encourage exploration in the mafic and ultramafic units that it is entirely possible have only been historically explored for Nickel.

### **KALGOORLIE TENEMENTS**

- Positioned in the Ora Banda area of the Kalgoorlie Terrane in close proximity to the historic Carbine Mine and the Carbine N prospect.
- A number of surrounding mineralisation occurrences present throughout the area.
- Mineralisation in this area generally fault-associated and/or geologically controlled.
- Possesses magnetic structures that appear to equate to mafic sequences that historic exploration has shown to have gold present.

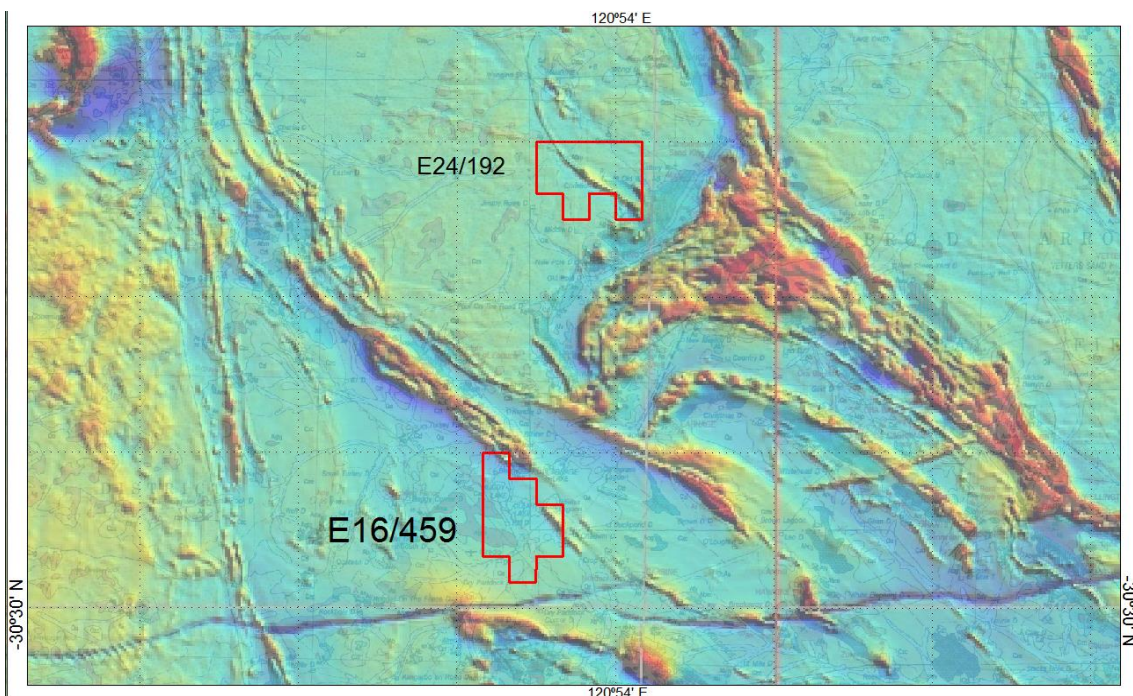


Figure 9 Kalgoorlie Region tenements overlain on magnetics

The areas to the northeast of tenement E16/459 has been historically subjected to a significant program of drilling along the NW-SE oriented magnetic reflector that identified anomalous gold. Within the tenement area, however, there appears to have been very little exploration.

Resolute N.L. in their 1997 exploration program identified anomalous gold on an interpreted magnetic high (mafics) within the tenement. Other anomalies were identified in the parallel magnetic reflector that has been exploited for Carbine and Carbine N.

### **SOUTHERN CROSS TENEMENTS**

- Positioned along the Southern Cross structural corridor.
- Numerous mineralisation occurrences along strike within the region.
- Mineralisation in this area generally fault-associated and/or geologically controlled.
- Interpretation of known lithologies and structures has identified a number of sites that should be targeted for exploration of these tenements.

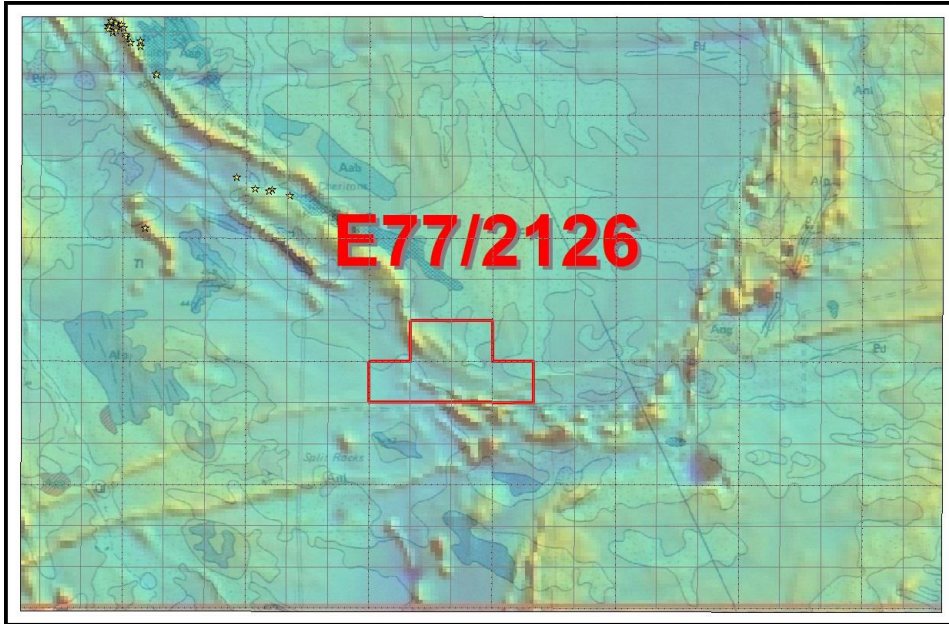


Figure 10 Sub-block detail and magnetic interpretation for tenement E77/2126.

Tenement E77/2126 intersects a major trend of mafic volcanics "the Southern Cross corridor" that hosts significant gold and base-metal mineralisation to the northwest of the tenement.

This corridor extends more than 80km to the northwest where it includes the Southern Cross gold mine as well as Marvel Loch, approximately halfway between as well as numerous other mines and occurrences. The units can be seen (via magnetic signatures) to trend southwards where they provide mineralisation for the Bounty and Forrestania mines.

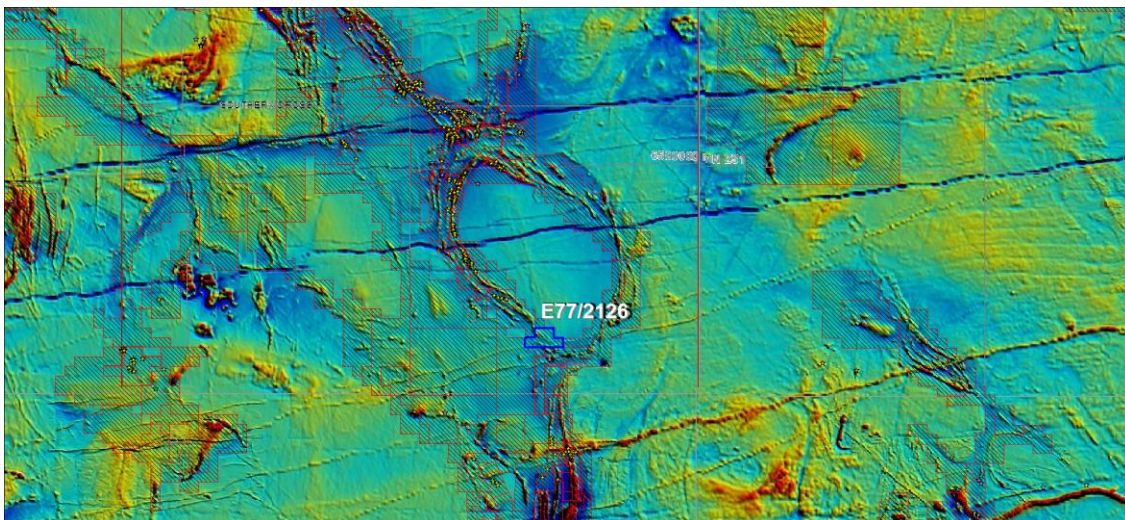


Figure 11 Location of DMA Southern Cross tenement wrt geophysical overlay.

More detailed examination of the magnetics (Figure 11) has identified potential west-east structures that further enhance the exploration potential for gold and base-metals.

## SANDSTONE TENEMENTS

- Approx. 1 million oz gold historically extracted from Gidgee and surrounds.
- Tenement areas have interesting geology that appears to have potential for gold and copper mineralisation.
- Gold occurrences along strike to the north and south.
- Copper occurrences laterally to the west.

Gold was discovered at Gidgee (then Jonesville) in 1926 and throughout the 1930s to 1950s 71,500 tonnes were mined at an average grade of 9.2g/t. Production resumed in 1987 and up until 2001, close to 1 million oz of gold at a head grade of 3.62g/t were extracted.

Mapped lithologies, structures and geophysics indicate geology that lends itself to potential gold and copper exploration potential.

Furthermore, gold occurrences have been recorded to the north at Mt Townsend and Gidgee/Wilsons Group as well as to the south at Montagu Monarch see Figure 12 below.

The dominant geophysical structure intersects the area in a NW-SE direction and is variously mapped as mafic, magnetite chert/BIF and granite. Brief interpretation of the magnetics indicates that areas mapped as underlain by granite, have a geophysical signature that suggests that they are more likely mafics or BIF. These are more conducive to gold/copper potential and increase the potential for this area.

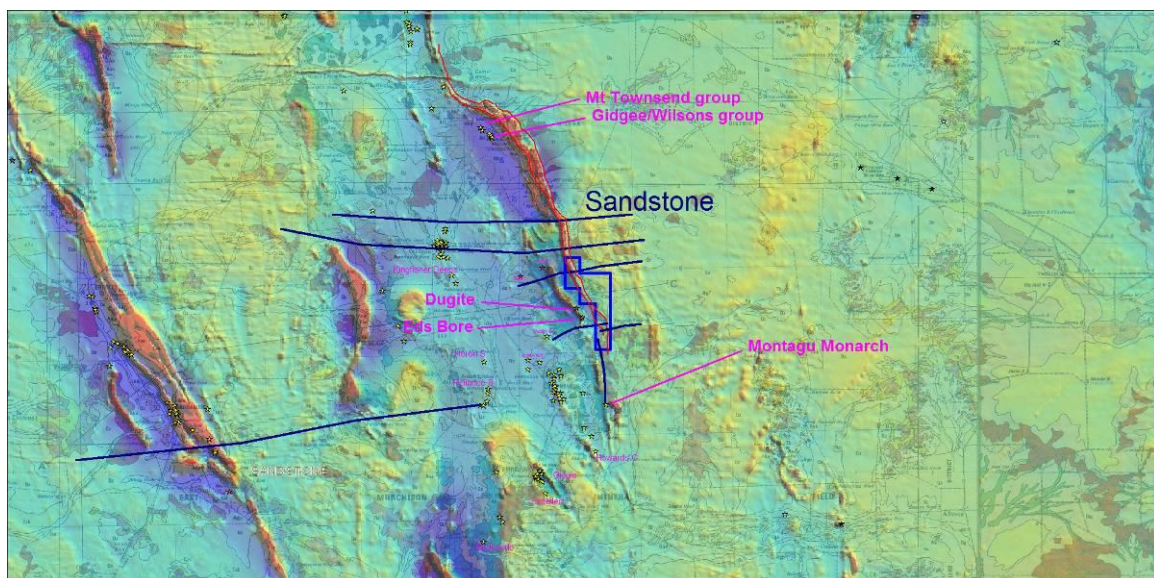
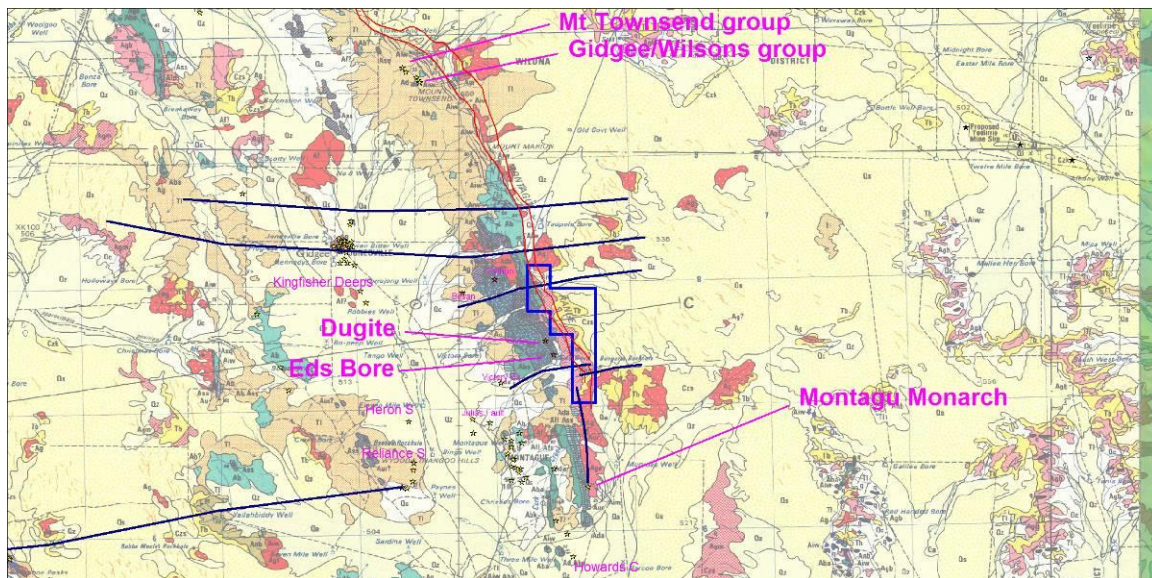


Figure 12 Location of release area on the Sandstone 1:250,000 Geology Sheet.



**Figure 13** Location of release area on the Sandstone 1:250,000 Geology Sheet.

A large amount of exploration completed in this area to the west of the tenement, however, due-diligence investigation has thus far been unable to identify any major exploration in the area of interest. It is possible that Gateway have undertaken some drilling in the area, but no public domain information in this regard has been discovered.

Sandstone 2 is positioned to the south of Sandstone 1 and surrounds parts of the historic Gidgee Mining area. Much of the background geological potential for Sandstone 1 applies to this area.

Gold mineralisation has been established in and around this tenement and although considerable exploration has been historically applied in the eastern portions there still seems to be structural and lithological exploration potential in the western portions.

**DMA GOLDFIELDS TENURE SUMMARY TABLE**

	Tenements	Sub-blocks	Status	Grant date
Tropicana	E38/2838	16	Granted	20/03/2014
Laverton	E38/2846	4	Granted	29/11/2013
	E38/2842	6	Granted	29/11/2013
	E38/2845	6	Pending	N/A
	E38/2843	2	Granted	30/05/2014
Kalgoorlie	E16/457	10	Pending	N/A
	E24/192	10	Pending	N/A
Granny South	E39/1750	2	Granted	25/02/2014
	E39/1749	1	Pending	N/A
Edjudina	E39/1764	4	Pending	N/A
	E31/1061	12	Pending	N/A
	E31/1062	8	Pending	N/A
Southern Cross	E77/2126	6	Pending	N/A
Sandstone 1	E57/957	9	Pending	N/A
Sandstone 2	E57/963	19	Pending	N/A

## **BUDGET AND FUNDING**

A program to evaluate and progress these tenements is planned, subject to funding availability. Each tenement will be evaluated using existing geophysics and satellite imagery to identify broad target areas for ground follow up. This should generate several drill targets which will be tested using RAB and RC Drilling.

An approximate budget breakdown is provided below:

<b>Activity</b>	<b>Budget</b>
Desktop Study	\$25,000
Project Generation/Acquisition	\$150,000
Surface Evaluation - Geochemistry and Geophysics	\$175,000
Drilling	\$500,000
Administration	\$150,000
<b>TOTAL</b>	<b>\$1,000,000</b>

Funding options for this budget are being evaluated.

## **COMPETENT PERSONS STATEMENT**

*The information in this report that relates to exploration results and mineral resource calculations has been compiled by Mr David Jenkins, a full time employee of Terra Search Pty Ltd, geological consultants employed by Dynasty Metals Australia Ltd. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Jenkins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

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