

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

30 OCTOBER 2019

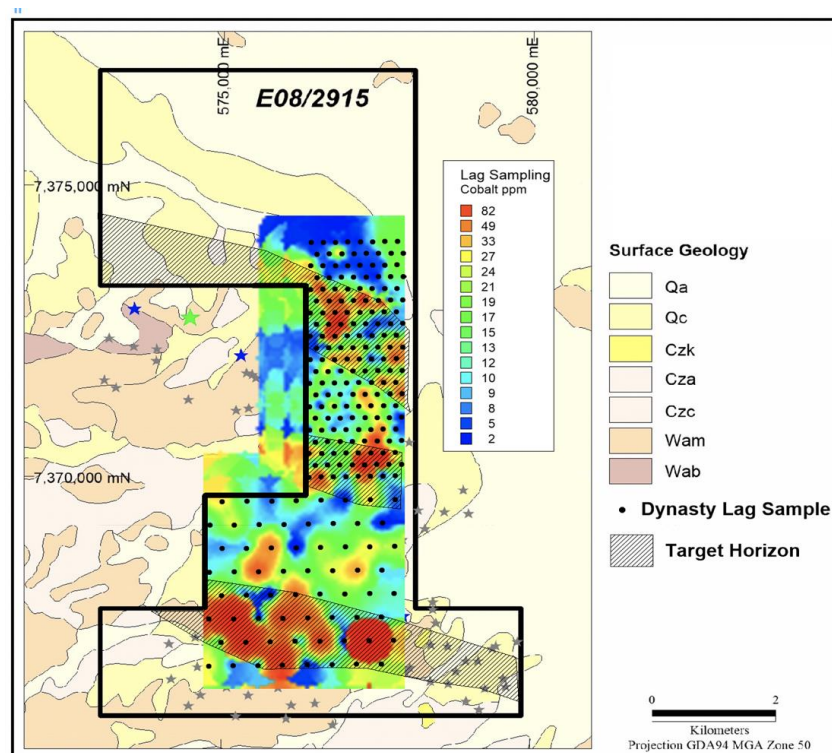
During the quarter ended 30 September 2019, Dynasty Resources Limited (**Dynasty** or the **Company**) carried out a large number of reviews of exploration projects both in Australia and overseas with a view to completing a suitable transaction to facilitate re-listing on the Australian Stock Exchange (see later in this report).

Meanwhile no further exploration work was conducted on the Ashburton Cobalt Project.

PROJECT SUMMARIES

ASHBURTON COBALT PROJECT (E08/2915 – DMA100%)

A LAG sampling program in 2018 indicated potential for 3 zones of broad cobalt, copper and zinc anomalism, sub-parallel to stratigraphy. At this follow up stage drilling has been deferred in favour of prioritising the essential corporate activities.



Lag Sampling gridded for Cobalt values,

First reported DMA Quarterly Report for December 2018

YOUNO DOWNS GOLD PROJECT (ELA51/1908 – DMA 100%)

The tenement is awaiting grant. Located approximately 60km southeast of Meekatharra, the area forms part of the north western extent of the Youanmi Terrain Greenstone belt. The local geology comprises typical northwest trending mafic volcanic with BIF and minor ultramafic rocks, enveloped by granitic rocks of the Tuckanarra Suite.

A north to south trending fault strikes through the centre of the greenstone belt, which appears to be extension of a larger regional fault system. Initial geophysics shows north south trending magnetic high supporting the presence of a greenstone belt, thought to be extension

of Youanmi Terrane Greenstone Belt which hosts several gold systems. Limited drilling has been undertaken.

A Native Title conference was deferred until the next quarter. Both parties will continue to negotiate a Heritage Agreement in good faith. Once finalised, the tenement can grant.

Reference: DMA, 2019, Quarterly Activities Report December 2018, ASX Release 30 January 2019 (includes JORC Table 1 compilation).

CORPORATE ACTIVITIES

The Company's shares remain in suspension. The Company, having made some board changes in March 2019 made further changes in July and August 2019 as it continued to actively pursue relisting on the ASX following receipt of ASX "show cause" in July, in connection with the suspension deadline in December 2019.

The Company worked closely with its legal advisers throughout the quarter, addressing ASX re-compliance requirements and exploring capital raising opportunities whilst the diligent exploration project search continued, holding advanced negotiations with several prospective joint venturers. The Company also started preliminary actions to divest its investment in the financial leasing operation in China.

On 30 October 2019, the Company announced that it will likely not be in a position to satisfy the ASX requirements for re-instatement by 8 December 2019, being the third anniversary of its suspension, and that the Company will likely be delisted on this date under the ASX listing rules relating to long term suspended companies.

MINING TENEMENTS HELD AT END OF QUARTER

All tenements are located in Western Australia.

Project	Lease	Commodity	Holder	Area	Expiry
Ashburton	E08/2915	Cobalt	Dynasty Resources Ltd	14BL	3/7/22
Hyden ⁽¹⁾	E77/2040	Gold	Goldstone Resources Pty Ltd	34BL	14/2/23
Youno Downs ⁽²⁾	E51/1908	Gold	Dynasty Resources Ltd	36BL	n/a
Ashburton ⁽³⁾	R45/5	Fe	Dynasty Resources Ltd	607Ha	27/7/21

⁽¹⁾ Goldstone Resources Pty Ltd is being wound up and the tenement is being relinquished.

⁽²⁾ Remains an application only

⁽³⁾ This Retention Licence was omitted from previous quarterly report

CHANGES IN INTERESTS IN TENEMENTS DURING QUARTER

No tenement changes were recorded during the Quarter.

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results has been compiled by Mr Malcolm Castle, a non-executive director of Dynasty Resources Limited. Mr Castle is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience in the style of mineralisation under consideration and the exploration activity which has been undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results ("JORC Code"). Mr Castle consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

CORPORATE PROFILE

Dynasty Resources Limited
ABN 80 110 385 709

Directors

William Hu Non-Executive Chairman
Malcolm Castle Non-Executive Director
Gang Xu Managing Director

Company Secretary

Henko Vos

Chief Operations Officer

Peter Dillon

Share Details

At 30 September 2019 there were 506,326,341 ordinary shares on issue.

Registered Office and Principal Place of Business

Level 3, 88 William Street
Perth WA 6000

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Website: www.dynastyresources.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

DYNASTY RESOURCES LIMITED and its controlled entities

ABN

80 110 385 709

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(34)	(34)
(e) administration and corporate costs	(154)	(154)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(37)	(37)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Net leasing inflow / (outflow)	50	50
1.9 Net cash from / (used in) operating activities	(174)	(174)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	5	5
	(c) investments	27	27
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	32	32

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	736	736
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(174)	(174)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	32	32
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	591	591

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	554	666
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Cash at Bank (Subsidiaries)	37	70
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	591	736

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

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8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

25

-

-

35

150

-

210

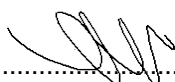
10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director)



Date: 30/10/2019

Print name: William Hu

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.