

DYNASTY
RESOURCES LIMITED

ABN 80 110 385 709

Annual Financial Report
For the year ended 30 June 2015

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The Company’s Corporate Governance Statement is available online at www.dynastyresources.com.au in the Corporate > Corporate Governance section.

Chairman's Letter

For year ended 30 June 2015

Dear Shareholder,

The economic environment for small cap exploration companies remained challenging throughout 2014/2015. With the destruction of the iron ore price and the difficult position that some producers are facing presently with their debt and cost of production, the board took the view that the Company needed to carefully review the prospectivity and strategic value of core iron ore tenements.

As detailed more fulsomely in the following Operations Report the Company concentrated on the acquisition of quality tenements with good resource potential and relinquished those tenements which were not considered to be economically viable. Over the year the Company also secured a number of gold and copper tenements which are considered to be highly prospective.

In addition, the Board's efforts for much of the year were focused towards seeking to secure appropriate funding for the Company. Since the beginning of the financial year, the Company raised approximately \$2.5 million through both private placements and a fully underwritten non-renounceable rights issue. The Company is therefore in a good position to continue the strategic review of its resource assets, and determine the future direction for the Company to maximise value for its shareholders.

Given the stronger financial position your Company is now in, I have decided this will be my last year with the Company and I will resign from the Board at the Company's Annual General Meeting. I thank the Board and our loyal shareholders for their support over the past year.

Yours faithfully,



Thomas Pickett
Chairman

Operations Review

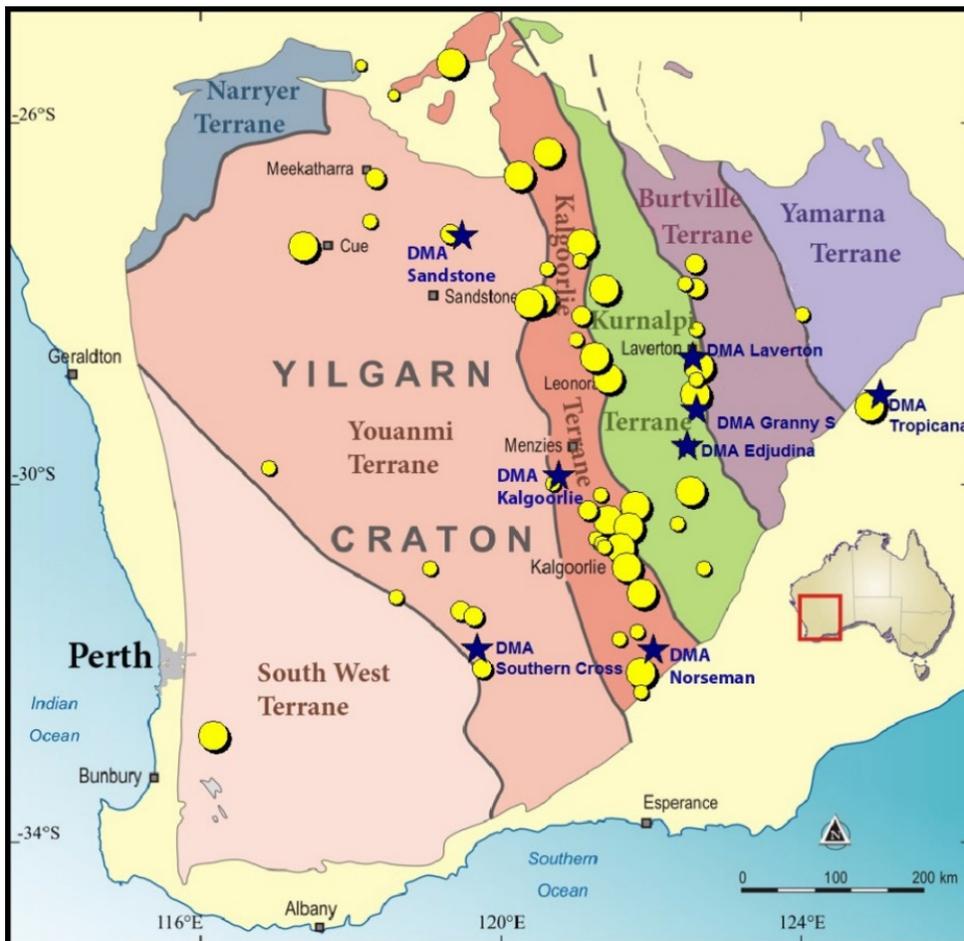
For year ended 30 June 2015

Dynasty Resources Limited (Dynasty or Company) is an exploration company focused on developing a multi-commodity suite of projects within Australia. The Company has a significant iron ore project with the flagship Spearhole project located at Prairie Downs within the Pilbara district of West Australia. Due to market forces the company has concentrated on re-evaluating the tenement holdings and the acquisition of gold and base metal project areas to complement this resource.

Our Strategy

The Company has, due to the difficult market conditions, undertaken a review of all tenement holdings and operations and is concentrating on the acquisition, through application or purchase, of quality tenements with good resource potential. The following are summaries of Dynasty's most significant holdings with plans to maximise shareholder value by undertaking exploration or exploring joint venture opportunities.

Gold Tenements



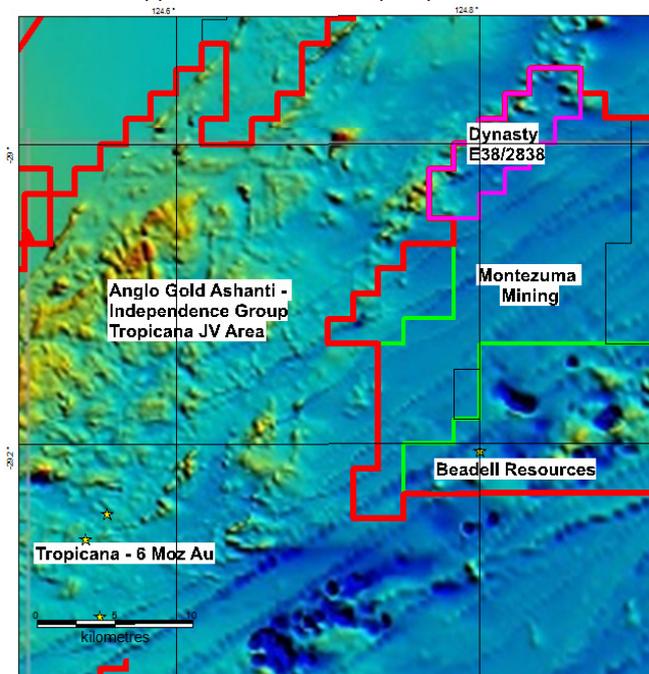
> Figure 1 Gold Project tenement locations

Operations Review

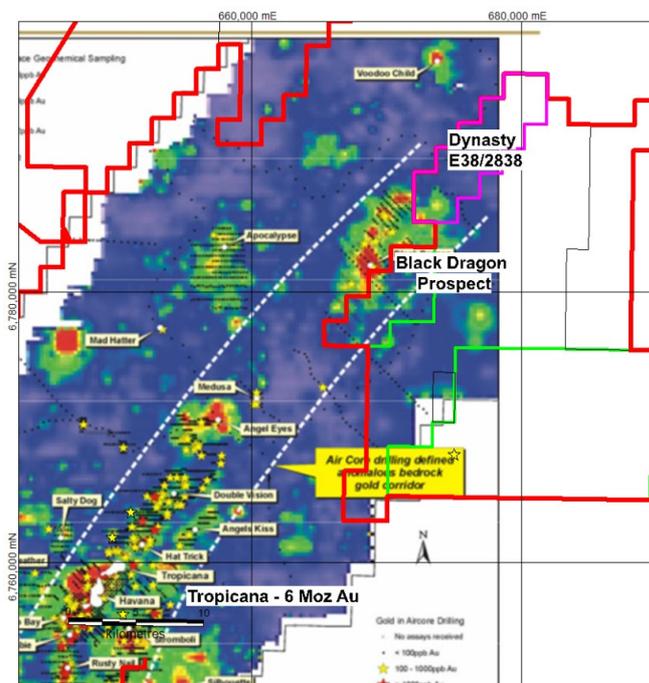
For year ended 30 June 2015

Tropicana Tenements

This is a 48 km² tenement, positioned along strike from the world class Tropicana project which currently reports a resource of 6.41 Moz of gold. The tenement is adjacent to the “Black Dragon” prospect reporting an extensive geochemical anomaly with surface rock chips assayed at up to 537g/t. Analysis of the regional magnetic structures appear to enhance the prospect of the tenement.



> 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. Initial plans are to compile all available data from the area and delineate targets for drill evaluation.

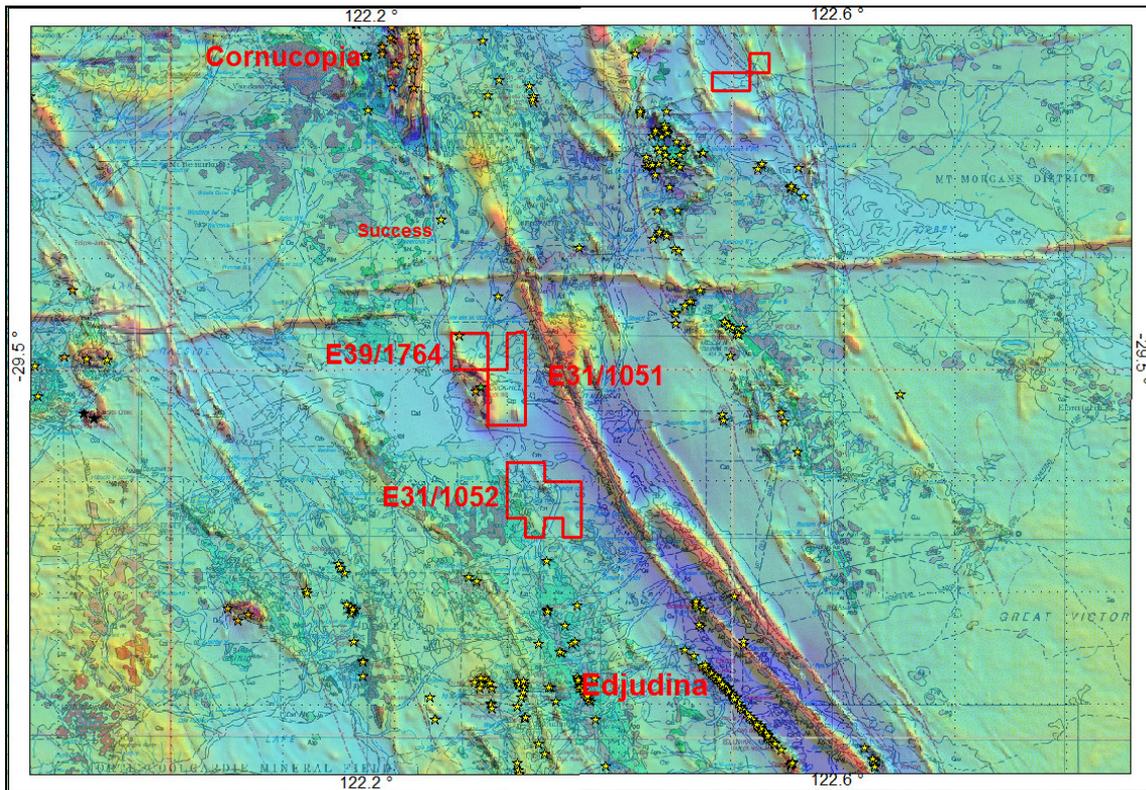
Operations Review

For year ended 30 June 2015

Edjudina Tenements

Dynasty holds three tenements in the Edjudina area with lithologies (mafic) 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.



- > Figure 4 Geological trend connecting gold mineralisation at Edjudina to the SE to gold and nickel mineralisation to the NW in the Cornucopia direction.

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.

Operations Review

For year ended 30 June 2015

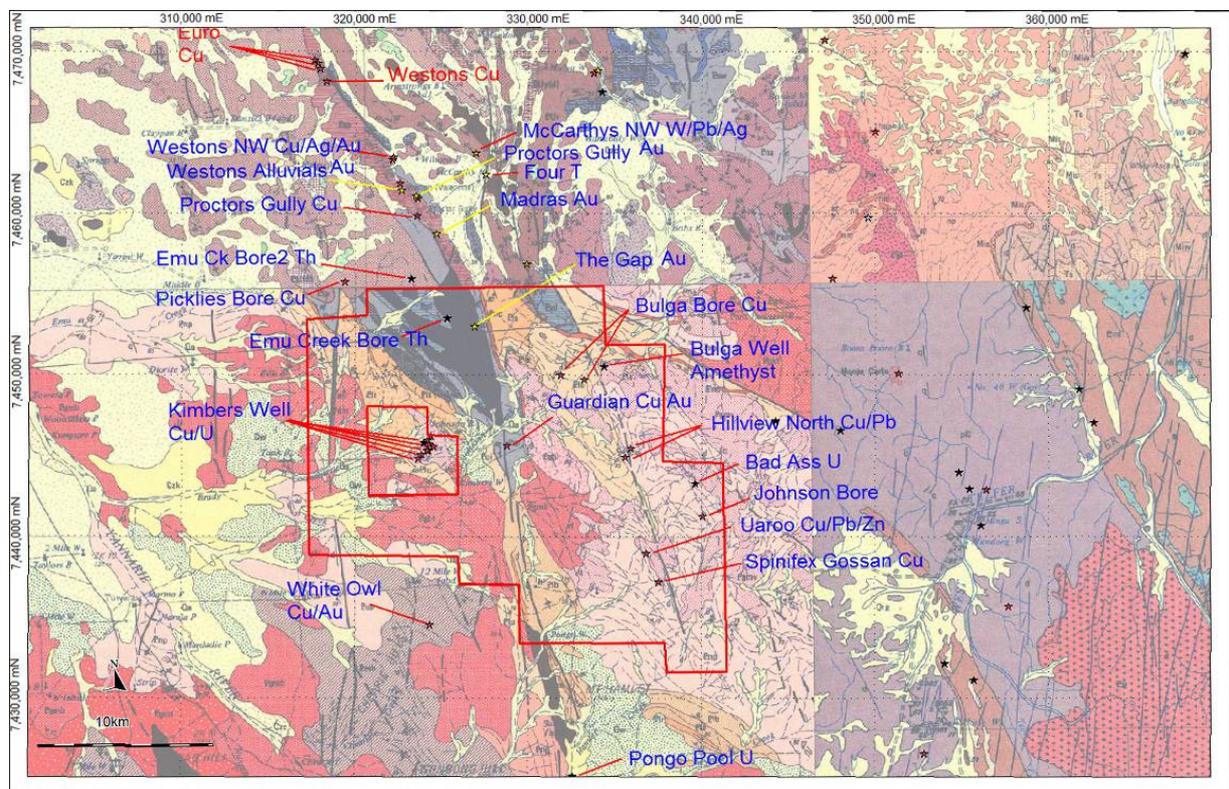
Gascoyne Project

Dynasty holds two prospective tenements in the Gascoyne region, E08/2495 and E09/2066, which cover an area of 195 Subblocks (614km²). The tenements are located in an area that possesses numerous historical mineralisation occurrences that appear to be associated with lithologies and structures that continue through the tenement.

Local mineralisation includes gold and copper, with several identified occurrences of both within the tenement boundaries as well as along strike, outside the tenement. A preliminary desktop study is suggestive of prospective geology and mineralisation in the area.

The Gascoyne is a largely underexplored terrain, despite a long history of exploration interest. This region generally fails to attract the high-level of exploration expenditure of the more established regions of Western Australia.

Dynasty consider there is potential for significant mineralisation to be identified with conventional exploration techniques.



> Figure 5 Dynasty Tenement E08/2495 Mineral occurrences and Geology

Figure 5 above depicts a large number of identified occurrences in and around E08/2495, a number of which have been historically mined. The mapped geology (1:250,000 Winning Pool geological sheet) delineates a number of geological packages and major structures that are clearly aligned with these mineralisation trends.

Iron Ore Projects

Dynasty holds some significant iron ore assets:

Prairie Downs

Dynasty has discovered a JORC-Compliant Inferred Resources of 1.4 billion tonnes of Detrital Channel Iron at Prairie Down's Spearhole Station, in addition to the 23.3 million tonnes of Marra Mamba Iron Formation.

With such a large resource defined, work on the resource has focused on beneficiation processes following the positive preliminary scoping study in December 2011. The aim is to progress the project towards feasibility studies to take advantage of the potential development of third party infrastructure solutions (Aurizon Rail) over the coming period.

Operations Review

For year ended 30 June 2015

Strategic Location

Strategically located in the prolific iron ore producing Pilbara region, Dynasty's iron ore project tenements are approximately 40 kilometres south-west of Mt Newman (See Figure 6 below).

The tenements are all centrally located near advanced exploration projects and existing mining operations and infrastructure. The Spearhole resource is within 70 kilometres of the proposed Aurizon Rail project which has the potential to unlock several resources in the southern Pilbara region.

Beneficiation

This resource is a unique style of mineralisation with high grade fragments of hematite rich material present within finer grained sand and clay. The source of the high grade material is the extensive outcropping Marra Mamba unit to the west of the tenement. The resource is unconsolidated and will be highly amenable to bulk mining and processing, more similar to a heavy mineral sand deposit than conventional iron ore mining operation.

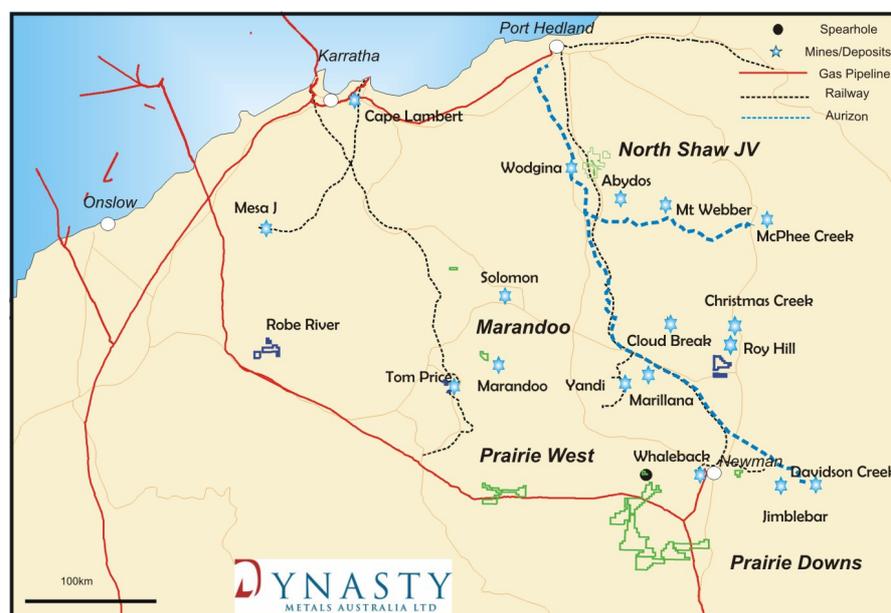
As such there are many aspects of the beneficiation process that need to be tested and defined and then retested. The early testing indicated a yield of 13-18% with Fe content of greater than 57%. (See Table 1 below). Current testing is concentrating on maximising the yield and grade and/or reducing the costs of this process. Once complete, the results of this testing can be used to update the positive scoping study completed in December 2011.

Table 1: Beneficiation results summary

	Yield	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	P
High Grade	13-18%	56-59%	6.0-7.5%	5.5-6.5%	1.7-2.0%	0.03-0.05%
Mid Grade	14-18%	40-45%	15-20%	8-12%	0.5-1.5%	0.03-0.05%

The latest testing has concentrated on the following main aspects:

- the unlocking of the Fe within the mid grade material detailed in Table 1 above;
- the potential to increase yield and grade through refining the processing; and
- reducing processing costs by testing alternative technologies.



> Figure 6 Strategic location of Dynasty's Pilbara iron ore projects

Operations Review

For year ended 30 June 2015

Resource Statements

In March 2010, Dynasty announced the following maiden JORC-Compliant Inferred Resources for the Prairie Downs Project:

Table 2: Inferred Resources - Spearhole Detrital Iron Deposit

Tonnes Mt	Fe %	CaFe* %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Cut-Off Grade % Fe
932	27.4	29.7	34.6	14.7	0.04	7.8	>20% Fe
1,400	23.5	25.5	38.6	15.5	0.03	8.1	Total Resource

*Calcined Fe ("CaFe") = $Fe / ((100 - LOI) / 100)$

Table 3: Inferred Resources - Marra Mamba Deposit

Tonnes Mt *	Fe %	CaFe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Cut Off Grade % Fe
7.2	53.7	58.7	9.4	4.3	0.05	8.5	>50% Fe
23.3	44.2	48.3	21.9	5.2	0.04	8.0	Total Resource

* Marra Mamba Deposit density assumed at 2.8 dry tonnes per cubic metre

The above resources are based on 19,326 metres drilled by Dynasty at its Prairie Downs project between August 2009 and September 2010. The program was of a reconnaissance nature and was designed to test the geological concept that channel iron deposits existed in the valley between BHB Billiton's Brockman and Marra Mamba Formation deposits to the west and an unnamed Archaean Iron Formation to the east.

Holes were drilled on a 400 metres x 200 metres and 400 metres x 100 metres spacing to a maximum depth of 60 metres and an average depth of 31.5 metres. The maximum depth of iron mineralisation identified during the program was 48 metres.

The resources for the Spearhole deposit, includes all assays from reverse-circulation drill holes SERC001 to SERC184 and SWRC001 to SWRC012.

The resources for the Marra Mamba Hematite Deposit include all assays from reverse-circulation drill holes MMRC001 to MMRC029.

QAQC data were reviewed by Dynasty's consultants which analytical results included certified reference material, field duplicates and pulp duplicates. Analysis of samples of certified material showed that the analytical accuracy was within the tolerance limits.

The independent laboratory used for the analysis of drill samples was Nagrom, based in Kelmscott, Western Australia.

The Spearhole mineralisation improves towards the south and south-east and deepens at the confluence of two channels. Drilling data included in the above resource estimate is in the northern, shallower portion of the deposits identified so far.

Plasia JV

Two tenements in the Bulloo Downs project area, E52/2024 and E52/2464 have been the subject of an Option agreement with Plasia Pty Ltd a subsidiary of Aruma Resources. Under the arrangement the tenements will be kept in good standing with all exploration and holding costs covered by Plasia, with Dynasty to benefit from any exploration success through cash payments and participation in the development of a resource. Drilling on the project has returned some promising intercepts of up to 4m @ 2.21% Cu (BMRC14)

Operations Review

For year ended 30 June 2015

Tenement Management

During the year several low prospectivity tenements were relinquished as well as several applications being granted. The majority of those tenements relinquished were iron ore tenements where it was deemed that the potential for economic mineralisation was low given the current forecasts for the iron ore price. The tenements relinquished were E09/1710, E09/1711, E52/2640, E52/2641, E47/2404, E52/2468, E38/2842, E38/2843, E38/2845, E38/2846 and 45/4209. The Company was granted the following additional tenements E31/1051, E31/1052, E08/2495, E45/4029.

Competent Persons Qualifying 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 engaged by Dynasty. 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 2004 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.

Directors' Report

For year ended 30 June 2015

The directors of Dynasty Resources Limited ('the Company') present their report together with the financial statements of the Company for the year ended 30 June 2015 ('the reporting period') and the auditor's report thereon.

The Company is a company limited by shares and is incorporated and domiciled in Australia.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Name	Appointment Date
Thomas Pickett (Independent Chairman)	19 September 2011
Lewis Tay (Managing Director)	21 January 2008
Bin Wang (Non-executive Director)	19 September 2011
Bo Xin Dong (Alternate Director for Bin Wang)	7 December 2011
Qingzhou Yuan (Non-executive Director)	22 July 2015

Nature of operations and principal activities

During the year the principal activity of the Company continued to be the exploration and evaluation of mineral licences.

Results of operations and financial position

The results of the Company's operations and the financial position are summarised below:

	Year ended 30 June 2015	Year ended 30 June 2014
	\$	\$
Loss after tax	(803,727)	(1,388,365)
Basic and diluted loss per share	0.0064	0.0119
Total assets	730,640	894,500
Total liabilities	98,225	140,072
Net current assets	533,848	340,660
Net assets	632,415	754,428

A review of the Company's exploration activities is set out in the Operations Review commencing on page 4.

Dividends

No dividends were paid or declared by the Company during or since the year ended 30 June 2015.

Litigation

The Company was not involved in any litigation during the year or since the end of the reporting period.

Significant changes in state of affairs

Capital Raisings

In January 2015 the Company undertook a placement of securities to sophisticated investors, raising \$150,000 via the issue of 15,000,000 ordinary shares at an issue price of \$0.01 per share.

In May 2015 the Company undertook an additional placement of securities to a sophisticated investor, raising \$146,000 via the issue of 14,600,000 ordinary shares at an issue price of \$0.01 per share.

Following this placement, the Company announced a fully underwritten pro-rata renounceable Rights Issue to subscribe for 3 new shares for every 2 existing ordinary shares held at an issue price of \$0.01 per share. Applications from existing shareholders for 16,867,114 new shares were received (\$168,671), these shares were issued on 26 June 2015. After the end of the reporting period, the Underwriter and its nominees subscribed for the remaining 205,310,890 shares (\$2,053,109) and those new shares were issued on 17 July 2015.

Prior to 30 June 2015, the Company had received \$229,500 of the application monies from the Underwriter/its nominees, however those shares were not issued until 17 July 2015.

Other than discussed above, there were no significant changes in the state of affairs of the Company during the year ended 30 June 2015.

Directors' Report (continued)

For year ended 30 June 2015

Significant events after reporting date

As set out above, the Company completed the underwritten pro-rata Rights Issue with the issue of 205,310,890 shares to the Underwriter, Cyberstore Technology Ltd and its nominees, on 17 July 2015, raising \$2,053,109.

Other than the items mentioned above, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Future developments

Other than as referred to in this report, further information as to likely future developments in the operations of the Company and expected results of those operations would, in the opinion of the Directors, be speculative only.

Environmental regulation and performance

In the course of exploration, the Company carries out sampling and drilling operations that have environmental implications both by way of in situ activities and also gaining access to sites. In such cases, rehabilitation of land and the elimination of any dangerous earthworks are a normal requirement. Apart from this, the Company is not subject to any particular or significant environmental regulation.

Information on directors

Thomas Pickett LLB **Independent Chairman**

Experience and expertise

Tom holds a Bachelor of Laws and was admitted as a solicitor of the Supreme Court of Queensland in 1996. Tom has broad experience in the mining industry and has held a number of corporate roles in the mining and finance industries.

Tom was a director of CuDeco Ltd (ASX:CDU) from 2002 to 2005, and continued as in-house counsel until 2009. Tom was involved in all aspects of the company's governance and compliance, and operations and implementation of policies and procedures surrounding mine planning.

Tom has also been Chairman of Planet Metals Limited since 15 May 2013 and a non-executive director of Discovery Resources Limited since 28 March 2013.

Special responsibilities

Chairman of the Board and Audit and Risk Committee.

Lewis Tay BAppSc GradDipAF **Managing Director**

Experience and expertise

Lewis holds a Bachelor of Applied Science and a Graduate Diploma of Applied Finance.

Lewis has been actively involved in mining investment, commodity trading, and corporate finance with a focus on Australian resource companies over the last 20 years, and worked with a number of investor companies in China Hong Kong and South East Asia.

Special responsibilities

Managing Director and member of Audit and Risk Committee.

Bin Wang MFin **Non-executive Director**

Experience and expertise

Bin holds a Master of International Finance & Business Management, and is resident of China.

Bin has held directorships and other governance roles with a number of companies listed on the Shanghai Stock Exchange. Bin's previous roles include CEO of Shanghai Hywood Capital Co Ltd and General Partner of Shanghai Gosun Venture Capital Fund.

Bin brings a wealth of experience in finance, acquisition and derivative investment in China, as well as extensive experience in capital raising and resource management across both private sector and public companies.

Special responsibilities

Member of Audit and Risk Committee

Directors' Report (continued)

For year ended 30 June 2015

Boxin Dong MBus (Bkg&Fin) **Alternate Director for Bin Wang**

Experience and expertise

Boxin holds a Masters in Business (Banking and Finance) from Monash University. He was a member of CFA Society (Hong Kong) until 2008 and is currently a part-time lecturer in finance and economics at Shanghai University.

Boxin is a professional venture capital investor with a specialist focus on the mining industry, and is current president of Shanghai Hywood Capital. Between 2005 and 2011 he was Capital Structure Department manager for Huawei Technology, the largest telecommunication equipment provider in the world. And prior to that he was finance manager for China Southern Airlines.

Qingzhou Yuan BBusCom **Non-executive Director**

Experience and expertise

Mr Yuan holds a Bachelor of Business and Commerce (Economics) from Monash University, Melbourne. In 2014, Mr. Yuan was invited to join the Australian and New Zealand division of Tencent Holdings Ltd (SEHK 00700), which owns Wechat, the world's largest social network platform and community. Mr. Yuan is also a director of Youpan Capital (Shanghai, China), which primarily invests in technology companies in China.

Company secretary

Louise Edwards LLB MBA FCIS

Louise was appointed Company Secretary in February 2012. Louise previously worked as a corporate lawyer and has over twelve years experience in corporate roles for listed finance and investment companies in Australia and the UK. Louise holds a Bachelor of Laws, a Masters in Business Administration (AGSM), and was admitted as a solicitor of the Supreme Court of Queensland in 1998. Louise is a Fellow of the Governance Institute of Australia.

Directors meetings

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the number of meetings attended by each Director were:

	Board Meetings		Audit and Risk Committee Meetings	
	Held	Attended	Held	Attended
Thomas Pickett	7	7	2	2
Lewis Tay	7	7	2	2
Bin Wang	7	-	2	-
Boxin Dong (Alternate for B Wang)	7	4	2	-

Under the Company's Constitution, documents containing written resolutions assented to by directors are to be taken as a minute of a meeting of Directors or of a Committee (as the case may be). There were eight written resolutions assented to by the Board this financial year, in addition to those meetings referred to above.

Unissued shares under option

Date options granted	Expiry date	Exercise price of shares	Number under option
19 September 2013	18 September 2015	\$0.05	8,000,000

The holder of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme.

Shares issued during or since the end of the year as a result of exercise

During or since the end of the financial year, the Company has not issued any shares as a result of the exercise of options.

Directors' Report (continued)

For year ended 30 June 2015

Indemnification and insurance of officers and auditors

Indemnification

Rule 28 of the Company's constitution provides that the Company indemnifies, on a full indemnity basis and to the full extent permitted by law, officers of the Company for all losses and liabilities incurred by the person on their position as an officer of the Company or of a related body corporate. The directors may also determine that the same indemnity be provided to officers of related bodies corporate of the Company and Company auditors. In accordance with the requirements of section 199A of the *Corporations Act 2001*, Rule 28 does not indemnify an officer for any liability involving a lack of good faith. No indemnity has been granted to an auditor of the Company. The Company has not been required to indemnify any officer under Rule 28 since its incorporation.

Rule 28 also permits the Company to purchase and maintain directors' and officers' insurance policies.

In conformity with Rule 28, the Company is party to Deeds of Indemnity in favour of each of the Directors referred to in this report who held office during the year and the Company Secretary. The indemnities operate to the full extent permitted by law and are not subject to a monetary limit. The Company is not aware of any liability having arisen, and no claims have been made, during or since the financial year under the Deeds of Indemnity.

Insurance premiums

During the year, the Company paid premiums for contracts insuring directors and officers of the Company against certain liabilities (subject to certain exclusions and to the extent permitted by law) for the year ended 30 June 2015. The directors have not included details for the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract as (in accordance with normal commercial practice) such disclosure is prohibited under the terms of the contracts.

REMUNERATION REPORT (AUDITED)

The Directors of the Company present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the year ended 30 June 2015.

Key Management personnel

The remuneration is subject to a non-binding shareholders vote at the Company's annual general meeting.

The directors and other key management personnel of the Company during or since the end of the financial year were:

Name	Position
Mr Thomas Pickett	Independent Chairman
Mr Lewis Tay	Managing Director
Mr Bin Wang	Non-executive Director
Mr Bo Xin Dong	Alternate Director for Bin Wang
Mr Qingzhou Yuan	Non-executive Director

Remuneration policy and key terms of employment contracts

The Company's Board comprises a Managing Director, three non-executive directors and an alternate director. The Company does not have any employees. Therefore, remuneration disclosures in this report relate to the remuneration of the directors. Mr Qingzhou Yuan was appointed after the end of the reporting period, and therefore no remuneration was paid to him during the reporting period. The disclosures below relate only to those directors who held office during the year.

The Company engages David Jenkins of Terra Search Pty Ltd to provide consultant geological services, Hetherington Exploration and Mining Title Services Pty Ltd to provide tenement management services, Lucas & Co to provide financial and accounting services and Louise Edwards to provide company secretarial services.

The Company's Constitution provides that Directors may be paid such remuneration as is determined from time to time in General Meeting. The Board Charter discloses the main corporate governance practices of the Board including a detailed definition of independence, a framework for the identification of candidates for appointment to the Board, requirements regarding conflicts of interest, and the role and responsibility of the board. The cap on remuneration for non-executive directors is \$200,000 in aggregate per annum, as approved by shareholders at the General Meeting on 24 July 2007. Superannuation contributions and insurance premiums are also paid by the Company in accordance with the law and the Company's Constitution. Each director has entered into a Deed of Access, Indemnity and Insurance with the Company and is covered by the Company's Directors and Officers Liability Insurance.

Directors' Report (continued)

For year ended 30 June 2015

REMUNERATION REPORT (AUDITED) (CONTINUED)

The Chairman was entitled to annual fees of \$60,000 per annum (including superannuation) for the period 1 July 2014 to 30 June 2015, and non-executive directors were entitled to \$36,000 per annum (including superannuation) for the same period. The Managing Director was entitled to annual fees of \$144,000 per annum (including superannuation) for the year ended 30 June 2015. The Managing Director is not entitled to receive any termination or retirement benefits.

In accordance with the requirements of the constitution, Directors' remuneration is fixed. The Board undertakes an annual review of compensation arrangements for executive and non-executive directors to ensure compensation arrangements are market competitive and adequately reflect the skills, expertise and time demands on directors. Director's remuneration is not linked to the financial performance of the Company.

Remuneration of Key management personnel

Details of the nature and amount of each major element of remuneration of each director of the Company (as defined in section 300A of the *Corporations Act 2001*) are set out in the following tables:

Year ended 30 June	Short term benefits		Post-employment	Total
	Salary & fees	Other	Superannuation	
2015	\$	\$	\$	\$
Thomas Pickett	60,000	-	-	60,000
Lewis Tay	144,000	-	-	144,000
Bin Wang	36,000	-	-	36,000
Boxin Dong ⁽¹⁾	-	-	-	-
	240,000	-	-	240,000
Year ended 30 June 2014				
Thomas Pickett	60,000	-	-	60,000
Lewis Tay	144,000	-	-	144,000
Bin Wang	36,000	-	-	36,000
Boxin Dong ⁽¹⁾	-	-	-	-
	240,000	-	-	240,000

⁽¹⁾ Boxin Dong is an alternate director for Bin Wang. No directors fees are payable to alternate directors

	2015	2014
	\$	\$
Short term benefits	240,000	240,000
Post-employment benefits	-	-
Share based payments	-	-
	240,000	240,000

Share based compensation

Options and rights over equity instruments granted as compensation

During the past two years, or since the end of this reporting period, no options were issued to Directors as compensation.

Total expenses arising from share-based payment transactions recognised during the year and prior year, as part of the employee benefit expense was \$nil (2014: \$nil).

Directors' Report (continued)

For year ended 30 June 2015

REMUNERATION REPORT (AUDITED) (CONTINUED)

Directors' interest in shares and options

The numbers of ordinary shares in the Company held during the financial year by each Director the Company, including their personally related entities, are set out in the table below.

Year ended 30 June 2015	Opening Balance	Direct Holdings		Indirect Holdings		Closing Balance
		Purchases	Sales	Purchases	Sales	
Directors						
Thomas Pickett	7,500	-	-	-	-	7,500
Lewis Tay	3,809,302	50,000	-	-	-	3,859,302
Bin Wang	-	-	-	-	-	-
Bo Xin Dong	8,526,996	6,500,000	-	-	-	15,026,996

Year ended 30 June 2014	Opening Balance	Direct Holdings		Indirect Holdings		Closing Balance
		Purchases	Sales	Purchases	Sales	
Directors						
Thomas Pickett	7,500	-	-	-	-	7,500
Lewis Tay	3,802,091	7,211	-	-	-	3,809,302
Bin Wang	-	-	-	-	-	-
Bo Xin Dong*	8,526,996	-	-	-	-	8,526,996

* Updated shareholding

Loans from Key management personnel and their related parties

During the year ended 30 June 2015 the Company did not enter into loans with key management personnel or their related parties.

Transactions with related parties

There are no other related party transactions or balances during the year.

Balances due to directors for fees and charges at 30 June 2015 was \$nil (2014: nil)

Relationship between the remuneration and company performance

Summary of Company's performance and movements in Dynasty Resources Limited's share price over the last five years:

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Revenue	24,110	195,490	941,555	1,488,680	107,584
Net loss before tax	(867,597)	(1,501,036)	(1,930,908)	(1,490,448)	(3,455,347)
Net loss after tax	(803,727)	(1,388,365)	(1,479,128)	(1,128,009)	(3,455,347)
Closing share price at reporting dates	0.0080	0.0200	0.0400	0.0860	0.1800
Basic and diluted loss per share	0.0064	0.0119	0.0139	0.0107	0.0399
Dividends per share	-	-	-	-	-

Directors' Report (continued)

For year ended 30 June 2015

Non-audit services

During the year, Deloitte Touche Tohmatsu, the Company's auditor, has performed certain other services in addition to their statutory duties.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- (a) all non-audit services have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- (b) the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, Deloitte Touche Tohmatsu, and its related practices for non-audit services provided during the year are set out in Note 3 of the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and is noted on page 18.

This report is made in accordance with a resolution of the Directors.



Lewis Tay
Managing Director

Sydney
31 July 2015

The Board of Directors
Dynasty Resources Limited
83 Brisbane Street
PERTH WA 6000

31 July 2015

Dear Board Members

Dynasty Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Dynasty Resources Limited.

As lead audit partner for the audit of the financial statements of Dynasty Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Neil Smith
Partner
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For year ended 30 June 2015

	Note	2015 \$	2014 \$
Continuing operations			
Interest income		4,110	15,095
Sale of geological information		20,000	-
Sale of tenement interest		-	150,000
Gain/(loss) on disposal of shares		(63,034)	30,395
		(38,924)	195,490
Share of losses of associate accounted for using the equity method	17	-	(140,514)
Employee benefits expenses		(240,000)	(240,000)
Professional fees		(147,350)	(163,462)
Travel and Accommodation expenses		(50,104)	(47,564)
Registry fee		(23,458)	(22,114)
Insurance expenses		(9,625)	(11,051)
Exploration expenses		(88,009)	(641,873)
Impairment on fair value of associate		-	(309,853)
Impairment on fair value of available for sale financial assets	9	(214,022)	(38,441)
Administrative and other expenses		(56,105)	(81,654)
Loss before income tax		(867,597)	(1,501,036)
Income tax benefit	5	63,870	112,671
Net loss after tax attributable to owners of the Company		(803,727)	(1,388,365)
Other comprehensive income			
Items that maybe reclassified subsequently to profit or loss		-	-
Total other comprehensive income for the year		-	-
Total comprehensive loss attributable to owners of the Company		(803,727)	(1,388,365)
Net loss per share (in cents)			
Basic and diluted for the year	4	(0.64)	(1.19)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	617,851	458,860
Trade and other receivables	8	14,222	21,872
Total current assets		632,073	480,732
Non-current assets			
Investments accounted for using the equity method	17	-	1
Other financial assets	9	46,515	340,964
Property, plant and equipment	10	52,052	72,804
Total non-current assets		98,567	413,768
Total assets		730,640	894,500
LIABILITIES			
Current liabilities			
Trade and other payables	11	98,225	140,072
Total current liabilities		98,225	140,072
Total liabilities		98,225	140,072
Net assets		632,415	754,428
EQUITY			
Contributed equity	12	18,861,430	18,459,716
Share application monies		270,000	-
Reserves	13	79,987	79,987
Accumulated losses		(18,579,002)	(17,785,275)
Total equity		632,415	754,428

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For year ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from sale of tenements		20,000	150,000
Payments to suppliers and employees		(628,519)	(1,013,362)
Interest received		4,110	19,048
Income tax refund		63,870	112,671
Net cash used in operating activities	7	<u>(540,539)</u>	<u>(731,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(515)
Payments for investment securities		-	(562,677)
Proceeds on sale of investment securities		17,817	592,469
Net cash from investing activities		<u>17,817</u>	<u>29,277</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity		734,643	479,985
Payment for share issue costs		(52,930)	(84,919)
Net cash from financing activities		<u>681,713</u>	<u>395,066</u>
Net decrease in cash and cash equivalents		158,991	(307,300)
Cash and cash equivalents at the beginning of the year		458,860	766,160
Cash and cash equivalents at the end of the year	6	<u>617,851</u>	<u>458,860</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For year ended 30 June 2015

	Ordinary Shares	Share application monies	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 1 July 2013	18,144,636	-	-	(16,396,910)	1,747,726
Loss for the year	-	-	-	(1,388,365)	(1,388,365)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,388,365)	(1,388,365)
Issue of shares	400,000	-	-	-	400,000
Issue of options	-	-	79,987	-	79,987
Capital raising costs	(84,919)	-	-	-	(84,919)
At 30 June 2014	18,459,716	-	79,987	(17,785,275)	754,428
At 1 July 2014	18,459,716	-	79,987	(17,785,275)	754,428
Loss for the year	-	-	-	(803,727)	(803,727)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(803,727)	(803,727)
Issue of shares	464,671	-	-	-	464,671
Application monies received	-	270,000	-	-	270,000
Adjustment*	(10,000)	-	-	10,000	-
Capital raising costs	(52,957)	-	-	-	(52,957)
At 30 June 2015	18,861,430	270,000	79,987	(18,579,002)	632,415

* Adjustment relates to an error in classification from the issue of shares in the financial year ended 30 June 2013.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to Financial Statements (continued)

For year ended 30 June 2015

1. Corporate Information

The financial report of Dynasty Resources Limited ('Company') for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 31 July 2015.

Dynasty Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activity of the Company during the year was exploration and evaluation of mineral licences.

The Registered Office of the Company is at 83 Brisbane Street, Perth, WA, 6000.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), and complies with other requirements of the law, as appropriate for for-profit oriented entities.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The company has incurred a net loss after tax for the year ended 30 June 2015 of \$803,727 (2014: \$1,388,365) and experienced net cash outflows from operating activities of \$540,539 (2014: \$731,643).

As at 30 June 2015, the company had cash assets of \$617,851 (2014: \$458,860).

The Company announced a fully underwritten pro-rata renounceable Rights Issue to subscribe for 3 new shares for every 2 existing ordinary shares held at an issue price of \$0.01 per share.

Applications from existing shareholders for 16,867,114 new shares were received (\$168,671), these shares were issued on 26 June 2015. After the end of the reporting period, the Underwriter and its nominees subscribed for the remaining 205,310,890 shares (\$2,053,109) and those new shares were issued on 17 July 2015.

The successful completion of the Rights Issue has provided the Company with sufficient cash flows to meet commitments and working capital requirements for the 12 month period from the date of signing the financial report.

The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) New standards and interpretations

In the current year, the Company has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010-2013 and 2011-2013 Cycles)

Notes to Financial Statements (continued)

For year ended 30 June 2015

(b) New standards and interpretations (continued)

- AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119).
- AASB 1031 'Materiality' AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality).

The adoption of all the new and revised Standards and Interpretations has resulted in changes to the Company's accounting policies but has no material effect on the amounts reported or disclosures made for the current or prior years.

New standards and interpretations in issue but not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards ¹	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
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At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.

Notes to Financial Statements (continued)

For year ended 30 June 2015

(c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(d) Employee Benefits Expenditure

Employee benefits such as salary and wages are measured at the rate at which the entity expects to settle the liability; and recognised during the period over which the employee services are being rendered.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) Exploration and evaluation expenses

The Company expenses all exploration and evaluation expenses as they are incurred.

(f) Share based payment

Equity settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

No amount has been recognised in the financial statements in respect of the other equity-settled share-based payments.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(g) Income Taxes

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Notes to Financial Statements (continued)

For year ended 30 June 2015

(h) Earnings per share

a. Basic earnings per share

Basic earnings per share is determined by dividing the Company operating result after income tax attributable to members by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

b. Diluted earnings per share

Diluted earnings per share adjusts the figure used in the determination of basic earnings per share by taking into account amounts paid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(i) Cash and Cash Equivalents

Cash comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Trade and Other Receivables

Receivables are recognised and carried at original costs less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(k) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

The useful life of the assets have been set at the following levels to determine the depreciation rates:

- Plant and equipment: 2.5 to 20 years

The carrying amount of the property, plant and equipment are reviewed by the management to determine the adequacy of the depreciation charged at the end of each reporting period. Any excess or shortfall in depreciation charged is being adjusted in the income statement in the year in which such adjustments are being made as a reversal of the depreciation expense. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(l) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(m) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Liabilities expected to be settled within the normal trading cycle are carried at costs, and those expected to be settled beyond 12 months are measured at amortised costs.

Notes to Financial Statements (continued)

For year ended 30 June 2015

(n) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(p) Financial Instruments

Financial instruments are recognised when the entity becomes party to the contractual provisions of the instrument. The derecognition of a financial instrument takes place when the entity no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(q) Investments

All investments are initially recognised at fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as available for sale, are measured at fair value.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which point the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the reporting date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is subsequently the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

(r) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority

(s) Associates

Associates are entities over which the entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Notes to Financial Statements (continued)

For year ended 30 June 2015

(t) Critical accounting judgements and key sources of estimation uncertainty

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share based payments

The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the options. To estimate this fair value an option pricing model has been used. There are many variables and assumptions used as inputs into the model (which have been detailed in Notes). If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised.

Available for sale financial assets

The available for sale financial assets are measured at their fair value on each reporting date. The fair values are measured with reference to their closing market rates. The management has to apply judgement to determine if a decline in each investment's fair value below their costs is impairment. In making such judgement, the management considers the trend in movement of investment's fair value from the observable market data and the volatility in such movements over a period of time.

Notes to Financial Statements (continued)

For year ended 30 June 2015

3. Revenue And Expenditure

	2015	2014
	\$	\$
Included in loss for the year are:		
<i>Expenses:</i>		
Directors fees and remuneration	240,000	240,000
Depreciation expenses	20,752	21,699
Auditors' remuneration		
For audit and review of financial report		
Deloitte Touche Tohmatsu	56,006	41,260
For other services – Research & Development Tax concession	13,413	23,592
	69,419	64,852

4. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive partly paid contributing shares).

The following reflects the income and share data used in the total operations basic and dilutive earnings per share computations:

	2015	2014
	\$	\$
Net loss attributable to equity holders from continuing operations	(803,727)	(1,388,365)
Net loss attributable to ordinary shareholders for diluted earnings per share	(803,727)	(1,388,365)
Weighted average number of ordinary shares for basic earnings per share	126,556,301	116,962,504
Adjusted weighted average number of ordinary shares for diluted earnings per share	126,556,301	116,962,504
Basic and diluted earnings per share (in cents)	(0.64)	(1.19)
Options outstanding at reporting date <i>(Considered as anti-dilutive and hence not considered in above)</i>	-	-

5. Income Tax

	2015	2014
	\$	\$
The components of income tax benefit / (expense) comprise of:		
<i>Recognised in income statement:</i>		
Current tax	63,870	112,671
Deferred tax		
	63,870	112,671
<i>Recognised in statement of changes in equity:</i>		
Current tax	-	-
Deferred tax	-	-
	-	-

Notes to Financial Statements (continued)

For year ended 30 June 2015

5. Income Tax (continued)

	2015 \$	2014 \$
Reconciliation of income tax expense to statutory income tax:		
Accounting loss before income tax	(803,727)	(1,501,036)
Tax / (benefit) at statutory rate of 30%	(241,118)	(450,311)
Non-deductible expenses	88,462	139,592
Prior year R&D Tax Concession	(63,870)	(112,671)
Other	-	-
Income tax benefit not brought into account	152,656	310,719
Income tax (benefit) / expense reported in income statement	(63,870)	(112,671)
Weighted average effective tax rate	8%	8%

Components of deferred taxes:

Deferred tax assets

Carry forward revenue losses	4,635,670	4,582,270
Blackhole deduction	27,989	29,900
Non-deductible accruals	49,584	23,500
	4,713,243	4,635,670

Deferred tax asset recognised to the extent of deferred tax liability at reporting date

- -

Deferred tax liabilities

Accrued interest	-	200
	-	200

Net deferred tax asset / (liability) 4,713,243 4,635,470

Unrecognised deferred tax asset 4,713,243 4,635,470

The tax benefits of the above Deferred Tax Assets will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

6. Cash And Cash Equivalents

	2015 \$	2014 \$
Reconciliation of cash		
For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	617,851	458,860
Short Term Deposits	-	-
	617,851	458,860

Cash at bank and in hand earns interest at floating rates based on daily bank rates.

Notes to Financial Statements (continued)

For year ended 30 June 2015

7. Reconciliation of operating loss to net cash flows from operating activities:

	2015	2014
	\$	\$
Loss for the year	(803,727)	(1,388,365)
<i>Adjustments for:</i>		
Share of losses of associate	-	140,514
Loss and impairment on disposal of interest in associate	-	309,853
Gain on disposal of shares in subsidiary	-	(30,395)
Loss on disposal of available for sale financial assets	63,034	-
Impairment on fair value of available for sale financial assets	214,022	38,441
Depreciation and amortisation	20,752	21,699
<i>Movement in working capital items:</i>		
(Increase) / decrease in receivables	7,227	(12,496)
Increase / (decrease) in payables	(41,847)	189,106
Net cash from operating activities	<u>(540,539)</u>	<u>(731,643)</u>

Non-cash transactions

During the current year, the Company did not enter into any non-cash investing and financing activities which are not reflected in the statement of cash flows.

8. Trade And Other Receivables

	2015	2014
	\$	\$
<i>Current</i>		
Accrued interest from financial institutions	-	666
GST receivable	14,222	16,545
Settlement of shares – receivable	-	4,661
	<u>14,222</u>	<u>21,872</u>
Age of receivables that are past due but not impaired:		
Recoverable within 3 months	14,222	21,872
Recoverable more than 3 months	-	-
	<u>14,222</u>	<u>21,872</u>

9. Other Financial Assets

	2015	2014
	\$	\$
Term deposits with financial institutions	22,483	22,060
Available for sale financial assets	24,031	318,904
Other financial asset	1	-
	<u>46,515</u>	<u>340,964</u>

Term deposits are restricted cash balances held by financial institutions as security against the guarantees issued to State Governments for the Company's exploration tenements.

Available for sale financial assets are the Company's investment in equity of listed entities. These are measured at their fair value applying the closing market rate on the reporting dates. Investments at reporting date represent 2,546,099 ordinary equity shares in Argonaut Resources NL (2014: 2,546,099) and 2,721,200 ordinary equity shares in Tiaro Coal Limited (2014: 2,949,300).

Other financial asset is the Company's investment in Goldstone Resources Pty Ltd (see note 17).

Reconciliation of the fair values of Available for sale financial assets at the beginning and end of the current and previous financial year are set out below:

	2015	2014
	\$	\$
Opening fair value	318,904	361,402
Additions	-	-
Disposals	(80,851)	(4,057)
Impairment write-off	(214,022)	(38,441)
Closing fair value	<u>24,031</u>	<u>318,904</u>

Notes to Financial Statements (continued)

For year ended 30 June 2015

10. Property, Plant And Equipment

	2015	2014
	\$	\$
Plant and equipment		
At cost	177,640	177,640
Accumulated depreciation	(125,588)	(104,836)
	<u>52,052</u>	<u>72,804</u>
Movement in net carrying amount		
Balance at the beginning of the year	72,804	93,988
Additions	-	515
Depreciation for the year	(20,752)	(21,699)
Balance at the end of the year	<u>52,052</u>	<u>72,804</u>

11. Trade And Other Payables

	2015	2014
	\$	\$
Trade and other payables	48,641	116,572
Accruals	49,584	23,500
	<u>98,225</u>	<u>140,072</u>
Payable maturity analysis:		
Payable within 3 months	98,225	140,072
	<u>98,225</u>	<u>140,072</u>

Trade and other payables are unsecured and generally payable on 30 to 90 day credit terms.

12. Contributed Equity

	2015		2014	
	Nos.	\$	Nos.	\$
<i>Movement of ordinary shares on issue:</i>				
Balance at the beginning of the year	118,518,669	18,459,716	110,518,669	18,144,636
Rights issue				
Transfer upon exercise of option from option reserve	-	-	-	-
Issue of shares	46,467,114	464,671	8,000,000	400,000
Adjustment*	-	(10,000)	-	-
Equity issue costs	-	(52,957)	-	(84,920)
Balance at the end of the year	<u>164,985,783</u>	<u>18,861,430</u>	<u>118,518,669</u>	<u>18,459,716</u>

* Adjustment relates to an incorrect allocation for shares issued in the year ended 30 June 2013.

September 2013 Placement and Options

In September 2013, the Company undertook a placement of securities to a sophisticated investor, raising \$480,000 via the issue of 8,000,000 ordinary shares and 8,000,000 unlisted options ('Placement'). The ordinary shares were issued at an issue price of \$0.05 per share. The options were issued at \$0.01 per share, with an exercise price of \$0.05, and expiring on 18 September 2015.

The options have not been exercised as at 30 June 2015.

January 2015 Placement

In January 2015 the Company undertook a placement of securities to sophisticated investors, raising \$150,000 via the issue of 15,000,000 ordinary shares at an issue price of \$0.01 per share.

May 2015 Placement

In May 2015 the Company undertook an additional placement of securities to a sophisticated investor, raising \$146,000 via the issue of 14,600,000 ordinary shares at an issue price of \$0.01 per share.

2015 Rights issue

On 28 May 2015 the Company announced a fully underwritten pro-rata renounceable rights Issue to subscribe for 3 new ordinary shares for every 2 existing ordinary shares at an issue price of \$0.01 per share. As a result, 16,867,114 new shares were issued to existing shareholders, resulting in gross cash proceeds of \$168,671. Subsequent to the end of the reporting period, shortfall shares were issued to the Underwriter and its nominees, with 205,310,890 shares issued on 17 July 2015 for gross cash proceeds of \$2,053,109.

Notes to Financial Statements (continued)

For year ended 30 June 2015

12. Contributed Equity (continued)

Movement in options outstanding:

	5 cent options expiring 18 Sept 2015
	Nos.
Year ended 30 June 2015	
Balance at the beginning of the year	8,000,000
Issued during the year	-
Exercised during the year	-
Lapsed during the year	-
Balance at the end of the year	8,000,000
Year ended 30 June 2014	
Balance at the beginning of the year	-
Issued during the year	8,000,000
Exercised during the year	-
Lapsed during the year	-
Balance at the end of the year	8,000,000

Capital Management Policy

The Company's policy is to effectively manage its capital structure so that it would continue to operate as a going concern. The Company manages its contributed equity and reserves as part of its capital. The Company has no debt obligations and is not subject to any externally imposed capital requirements.

As is similar with many other exploration companies, the operational requirements of the Company are funded through equity raised in various tranches. The overall capital management policy of the Company remains unchanged and is consistent with prior years.

13. Reserves

<i>Movement in reserves</i>	Share options reserve	Total
	\$	\$
Opening balance as at 1 July 2014	79,987	79,987
Issue of options	-	-
At 30 June 2015	79,987	79,987

Share options reserve

The balance in the reserve represents proceeds from issue of options and also the fair value of options granted to directors and others.

14. Share Based Payments

a. Share based option payments made during the year

No share based payment options were granted during the current year.

b. Movement in share based payment options

There was no movement in the options for the year ended 30 June 2015.

c. Outstanding share based payment options

There are 8,000,000 outstanding options for the year ended 30 June 2015.

Notes to Financial Statements (continued)

For year ended 30 June 2015

15. Commitments and Contingencies

Tenement commitments

In order to maintain an interest in the mining and exploration tenements in which the Company seeks to retain and does not intend to relinquish within the next 12 months, the Company is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Company are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are not provided for in the financial report.

Outstanding exploration commitments for those tenements the Company does not intend to relinquish are as follows (no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

	2015	2014
	\$	\$
Payable within one year	306,000	103,000

Capital commitments

At 30 June 2015, the Company had no other capital commitments (2014: Nil).

Contingencies

At 30 June 2015, the Company had no contingencies (2014: Nil).

16. Financial Risk Management Objectives and Policies

The financial instruments of the Company comprise of (i) cash and cash equivalents; (ii) trade and other receivables; (iii) other financial assets; and (iv) trade and other payables.

Risk management is carried out under the policies approved by the Board of Directors. The Board identifies and evaluates the risk and takes appropriate measures to minimise the risk.

The financial instruments expose the Company to certain risks. The nature and extent of such risks, and the management's risk management strategy are noted below.

Fair value of financial instruments

	2015	2014
	\$	\$
Cash and cash equivalents	617,851	458,860
Trade and other receivables	14,222	21,872
Term deposits with financial institutions	22,483	22,060
Available for sale financial assets	24,031	318,904
Trade and other payables	(98,225)	(140,072)
	580,362	681,624

- I. The fair values are a close approximation of the carrying amounts on account of the short maturity cycle.
- II. The fair values are close approximation of the carrying amounts as these deposits are interest bearing and are rolled over at short maturity.
- III. These are measured at fair value applying the closing market rate at reporting date.

Risk management strategies

Credit risk:

The Company's credit risks arise from potential default of trade and other receivables. The maximum credit exposure is limited to the carrying amount of trade and other receivables as noted in the statement of financial position.

The ageing analysis of the trade debtors and other receivables are noted below:

	2015	2014
	\$	\$
Recoverable within 3 months	14,222	21,872
	14,222	21,872

Notes to Financial Statements (continued)

For year ended 30 June 2015

16. Financial Risk Management Objectives and Policies (continued)

The receivable balances consist primarily of GST credits. The credit risk arising from such balances are considered to be very minimal as these are receivable from the Australian Commonwealth.

Credit risk also exists in relation to the probable default of the financial institutions in honouring the cash and term deposit balances at maturity. However, this is considered to be low as the Company transacts with highly reputed financial institutions which are subject to strict prudential norms by legislation / regulations.

Liquidity risk:

The Company's liquidity risks arise from potential inability of the Company to meet its financial obligations as and when they fall due, generally due to shortage of cleared funds.

The Company is exposed to liquidity risk on account of trade and other payables.

The Company manages its liquidity risk through continuously monitoring the cleared funds position; and by utilising short term cash budgets.

The contractual maturity analysis of Company's financial instruments are noted below:

	Weighted Avg Interest Rate %	< 3 months \$	> 3 months \$	Total \$
2015				
Financial liabilities:				
Trade and other payables	-	(98,225)	-	(98,225)
		(98,225)	-	(98,225)
Financial assets:				
Cash and cash equivalents	0.76	617,851	-	617,851
Trade and other receivables		14,222	-	14,222
Term deposit with financial institutions	0.97	-	22,483	22,483
Available for sale financial assets	-	24,031	-	24,031
		656,104	22,483	678,587

	Weighted Avg Interest Rate %	< 3 months \$	> 3 months \$	Total \$
2014				
Financial liabilities:				
Trade and other payables	-	(140,072)	-	(140,072)
		(140,072)	-	(140,072)
Financial assets:				
Cash and cash equivalents	2.46	458,860		458,860
Trade and other receivables	-	21,872		21,872
Term deposit with financial institutions	0.83	-	22,060	22,060
Available for sale financial assets	-	318,904	-	318,904
		799,636	22,060	821,696

Interest rate risk:

Interest rate risk is the risk that fair values and cash flows of the Company's financial instruments will be affected by changes in the market interest rates.

The Company's cash and term deposits with financial institutions are impacted by interest rate risks. Other receivables and payables have short maturities and are non-interest bearing. Management believes that the risk of interest rate movement would not have a material impact of the Company's operations.

The Company is in the business of exploration of mineral resources. Earning interest income is not the primary objective of the business. The Company does not have any debt obligations. Hence the management does not closely monitor the movements in market interest rates as these do not have material impact on Company's business activities. The cash balances and term deposits are placed at the prevailing short term market interest rates with credit worthy financial institutions.

Notes to Financial Statements (continued)

For year ended 30 June 2015

16. Financial Risk Management Objectives and Policies (continued)

The sensitivity of the interest bearing financial instruments to a 1% change in market interest rate are noted below:

	2015 \$	2014 \$
Interest bearing cash and term deposits	617,851	458,860
Impact on profit and equity - +1% movement	6,179	4,588
Impact on profit and equity - -1% movement	(6,179)	(4,588)
The weighted average effective interest rate on the financial instruments were:		
Cash and cash equivalents	0.76%	2.46%
Trade and other receivables	NIL	NIL
Trade and other payables	NIL	NIL

Foreign currency risk:

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities dominated in a currency that is not the entity's functional currency and net investments in foreign operations. The functional and presentation currency of Dynasty Resources Limited is Australian Dollar.

Commodity price risk:

The Company is not currently exposed to the movement in market commodity prices as the Company continues to be an explorer.

Equity price risk:

Equity price risk is the risk that movement in fair value of Company's financial instruments will be affected by changes in market prices of equity instruments. The Company is exposed to this risk on account of its available-for-sale financial assets.

The Company's objective is to invest surplus cash in time deposits in order to remain highly liquid in preparation for future activities on its core tenements.

The sensitivity of the available for sale financial assets to a 10% change in market prices are noted below:

	2015 \$	2014 \$
Available for sale financial assets	24,031	318,904
Impact on profit and equity - +10% movement	2,403	31,890
Impact on profit and equity - -10% movement	(2,403)	(31,890)

Fair value of financial instruments

The following tables detail the entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available for sale assets	24,031	-	-	24,031
Total assets	24,031	-	-	24,031
2014				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Available for sale assets	318,904	-	-	318,904
Total assets	318,904	-	-	318,904

There were no transfers between levels during the financial year.

Notes to Financial Statements (continued)

For year ended 30 June 2015

17. Investment accounted for using the equity method

	2015	2014
	\$	\$
Investment in associate (Goldstone Resources Pty Ltd)	1	1

Interest in associate is accounted for using the equity method of accounting. Information relating to associate is set out below:

	Percentage interest 2015	Percentage interest 2014
Goldstone Resources Pty Ltd	17.7%	20.0%

Change in the Company's ownership interest in an associate

In the prior year, the Company held a 20% interest in Goldstone Resources Pty Ltd and accounted for the investment as an associate. During the current year, the Company's interest was diluted to 17.7% following the issue of new shares by Goldstone Resources Pty Ltd. The Company has accounted for its interest in Goldstone Resources Pty Ltd as an other financial asset measured at fair value through profit or loss.

The loss of significant influence has not resulted in the recognition of a gain or loss in profit or loss.

18. Segment Information

Management has determined that the Company has one reportable segment, being mineral exploration in Australia. As the Company is focused on exploration, the Board (Chief Operating Decision Maker) monitors the Company based on actual versus budgeted exploration expenditure incurred by area of interest.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

19. Related Party Transactions

A Directors

The names of persons who were directors of the Company at any time during the financial year are as follows: Thomas Pickett, Lewis Tay, Bin Wang and Boxin Dong (alternate director for Bin Wang).

Lewis Tay is the Company's only executive director, and there are no other employees.

B Key management personnel compensation

The key management personnel compensation is as follows:

	2015	2014
	\$	\$
Short-term employee benefits	240,000	240,000
	240,000	240,000

Individual director's compensation and disclosures

Information regarding individual director's compensation as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

C Loans from Key management personnel and their related parties

During the year ended 30 June 2015 the Company did not enter into loans with key management personnel or their related parties.

D Transactions with related parties

There are no other related party transactions or balances during the year.

Balances due to directors for fees and charges at 30 June 2015 was \$nil (2014:\$nil)

Notes to Financial Statements (continued)

For year ended 30 June 2015

20. Events After Reporting Date

The Company announced a fully underwritten pro-rata renounceable Rights Issue to subscribe for 3 new shares for every 2 existing ordinary shares held at an issue price of \$0.01 per share. Applications from existing shareholders for 16,867,114 new shares were received \$168,671, these shares were issued on 26 June 2015. After the end of the reporting period, the Underwriter and its nominees subscribed for the remaining 205,310,890 shares \$2,053,109 and those new shares were issued on 17 July 2015.

Prior to 30 June 2015, the Company had received \$229,500 of the application monies from the Underwriter/its nominees, however those shares were not issued until 17 July 2015.

Other than the above, there are no events subsequent to 30 June 2015 that have a material impact on the financial statements as presented.

Directors' Declaration

30 June 2015

The Directors of the Company declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as noted in note 2 (a) of the financial statements;
- (c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and
- (d) The directors have been given declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Lewis Tay
Managing Director

31 July 2015

Independent Auditor's Report to the Members of Dynasty Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Dynasty Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 19 to 39.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dynasty Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Dynasty Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 16 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Dynasty Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



Neil Smith
Partner
Chartered Accountants
Perth, 31 July 2015

Tenement Schedule

As at 30 June 2015

Project	Lease	Commodity	Holder (if not D)	Locality
Prairie Downs	E52/1927	Iron - Fe		WA
Prairie Downs ⁽³⁾	E52/2024	Iron - Fe		WA
Prairie Downs ⁽³⁾	E52/2464	Iron - Fe		WA
Brockman	E47/2200	Iron - Fe		WA
Brockman	E47/2396	Iron - Fe		WA
Christies Dam	E24/192	Gold - Au		WA
Edjudina	E31/1061	Gold-Au		WA
Edjudina	E31/1062	Gold-Au		WA
Edjudina	E39/1764	Gold-Au		WA
Tropicana North	E38/2838	Gold - Au		WA
Irwin River	EP 484	Petroleum		WA
Irwin River	EP 485	Petroleum		WA
Atlas Iron JV ⁽¹⁾	E45/2728	Iron - Fe		WA
Gascoyne	E08/2495	Cu-Au		WA
Gascoyne	E09/2066	Cu-Au		WA
Hector Bore ⁽²⁾	E09/1753	Cu-Au	Goldstone Resources Pty Ltd	WA
Stanley ⁽²⁾	E69/2266	Uranium - U	Goldstone Resources Pty Ltd	WA
Hyden ⁽²⁾	E77/2040	Gold - Au	Goldstone Resources Pty Ltd	WA

⁽¹⁾ The Company has entered into an agreement with Atlas Iron in relation to the iron ore rights, and the Company will receive a 2% royalty from production

⁽²⁾ The Company holds a 20% interest in Goldstone Resources Pty Ltd

⁽³⁾ The Company has entered into a free carriage option agreement

Additional Securities Exchange Information

Additional information required by the Australian Securities Exchange Limited listing rules and not disclosed elsewhere in this report is set out below as at 24 July 2015:

Substantial Shareholders

The number of shares held by Substantial Shareholders and their associates are set out below:

Substantial shareholders	No. shares held	% of issued shares
Cyberstore Technology Ltd	193,900,000	52.36%

Distribution of shareholders

No. of shares held	No. of holders within category
1 - 1000	43
1,001 – 5,000	74
5,001 – 10,000	108
10,001 – 100,000	323
100,001 and over	121
Total	669

Classes of shares and voting rights

There is only one class of shares on issue and all shares carry equal voting rights.

There are 8,000,000 unlisted options on issue, with an exercise price of \$0.05, expiring 18 September 2015.

Twenty largest shareholders

The twenty largest registered shareholders of the Company as at 24 July 2015 were:

	No. of shares held	Percentage of Issued shares
CYBERSTORE TECHNOLOGY LTD	193,900,000	52.36%
DONG BO XIN	15,026,996	4.06%
HEBEI XINGHUA IRON & STEE	11,652,197	3.15%
CITICORP NOM PL	10,084,220	2.72%
CHAI SHAO PING	10,000,000	2.70%
PERSHING AUST NOM PL	9,600,000	2.59%
ZHANG ZHIFANG	9,121,736	2.46%
XIE LIAN	8,000,000	2.16%
XUE XIAOHUI	7,000,000	1.89%
HSBC CUSTODY NOM AUST LTD	5,500,000	1.49%
J P MORGAN NOM AUST LTD	5,028,313	1.36%
LAM CHIU	5,000,000	1.35%
GAO XIANG	4,274,000	1.15%
TAY LEWIS	3,859,302	1.04%
SHINEFLY HLDGS LTD	3,040,000	0.82%
CHEN ANNIE	2,500,000	0.68%
CHEW PATRICK	2,500,000	0.68%
GAO MENG XIN	2,500,000	0.68%
HSBC CUSTODY NOM AUST LTD	2,488,599	0.67%
ABN AMRO CLRG SYD NOM PL	2,200,004	0.59%
Top 20 Total	313,275,367	84.60%
Balance of Register	57,021,306	15.40%
Grand Total	370,296,673	100.00%

Corporate Directory

Company Particulars	Dynasty Resources Limited ACN 110 385 709 The Company is an exploration company with its securities listed only on the Australian Securities Exchange.
Registered Office	83 Brisbane Street Perth WA 6000 Telephone: +61 8 6316 4414 Facsimile: +61 8 6316 4404 Email: admin@dynastyresources.com.au Website: www.dynastyresources.com.au
Directors	Thomas Pickett (Independent Chairman) Lewis Tay (Managing Director) Bin Wang (Non-executive Director) Bo Xin Dong (Alternate director for Bin Wang) Qingzhou Yuan (Non-executive Director)
Company Secretary	Louise Edwards
Auditor	Deloitte Touche Tohmatsu Level 14, Woodside Plaza 240 St Georges Terrace Perth WA 6000
Share Registrar	Security Transfer Registrars Pty Ltd Suite 1, Alexandria House 770 Canning Highway Applecross WA 6153 Telephone: +61 8 9315 2333 Facsimile: +61 8 9315 2233
Annual General Meeting	The Annual General Meeting of Dynasty Resources Limited will be held at the offices of Deloitte Touche Tohmatsu, Brisbane, Queensland, on Friday, 25 September 2015, at 10:00am (Brisbane time). A formal Notice of Meeting and Proxy Form will be made available to all shareholders