

QUARTERLY ACTIVITIES REPORT

JUNE 2019

31 JULY 2019

Dynasty Resources Limited (**Dynasty** or the **Company**) undertook the following **Exploration** activities during the quarter ended 30 June 2019:

- Reviewed a number of projects for potential investment and/or purchase and/or participation, both in Australia and overseas, and this is ongoing
- Planned a potential RAB drilling program for the Ashburton Cobalt Project

PROJECT SUMMARIES

ASHBURTON COBALT PROJECT

A LAG sampling program in 2018 indicated potential for 3 zones of broad cobalt, copper and zinc anomalism, sub-parallel to stratigraphy. A RAB program is being designed to test these horizons for signs of suitable host for a sedimentary exhalative deposit and signs of a hydrothermal system. Infill LAG may be considered to further define targets.

This project currently represents the most advanced of DMA and logically is the priority for spend, however subject to subsequent event (ASX show cause letter in July and subsequent Remediation Plan being prepared by DMA), project priorities may change in the September quarter.

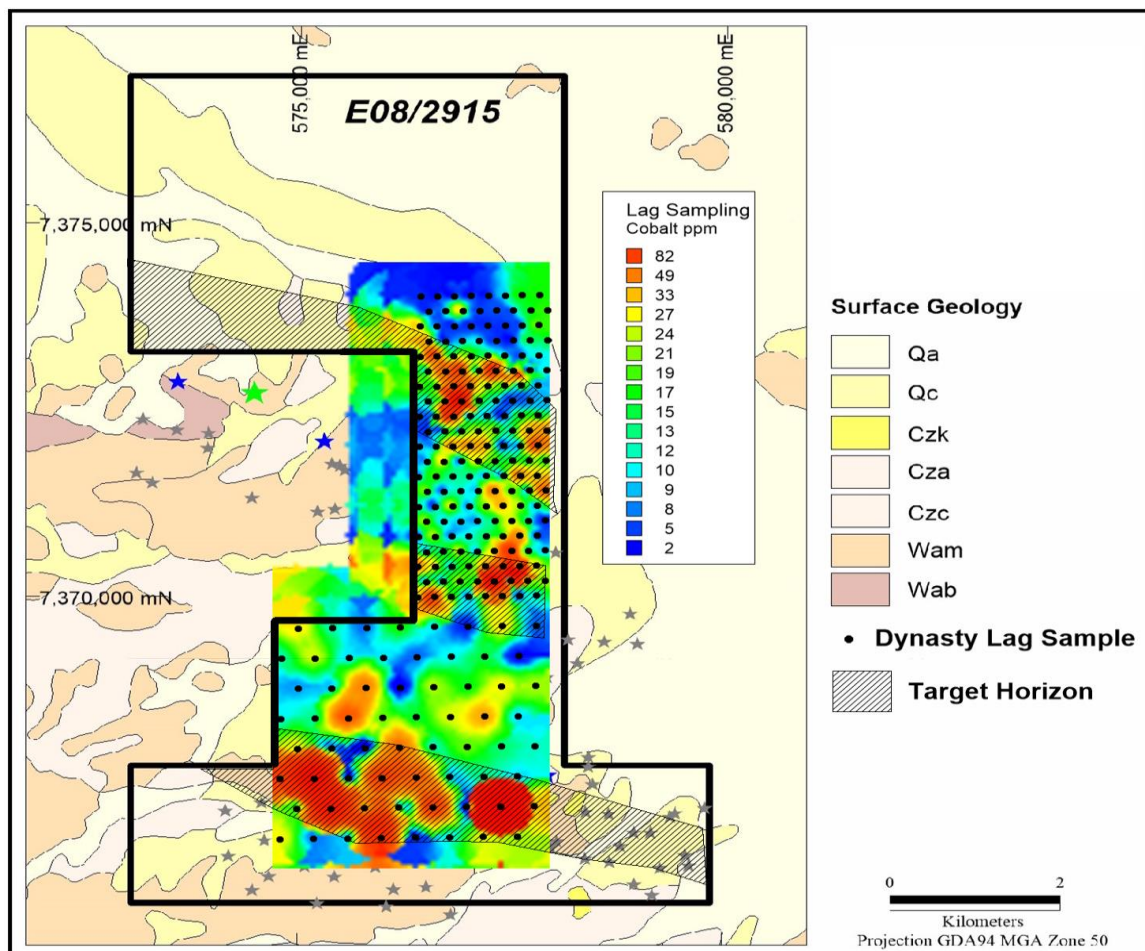


Figure 1 Recent Lag Sampling gridded for Cobalt

YOUNO DOWNS (GOLD)

This application E51/1908, is still awaiting grant. Located approx 60km southeast of Meekatharra, this area forms part of the north western extent of the Youanmi Terrain Greenstone belt. The local geology comprises typical northwest trending mafic volcanic with BIF and minor ultramafic rocks, enveloped by metamonzogranite to metagranodiorite rocks of the Tuckanarra Suite. A north to south trending fault strikes through the centre of the greenstone belt, which appears to be extension of a larger regional fault system. Initial evaluation of the geophysics shows north south trending magnetic high, supporting the presence of a greenstone belt thought to be extension of Youanmi Terrane Greenstone Belt which hosts several gold systems. Limited drilling has been undertaken. Previous rock chip samples from the tenement area returned the following anomalous values :

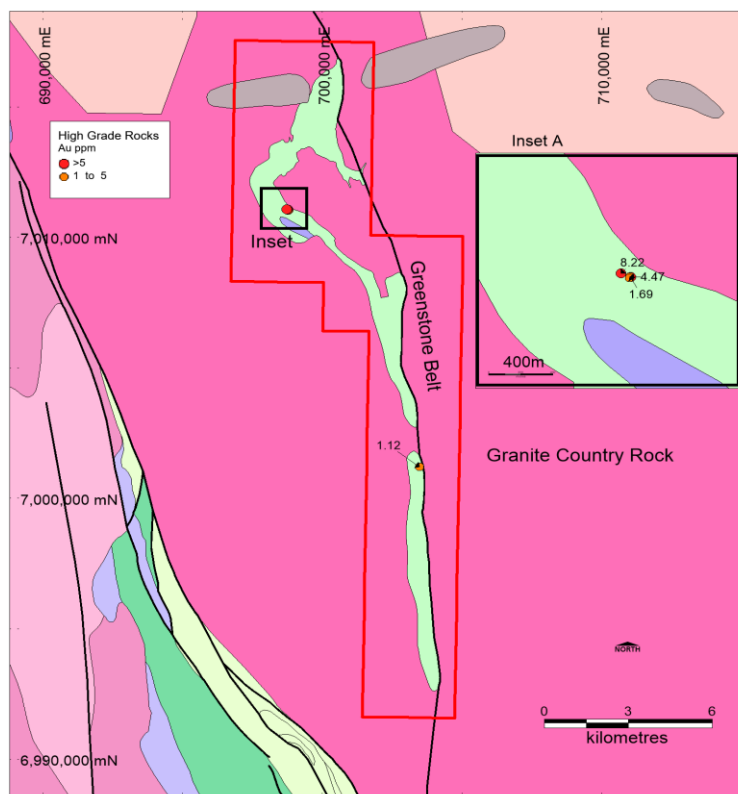


Figure 2 Ashburton Cobalt tenement Previous results

Au @ 8.22 ppm	Au @ 5.04 ppm	Au @ 4.47 ppm
Au @ 3.1 ppm	Au @ 1.69 ppm	Au @ 1.39 ppm

CORPORATE ACTIVITIES

The Company's shares remain in suspension. The Company, having made some board changes in March, sought clarifications from ASX at the end of March and to some extent business activities were put on hold during the June quarter whilst awaiting a response.

The Company obtained legal advice and actively pursued options to avert delisting of the Company ahead of the 3 year expiry of the suspension notice which is 8 December 2019 (ASX "show cause" letter received post quarter end).

The Company took actions to engage additional mining expertise and to prepare for further board changes (such changes announced on 30 July). The new Board and Management team is preparing a remediation submission to the ASX in response to the show cause letter.

The Company is currently considering options to raise capital to supplement cash held, to ramp up mining exploration activities, and/or for mine investment opportunities, all of which are generally subject to acceptance by ASX of the Company's remediation plan.

During the June quarter, while the Company was seeking to divest its investment in the financial leasing operation in China, that operation continued to generate cash flow.

MINING TENEMENTS HELD AT END OF QUARTER

Project	Lease	Commodity	Holder (if not DMA)	Locality
Ashburton	E08/2915	Base Metals-Co		WA
Hyden ⁽¹⁾	E77/2040	Gold – Au	Goldstone Resources Pty Ltd	WA
Youno Downs ⁽²⁾	E51/1908	Gold – Au		WA

⁽¹⁾ The Company holds a 16% interest in Goldstone Resources Pty Ltd

⁽²⁾ Remains an application only

CHANGES IN INTERESTS IN TENEMENTS DURING QUARTER

Project	Lease	Commodity	Status	Locality
Atlas Iron JV	E45/2728	Iron-Fe	Surrendered 18/4/19	WA
Stanley	E69/2266	Uranium-U	Surrendered 22/11/18 ⁽¹⁾	WA
Tambourah	E45/5485	Gold – Au	Application submitted & withdrawn	WA

⁽¹⁾ Surrender not previously reported

COMPETENT PERSONS STATEMENT

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

CORPORATE PROFILE

Dynasty Resources Limited
ABN 80 110 385 709

Directors

William Hu Executive Director/CFO
Malcolm Castle Non-Executive Director
Gang Xu Non-Executive Director

Company Secretary

Henry Kinstlinger

Chief Operations Officer

Peter Dillon

Share Details

At 31 December 2018 there were 506,326,341 ordinary shares on issue.

Registered Office and Principal Place of Business

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Perth WA 6000

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Website: www.dynastyresources.com.au

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

DYNASTY RESOURCES LIMITED and its controlled entities

ABN

80 110 385 709

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for	-	-
(a) exploration & evaluation	(15)	(98)
(b) development	-	-
(c) production	-	-
(d) staff costs	(33)	(157)
(e) administration and corporate costs	(114)	(644)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid / (refunded)	(45)	(66)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Net leasing inflow / (outflow)	83	181
1.9 Net cash from / (used in) operating activities	(122)	(771)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	40
	(b) tenements (see item 10)	-	-
	(c) investments	-	30
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	73	73
2.6	Net cash from / (used in) investing activities	73	143

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	809	1,333
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(122)	(771)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	73	143
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(24)	31
4.6	Cash and cash equivalents at end of period	736	736

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	666	700
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Cash at Bank (Subsidiaries)	70	109
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	736	809

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000
15
-

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

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

Current quarter \$A'000
-
-

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

150

9.2 Development

-

9.3 Production

-

9.4 Staff costs

40

9.5 Administration and corporate costs

120

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows

310

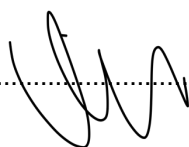
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements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

Compliance statement

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

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

Sign here:
(Director)



Date: 31/07/2019

Print name: William Hu

Notes

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