



Dynasty Reports Financial Results for the Quarter Ended March 31, 2016

Vancouver, B.C., May 16, 2016 – Dynasty Metals & Mining Inc. ("Dynasty" or the "Company") (TSX: DMM, OTCQX: DMMIF) announces that it has released its unaudited consolidated financial statements for the three months ended March 31, 2016 (the "Financial Statements"). The selected financial information presented herein is qualified in its entirety by, and should be read in conjunction with, the Financial Statements and the related notes thereto and the Company's management's discussion and analysis ("MD&A"), which are available on the Company's website (www.dynastymining.com) and on SEDAR (www.sedar.com).

All dollar amounts in United States dollars unless otherwise stated.

Q1 2016 Highlights:

- Dynasty Goldfield project partnership with Green Oil, S.A. for development of open pit resources
- Zaruma project agreement for sale of non-resource-bearing mining concessions

Corporate Update

Zaruma Project

At the beginning of the first quarter of 2016, mining ramped up slowly following the holiday break. Midway through the quarter, labour relations with mine workers began to deteriorate resulting in intermittent work slow-downs and stoppages to the end of the quarter and into the second quarter. At the deeper levels of the Cabo de Hornos decline, which was extended during the past 18 months, the decision was made to develop existing significant resources that have been made available by the current decline. Some areas of these resources are accessible and others will be accessible by dewatering.

Despite the worker stoppage at the start of the second quarter, Dynasty was able to move several small, lower grade underground ore stockpiles to the Zaruma mill for processing. The mine and mill sites have been secure during the work stoppage and there has been no damage to property or equipment. Dynasty continues to focus on resolving issues with its labour force and has been working with government labour experts to come to a solution equitable to all parties. Dynasty is also considering supplementing its existing underground labour force with contract miners to increase tonnage from the mine, once current labour issues are settled.

The labour situation will impact production estimates for the second quarter of 2016, however, the Company is exploring other opportunities to increase cash flow to mitigate impact of work stoppage, including, but not limited to, the sale of non-core assets, such as mining claims that do not contain mineral resources. In this regard, the Company entered into an agreement in the first quarter of 2016 for the sale of two non-resource mining concessions that are part of the Zaruma Project, for aggregate net proceeds of \$600,000. To-date, \$300,000 of the purchase price has been paid to the Company and the completion of the agreement is subject to final approval of the Ministry of Mines. Net proceeds from the sale of such non-core concessions are to be used for working capital purposes as well as payment of outstanding indebtedness to the Government of Ecuador and suppliers.

As a result of both the labour issues and reworking of the mine plan, tonnage mined during the first quarter of 2016 decreased significantly (by 12,407 tonnes) compared to the previous quarter. Grade of material mined also continued to be lower than plan due to the mixing of lower grade development material with limited resource grade and a certain amount of the mineralized material being mined outside the defined mineral resource.

With reduced tonnage mined in the first quarter of 2016, the Zaruma mill ran at a significantly reduced capacity. Due to high fixed costs at the Zaruma mill, running lower tonnage causes a significant increase in the all in cash cost per ounce. Subsequent to March 31, 2016, Dynasty entered into an agreement with Green Oil S.A. ("Green Oil") whereby additional mineralized material may be sourced at the Dynasty Goldfield project and added to the Zaruma tonnage processed that the

Zaruma mill. The additional tonnage would result in a decrease in the overall cash cost to process each ounce, irrespective of origin of mineralized material.

Zaruma Gold Project Operating Results

	Three months ended				
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Gold Revenue	\$ 3,261,235	\$ 6,306,494	\$ 6,143,017	\$ 4,220,239	\$ 3,428,947
Gold sales (ounces)	2,785	5,634	5,447	3,507	2,777
Average realized price per ounce	\$ 1,171	\$ 1,119	\$ 1,128	\$ 1,203	\$ 1,235
Mined material milled (tonnes)	19,399	32,167	33,584	17,574	24,344
Average grade (grams/tonne)	3.97	4.37	6.28	6.13	6.17
Average recovery (%)	89.7	91.4	92.6	93.8	92.8
Gold production (ounces)	2,221	4,133	6,285	3,245	4,481
Cash costs (\$/oz Au) ^(a,b)	\$ 1,847	\$ 1,596	\$ 859	\$ 1,680	\$ 1,484
Cash costs (\$/tonne Au) ^(a,b)	\$ 211	\$ 205	\$ 161	\$ 310	\$ 273
All-in sustaining cash cost (\$/oz Au) ^(a,b)	\$ 2,441	\$ 2,147	\$ 1,171	\$ 2,269	\$ 1,880

a) Net of by-product credits.

b) Non-GAAP measure. For the disclosure of the manner in which these measures are calculated and reconciliation to operating expenditures refer to the "Non-GAAP Measures" section of the Company's MD&A available on SEDAR (www.sedar.com).

During the three months ended March 31, 2016 the company produced 2,221 ounces of gold from processing 19,399 tonnes of material with an average grade of 3.97 grams per tonne of gold ("g/t Au") compared to the three months ended March 31, 2015 when the company produced 4,481 ounces of gold from processing 24,344 tonnes of material with an average grade of 6.17 g/t Au.

Dynasty Goldfield Project

In the company's efforts to pursue strategic alternatives to advance its other key projects, subsequent to the end of the first quarter, Dynasty announced that it has entered into a definitive three-year agreement with Green Oil in respect of its Dynasty Goldfield project. Green Oil will act as contractor for the development of specific mining concessions. To-date, Green Oil has advanced the Company \$170,000 of its \$500,000 unsecured loan commitment, which will enhance the Company's liquidity while preliminary development work under the agreement is completed.

Under the terms of this agreement, Green Oil will focus on surface excavation of mineralized material on three of Dynasty's mining concessions within the Dynasty Goldfield Project, each of which is fully permitted and qualified under Ecuador's special regime for small scale mining. The designation of 'small scale' allows for the open pit mining of up to 1,000 tonnes per concession per day. Within two months of commencement of mining activities, Green Oil must excavate a minimum of 400 tonnes per day and 750 tonnes per day by the beginning of the third month. Green Oil has the right to mine open pitable surface material only and Dynasty retains the right to explore and develop any and all underground mineralization on these three concessions. Dynasty retains all rights to mineralized material developed underground within or beyond the three year term of this agreement.

This project has a mineral resource of approximately 1.1 million ounces of gold in the measured and indicated categories contained in nearly 7 million tonnes. Mineralization breaches the surface so beginning with a number of small to medium sized open pits is a prudent and efficient method to begin working this project. Green Oil has both the earth moving expertise as well as the appropriate equipment required to allow this project to begin generating cash, which may be used for future expansion and working capital.

Financial Condition, Liquidity and Capital Resources

As at March 31, 2016 the Company had cash resources of \$0.2 million and a working capital deficit (current assets less current liabilities) of \$13.4 million compared to cash resources of \$0.45 million and a working capital deficit of \$8.7 million as at December 31, 2015.

As at March 31, 2016 and the date of this report the Company's accounts payable includes some balances which are significantly overdue, including approximately \$3.8 million in aggregate of income taxes, royalties, sales taxes and other withholding taxes owed to the Ecuador Government with which the Company is currently negotiating to defer these amounts. These negotiations are ongoing and there is no assurance they will be successful.

Continuing operations are dependent upon the Company being able to successfully negotiate the deferral of taxation amounts owed to the Ecuador government and the Company's ability in the future to mitigate the risks and overcome the challenges generally associated with comparable development and early stage production enterprises, most significantly, it must either generate sufficient cash flow from the sale of precious metals in the future or secure additional working capital as required, none of which can be assured.

More specifically, the operational improvement of the Zaruma Project, the ability to mine the Dynasty Goldfield Project to feed the Zaruma mill, the availability of financing through debt, equity or the profitable sale of assets and the level of funding by potential business partners will determine the Company's working capital requirements over the next 12 months. The Company's ability to continue as a going concern is dependent on its ability to obtain additional funding, the success of which cannot be assured. These conditions and events cast significant doubt on the assumption that the company may continue to be a going concern.

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
OPERATING REVENUES	<u>\$ 3,533,292</u>	<u>\$ 3,726,236</u>
OPERATING COSTS		
Mining and processing	4,853,698	5,599,126
Exploration and Evaluation	72,059	-
Royalties	159,996	154,646
Depreciation and depletion	<u>886,324</u>	<u>910,200</u>
	<u>5,972,077</u>	<u>6,663,972</u>
(LOSS) FROM MINE OPERATIONS	(2,438,785)	(2,937,736)
EXPENSES		
Corporate administration	766,585	1,128,842
Stock-based compensation	<u>13,812</u>	<u>17,551</u>
	<u>780,397</u>	<u>1,146,393</u>
LOSS FROM OPERATIONS	(3,219,182)	(4,084,129)
OTHER EXPENSES (INCOME)		
Finance expense	248,705	-
Foreign exchange income	<u>(21,495)</u>	<u>-</u>
	<u>227,210</u>	<u>-</u>
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (3,446,392)	\$ (4,084,129)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.08)	\$ (0.10)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	46,706,968	42,461,083

CFO and Corporate Secretary appointment

The Company also wishes to announce that effective May 13, 2016, Mr. Ruben Gellibert has been promoted from Interim Chief Financial Officer to the position of Chief Financial Officer. Mr. Gellibert also, effective May 13, 2016, has been appointed as Corporate Secretary of the Corporation.

About Dynasty Metals & Mining

Dynasty Metals & Mining Inc. is a Canadian based mining company involved in the exploration and development of mineral properties in Ecuador.

The Company is currently focused on developing its Zaruma Gold Project, at which the Company is engaged in intermittent production. The Company also has the following non-producing assets: the Jerusalem Project and Dynasty Goldfield Project.

Brian Speechly, a Fellow of AusIMM (Australian Institute of Mining and Metallurgy), a director of the Company and a “qualified person” within the definition of that term in the National Instrument 43-101, has supervised the preparation of and has verified the technical information contained in this news release.

For further information please visit the Company's website at www.dynastymining.com, or please contact:

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Forward-Looking Information

This news release contains statements which are, or may be deemed to be, "forward-looking information" which are prospective in nature. Often, but not always, forward-looking information can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "projects", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such information in this news release includes, without limitation, statements regarding Dynasty's future plans and expectations relating to the Zaruma mine development and mineral extraction, the impact of the labour stoppage at the Zaruma mine, the development of certain concessions at the Dynasty Goldfield Project and the sale of the Company's two non-resource mining concessions and the use of the proceeds derived therefrom. Forward-looking information is not based on historical facts, but rather on then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates, including assumptions relating to the Company's ability to continue production at the Zaruma mine despite the labour stoppage, that the Company will be able to continue its progress as currently planned and will not have to make additional changes to the mine plan, that the agreement with Green Oil will result in the extraction of sufficient tonnage from the Dynasty Goldfield Project, that the Company will continue to sell processed gold and silver at levels that allow it to fund the continued development of its mining projects and sustain its operations, that the Company will have access to capital if required, that all necessary approvals and arrangements will be obtained, renewed and/or finalized in a satisfactory manner in order to continue developing the Company's projects, and that the Company's equipment will operate at expected levels. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause Dynasty's actual results, revenues, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Important risks that could cause Dynasty's actual results, revenues, performance or achievements to differ materially from Dynasty's expectations include, among other things: (i) risks related to the labour stoppage and the ability of the Company to obtain contract miners, if required, (ii) risks related to the uncertainty of the Company's ability to successfully negotiate the deferral of taxation amounts owned the Ecuadorian government, (iii) that the Company will be able to generate sufficient cash flow to continue as a going concern, (iv) risks related to the Company obtaining approval from the Ministry of Mines for the sale of two non-resource mining concessions (v) risks related to prior mining activity at its mines and declines, (vi) uncertainties relating to mineral resource estimates (vii) risks related to availability of capital on satisfactory terms, (viii) risks related to Dynasty's lack of history in producing metals from Dynasty's mineral exploration properties and its ability to successfully establish mining operations or profitably produce precious metals; (ix) changes in the market prices of gold, silver, and other minerals, which, in the past, have fluctuated widely and which could affect the profitability of Dynasty's operations and financial condition; (x) risks related to governmental regulations, including taxation statutes; (xi) risks related to Dynasty's primary properties being located in Ecuador, including political, economic, and regulatory instability and other risks found in Dynasty's Annual Information Form for the year ended December 31, 2015 which is available on SEDAR at www.sedar.com. Other than in accordance with its legal or regulatory obligations, Dynasty is not under any obligation and Dynasty expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.