QUARTERLY ACTIVITIES REPORT
DECEMBER 2016

SUMMARY

Dynasty Resources Limited (Dynasty or the Company) undertook the following activities during the quarter ended 31 December 2016:

- A program of 82 bedrock drillholes for 2353m of reverse circulation drilling was completed in the north of the North Shaw tenement (E 45/2728-I).
- While some thick pegmatite intercepts were returned, no spodumene was observed within these units.
- A full review of the information from this program is underway to determine other target zones.

EXPLORATION ACTIVITIES

Dynasty owns tenement E45/2728-I that sits adjacent to significant lithium resources in the Pilgangoora Area of the East Pilbara region in Western Australia. During the quarter Dynasty completed an 82 hole, reverse circulation drilling program within the northern part of the tenement, which is within a few kilometres of the Pilgangoora resources.

During the quarter a heritage survey of the drilling sites was completed prior to the drilling program which commenced in late November 2016. The drilling was designed to test for the continuation, along strike, of the large Pilgangoora Lithium resources on ground held by Altura Mining (AJM) and Pilbara Minerals (PLS). Reconnaissance mapping discovered extensive pegmatites within the mafic units of the Sulphur Springs Group and the sediments of the Gorge Creek Group. These units were interpreted to be present under cover in the north of the tenement.

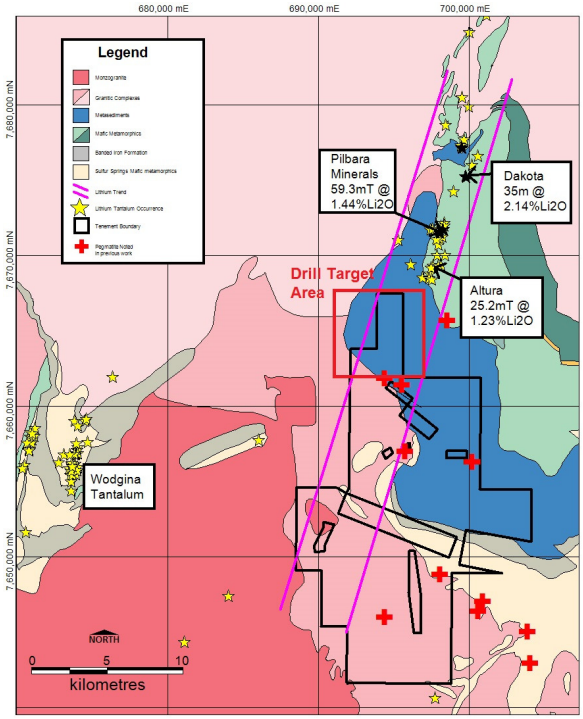

Figure 1 Simplified Geology and regional mineralisation with location of drilling program -North Shaw Project

The drilling encountered significant pegmatite in several holes including a 56m pegmatite intersection on the northern-most line of drilling. However, no spodumene was observed and lithium results have been low. The team is evaluating other target zones for lithium prospects. The bedrock in the area is metamorphosed sediments, felsics and mafics. There is a large zone of felsic schist with zones of pegmatitic material of 2-20m width regularly present.

The spacing on the drilling was mostly 200m with 100m spacing on the northern most line only. There is potential for other significant pegmatite bodies to be present within the area and the geochemistry of the pegmatites intersected will be processed to determine if any of them show indications of fractionation. Dynasty will carefully review all the information from this program and evaluate other target zones.

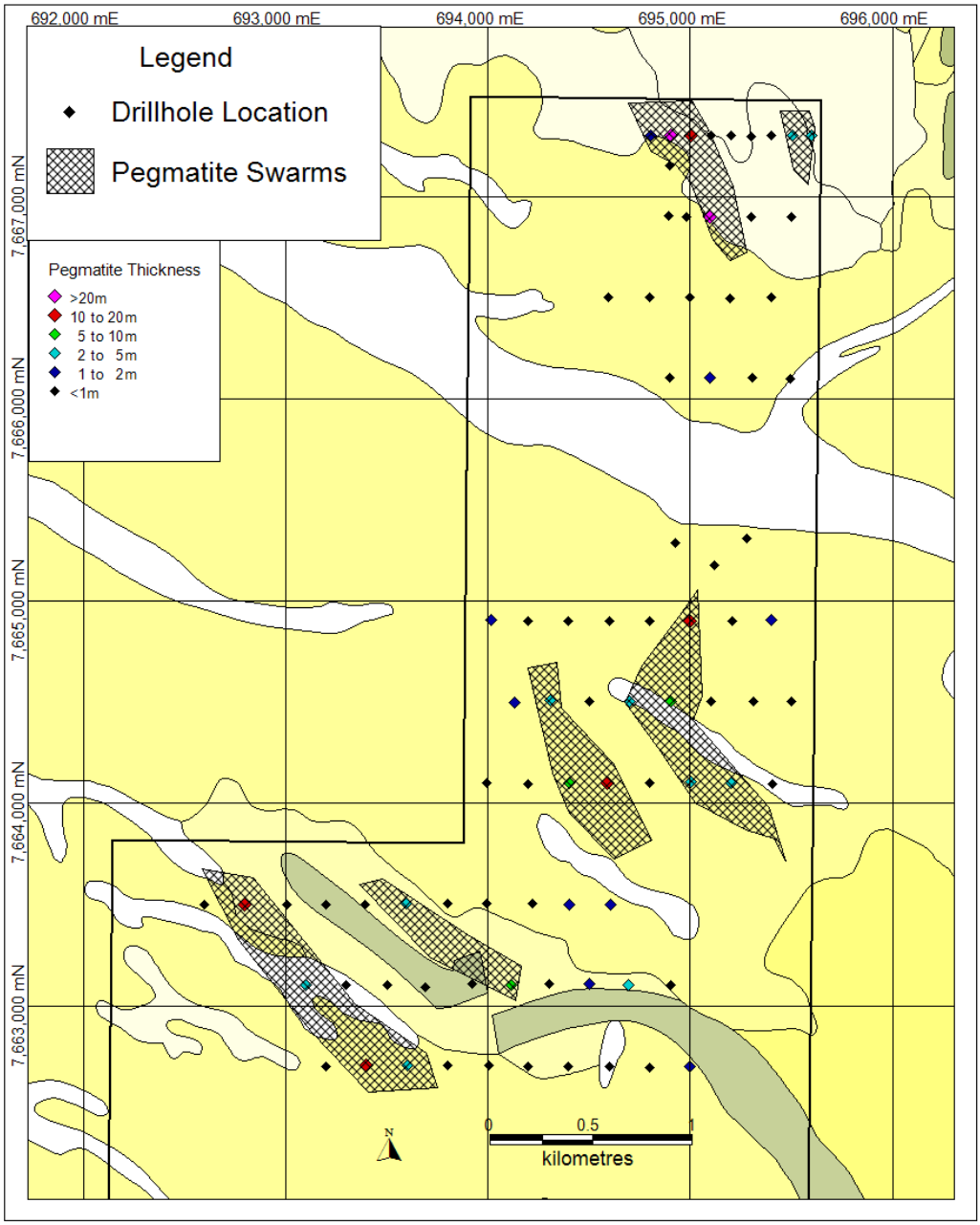

Figure 2 Drilling locations and results - based on pegmatite thickness intersected.

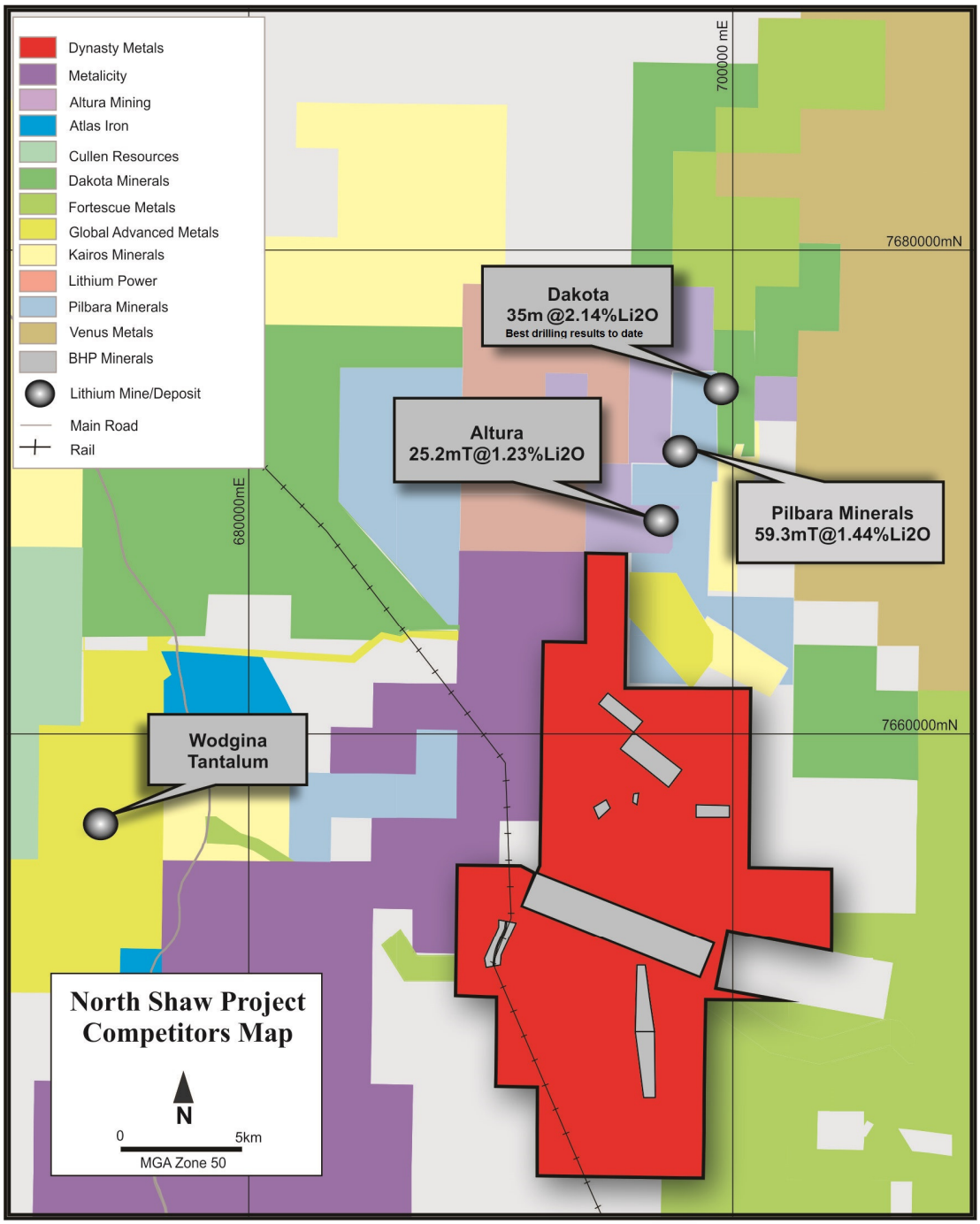

Figure 3 North Shaw Project regional competitor map

The tenement is surrounded by competitors actively searching for lithium. Figure 3 shows the location of the tenement with respect to the major lithium occurrences in the area, and the competitor activity.

Table 1 Drillhole locations - North Shaw project

Hole ID	Easting	Northing	Final Depth	Dip	Azimuth	Total Pegmatite Thickness
NSRC001	695601	7667303	33	-90	0	2
NSRC002	695503	7667301	30	-90	0	2
NSRC003	695401	7667302	24	-90	0	
NSRC004	695303	7667298	24	-90	0	
NSRC005	695202	7667301	24	-90	0	
NSRC006	695102	7667301	24	-90	0	
NSRC007	695002	7667300	30	-90	0	19
NSRC008	694904	7667303	63	-90	0	56
NSRC009	694802	7667301	26	-90	0	1
NSRC010	695499	7666900	78	-90	0	
NSRC011	695300	7666901	24	-90	0	
NSRC012	695098	7666900	44	-90	0	28
NSRC013	694894	7666906	18	-90	0	
NSRC014	695402	7666500	42	-90	0	
NSRC015	695197	7666497	33	-90	0	
NSRC016	694996	7666502	36	-90	0	
NSRC017	694797	7666502	34	-90	0	
NSRC018	694594	7666503	14	-90	0	
NSRC019	695496	7666101	42	-90	0	
NSRC020	695305	7666102	36	-90	0	
NSRC021	695097	7666103	51	-90	0	1
NSRC022	694899	7666106	30	-90	0	
NSRC023	695400	7664906	48	-90	0	1
NSRC024	695205	7664902	24	-90	0	
NSRC025	694998	7664901	42	-90	0	19
NSRC026	694798	7664900	33	-90	0	
NSRC027	694601	7664902	30	-90	0	
NSRC028	694396	7664902	48	-90	0	
NSRC029	694200	7664904	36	-90	0	
NSRC030	694017	7664907	28	-90	0	1
NSRC031	695500	7664503	36	-90	0	
NSRC032	695309	7664503	24	-90	0	
NSRC033	695100	7664505	24	-90	0	
NSRC034	694901	7664505	27	-90	0	7
NSRC035	694700	7664502	39	-90	0	4
NSRC036	694501	7664505	24	-90	0	
NSRC037	694306	7664508	30	-90	0	4
NSRC038	694130	7664497	33	-90	0	1
NSRC039	695405	7664098	24	-90	0	
NSRC040	695202	7664102	30	-90	0	2
NSRC041	695003	7664106	26	-90	0	3
NSRC042	694800	7664103	18	-90	0	

Hole ID	Easting	Northing	Final Depth	Dip	Azimuth	Total Pegmatite Thickness
NSRC043	694589	7664101	41	-90	0	14
NSRC044	694401	7664100	40	-90	0	7
NSRC045	694197	7664098	24	-90	0	
NSRC046	693995	7664099	32	-90	0	
NSRC047	694604	7663500	18	-90	0	1
NSRC048	694400	7663500	20	-90	0	1
NSRC049	694217	7663504	24	-90	0	
NSRC050	693995	7663505	16	-90	0	
NSRC051	693798	7663505	24	-90	0	
NSRC052	693598	7663504	18	-90	0	2
NSRC053	693393	7663502	12	-90	0	
NSRC054	693199	7663501	21	-90	0	
NSRC055	693006	7663502	12	-90	0	
NSRC056	692797	7663499	36	-90	0	12
NSRC057	692600	7663501	18	-90	0	
NSRC058	694906	7663101	24	-90	0	
NSRC059	694694	7663101	35	-90	0	2
NSRC060	694499	7663108	30	-90	0	1
NSRC061	694300	7663107	20	-90	0	
NSRC062	694113	7663104	40	-90	0	9
NSRC063	693920	7663108	12	-90	0	
NSRC064	693692	7663093	12	-90	0	
NSRC065	693504	7663102	12	-90	0	
NSRC066	693296	7663104	12	-90	0	
NSRC067	693102	7663102	24	-90	0	4
NSRC068	695000	7662698	20	-90	0	1
NSRC069	694800	7662697	30	-90	0	
NSRC070	694599	7662701	24	-90	0	
NSRC071	694397	7662701	27	-90	0	
NSRC072	694199	7662700	14	-90	0	
NSRC073	694003	7662707	36	-90	0	
NSRC074	693799	7662704	16	-90	0	
NSRC075	693600	7662704	30	-90	0	2
NSRC076	693398	7662704	50	-90	0	12
NSRC077	693201	7662703	12	-90	0	
NSRC078	695278	7665308	24	-90	0	
NSRC079	695116	7665175	27	-90	0	
NSRC080	694925	7665286	30	-90	0	
NSRC081	694900	7667154	24	-90	0	
NSRC082	694983	7666899	28	-90	0	

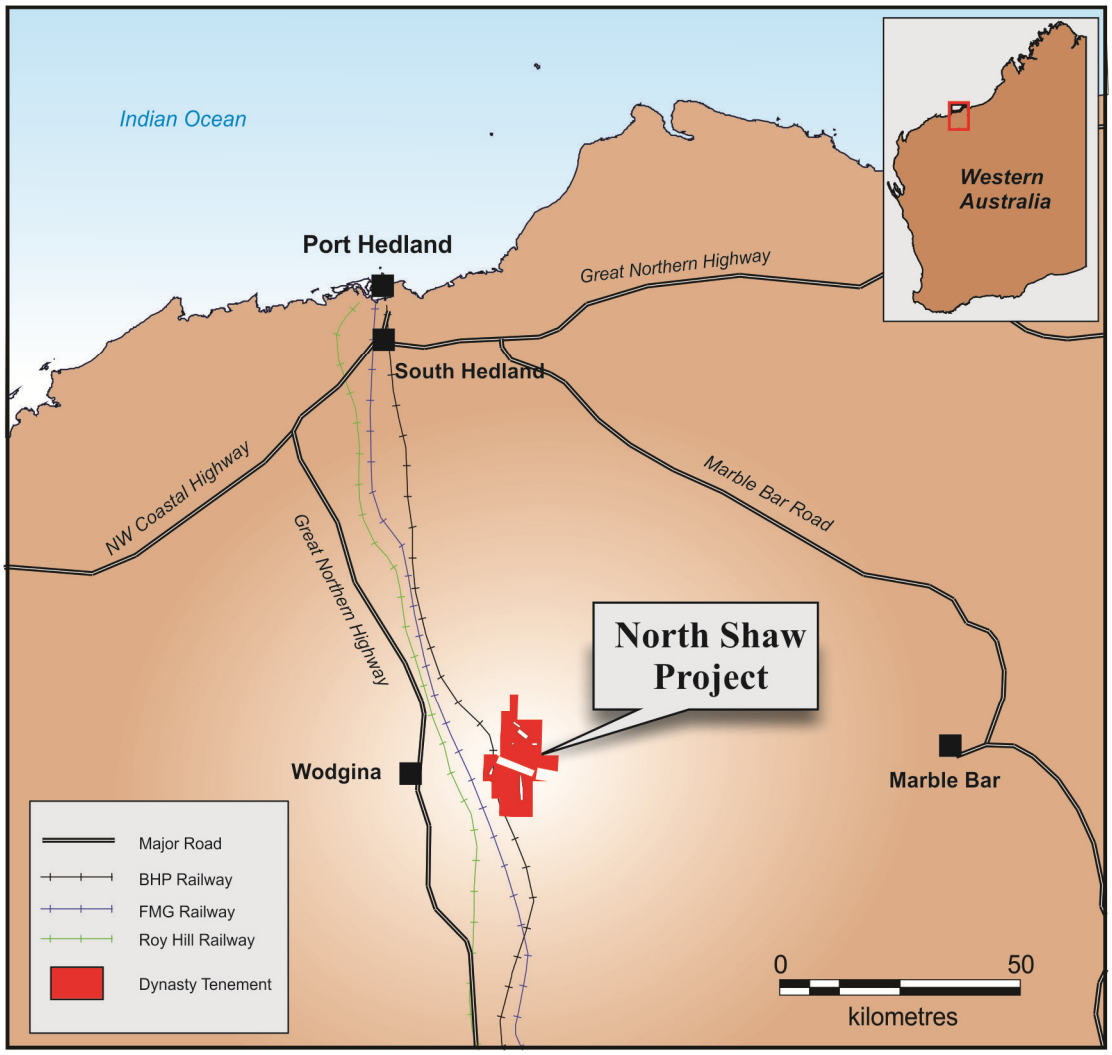

Figure 4 North Shaw - Project location

MINING TENEMENTS HELD AT END OF QUARTER

Project	Lease	Commodity	Holder (if not DMA)	Locality
Prairie Downs[3]	E52/2024	Iron - Fe		WA
Prairie Downs	E52/2464	Iron - Fe		WA
Tropicana North	E38/2838	Gold - Au		WA
Atlas Iron JV [1]	E45/2728	Iron - Fe		WA
Stanley [2]	E69/2266	Uranium - U	Goldstone Resources Pty Ltd	WA
Hyden[2]	E77/2040	Gold – Au	Goldstone Resources Pty Ltd	WA
Hammersley [4]	E47/3094			WA

(1) The Company has entered into an agreement with Atlas Iron in relation to the iron ore rights, with an entitlement to receive a 2% royalty from production
(2) The Company holds a 20% interest in Goldstone Resources Pty Ltd
(3) Tenement was surrendered subsequent to the end of the quarter (refer ASX Announcement dated 11 January 2017).
(4) Tenement was transferred to FMG Pilbara Pty Ltd on 11 January 2017

APPENDIX 1 – JORC TABLE

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• For intersections logged as pegmatite: 1m samples of reverse circulation chips were collected from a 1/8th splitter attached to the cyclone on the rig. • For RC drilling regular air and manual cleaning of cyclone to remove hung up clays where present. Standards & replicate assays taken by the laboratory. • 4m composite samples of 1m samples collected from a 1/8th splitter attached to the cyclone on the rig for all non-pegmatitic samples. Composites were collected using a PVC spear for an approximate 2kg sample. • Samples sent to Labwest Pty Ltd in Perth for pulverisation and splitting prior to a microwave assisted 4 acid digest with an ICPMS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Collars were drilled to 6m using open hole drilling using a 6.5 inch hammer. All other intervals were using a 5.5 inch face sampling, reverse circulation hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recovery was observed for each metre and considered to be consistent across the drill program.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All Holes were logged on 1m intervals throughout the holes by the project geologist. Logs were checked and adjusted following review by a senior geologist to ensure accuracy and consistency across the project.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were taken as described above with 3 duplicate samples per 100 also taken to ascertain consistency of analysis and sampling techniques. • Standards and duplicates were also inserted by the laboratory. • Analysis of these samples indicates there is no reason to suggest the sampling was not representative
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The assay method was a microwave assisted, 4-Acid total digest. This method has been used extensively for lithium exploration and resource definition. • Standards, field duplicates and lab duplicates were used and appear to be statistically consistent.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No significant intercepts were reported.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Holes were located using a handheld Garmin 76-Csx GPS using the GDA94 datum and MGA transverse mercator coordinate system.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• drillholes were located on a 200m by 400m spacing generally as a first pass exploration spacing. There is potential for significant pegmatites to exist between the drillholes.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling was vertical. The dip of the pegmatite bodies is unknown as no intercepts have been reported. The true width of the pegmatites is at this stage unimportant.
Sample security	• *The measures taken to ensure sample security.*	• Samples were sent in sealed bulka bags by contractor staff by freight consignment direct to the lab.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Statistical analysis of duplicates and standards showed no bias.

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 Details

Lewis Tay	Chairman and Managing Director
Bin Wang	Independent Director
Qingzhou Yuan	Non-executive Director

Company Secretary
Louise Edwards

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Share Details
At 31 December 2016 there were 506,326,341 ordinary shares on issue.