

## NORTH SHAW LITHIUM PROJECT AND TENEMENT CHANGES

8 JUNE 2016

---

### KEY POINTS

- Significant tenement holding in the Pilgangoora region of the Pilbara.
- Along strike and within 3km of the large Pilgangoora Lithium resources on Altura Mining (ASX:AJM) and Pilbara Minerals (ASX:PLS) ground.
- Pegmatite occurrences have been noted by previous explorers within Dynasty's tenement.
- Prospective geology present throughout the tenement.
- Within 20km of the Wodgina tantalum mine and processing facility.
- Work planned immediately for the project

### SUMMARY

Dynasty Resources' North Shaw project (E45/2728) is considered highly prospective for lithium mineralisation within lithium-cesium-tantalum (LCT) pegmatites. The project is within a region of world class endowment of lithium pegmatites, only 3km along strike from the Pilgangoora resources and 20km east of the Wodgina resource. Altura Mining Ltd (ASX:AJM) and Pilbara Minerals Ltd (ASX:PLS) have made major lithium discoveries in the surrounding area. Dynasty has held the tenement E 45/2728 since 2006. The exploration license covers 189km<sup>2</sup>, located 100km South of Port Hedland. Dynasty has completed an initial evaluation of the lithium and tantalite potential of the tenement and consider the ground highly prospective with known pegmatites in the area, a continuation of the Pilgangoora mineralised corridor through the tenement and large areas of metamorphic mafics and sediments which are an ideal host for LCT pegmatites (Cerny, 1982).

There are two high priority targets:

- the northern portion of the tenement along the Pilgangoora Lithium trend under cover; and
- the sulphur springs group equivalent rocks along the granite greenstone contact.

There are also priority targets in other parts of the tenement:

- Mafic enclaves within the Yule Batholith in the southern part of the tenement; and
- The entire area of the Gorge Creek group in the northeast of the tenement.

The outlook for lithium is very positive with the storage of power to become a major growth area. This project represents a significant opportunity for lithium exploration.

Work will commence this quarter with reconnaissance geological mapping and geochemical sampling.

### PROJECT DETAILS

Dynasty's tenement E45/2728-I sits adjacent to significant lithium mineralisation in the Pilgangoora Area of the East Pilbara region in Western Australia. Dynasty has completed an initial evaluation of the lithium potential of the tenement and consider the ground highly prospective with known pegmatites in the area, a continuation of the Pilgangoora mineralised corridor through the tenement and large areas of lithologies conducive to the intrusion of lithium pegmatites (Figure 1).

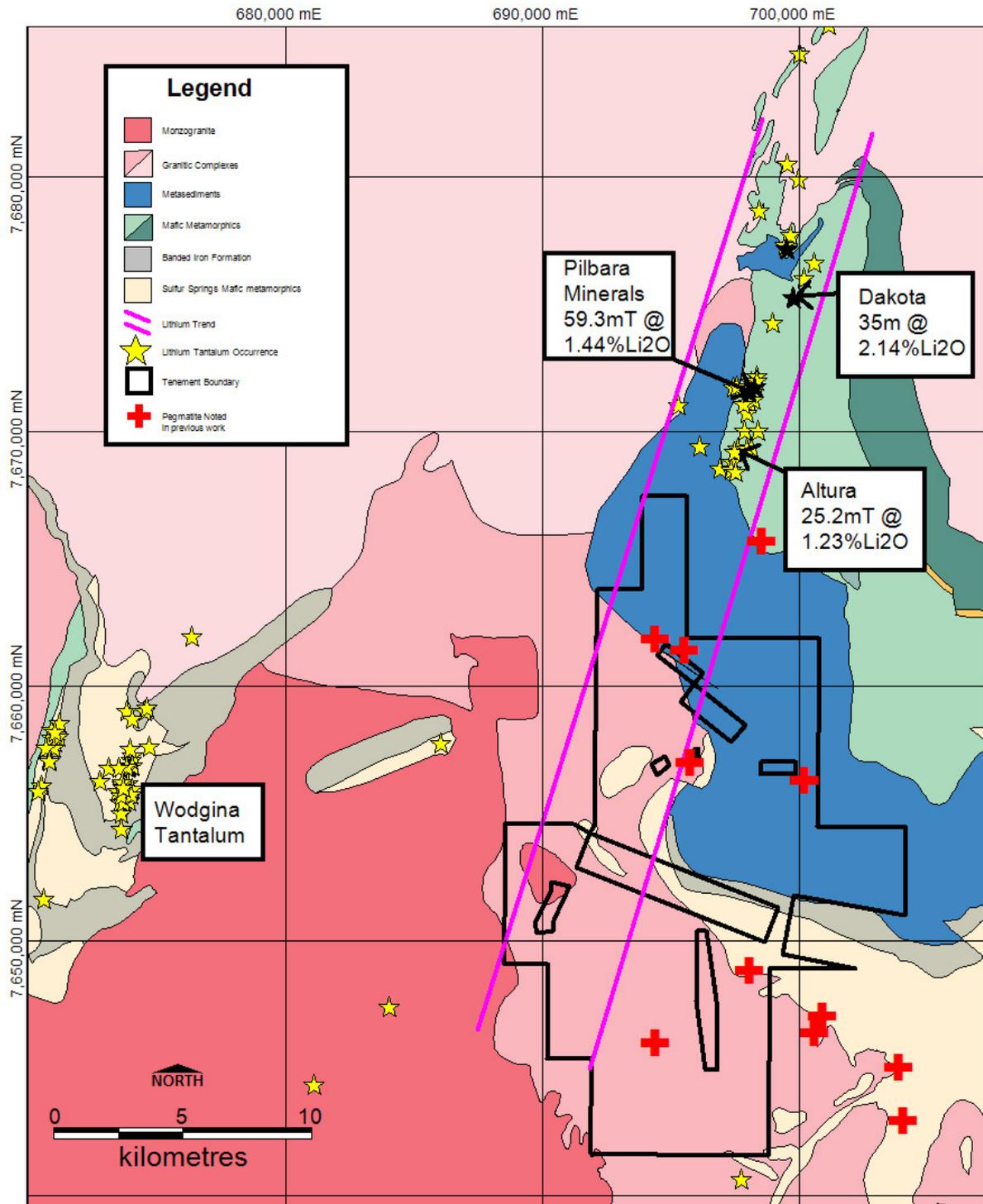


Figure 1 Simplified Geology and regional mineralisation -North Shaw Project

These lithologies include mafic metamorphics, similar to those hosting the Wodgina and Pilgangoora pegmatites and sedimentary metamorphics which commonly host lithium pegmatites in other parts of the world.

The tenement is surrounded by competitors actively searching for lithium. Figure 2 shows the location of the tenement with respect to the major lithium occurrences in the area, and the competitor activity.

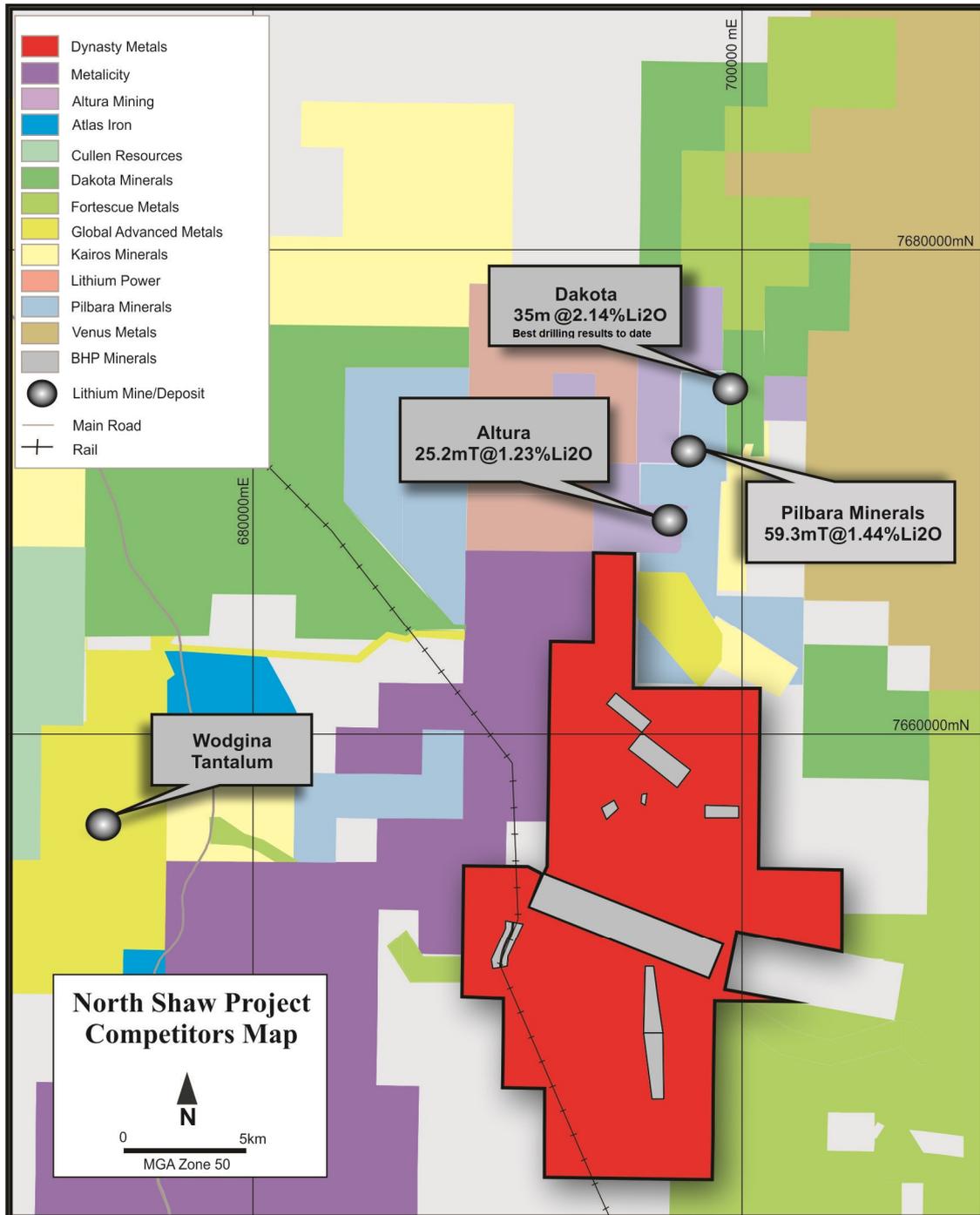


Figure 2 North Shaw Project regional competitor map – DMA's area shown in red

The tenement has had extensive previous tenure going back to the 1960's. A majority of the work completed in the area to date has been for Gold, Base Metals and Iron. Sons of Gwalia undertook a sampling program in 1993 over several pegmatites in the area trying to identify further tantalum resources. This identified several pegmatite swarms but no analysis for Lithium was reported.

A review of these reports has identified the presence of pegmatites in the region as well as minor gold and base metal anomalism Figures 1 and 3 show the location of these known pegmatite occurrences. The regional magnetics in figure 3 show a similar magnetic signatures to the known mineralisation in the region.

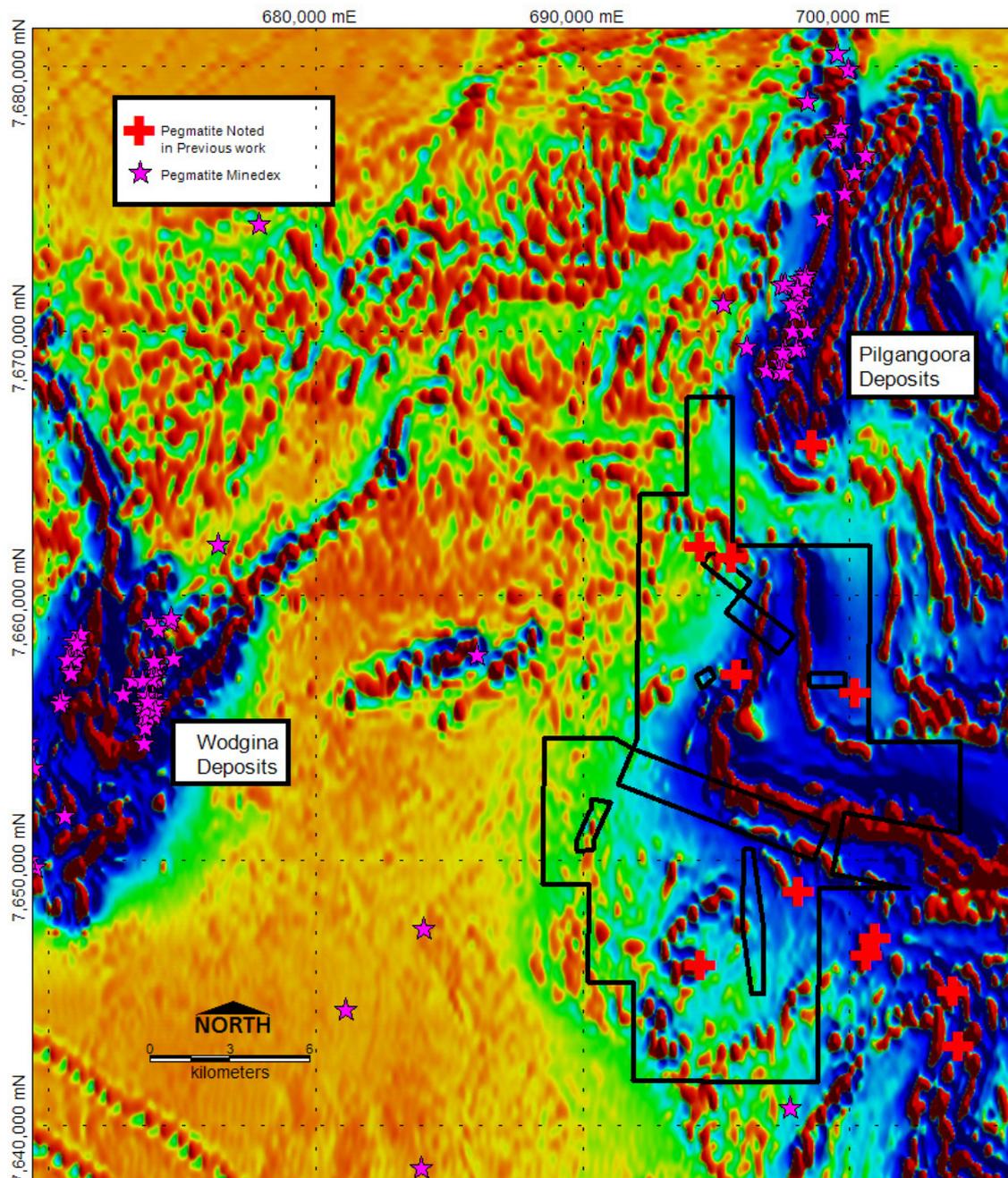


Figure 3 Regional Magnetics (1VD) North Shaw project

Planned work includes the mapping of outcropping areas searching for pegmatites and reconnaissance over covered areas to test geochemical methods to evaluate the lithium potential.

Work will commence on the following priority areas:

- the northern portion of the tenement along the Pilgangoora Lithium trend under cover;
- the sulphur springs group equivalent rocks along the granite greenstone contact;
- mafic enclaves within the Yule Batholith in the southern part of the tenement; and
- the entire area of the Gorge Creek group in the northeast of the tenement.

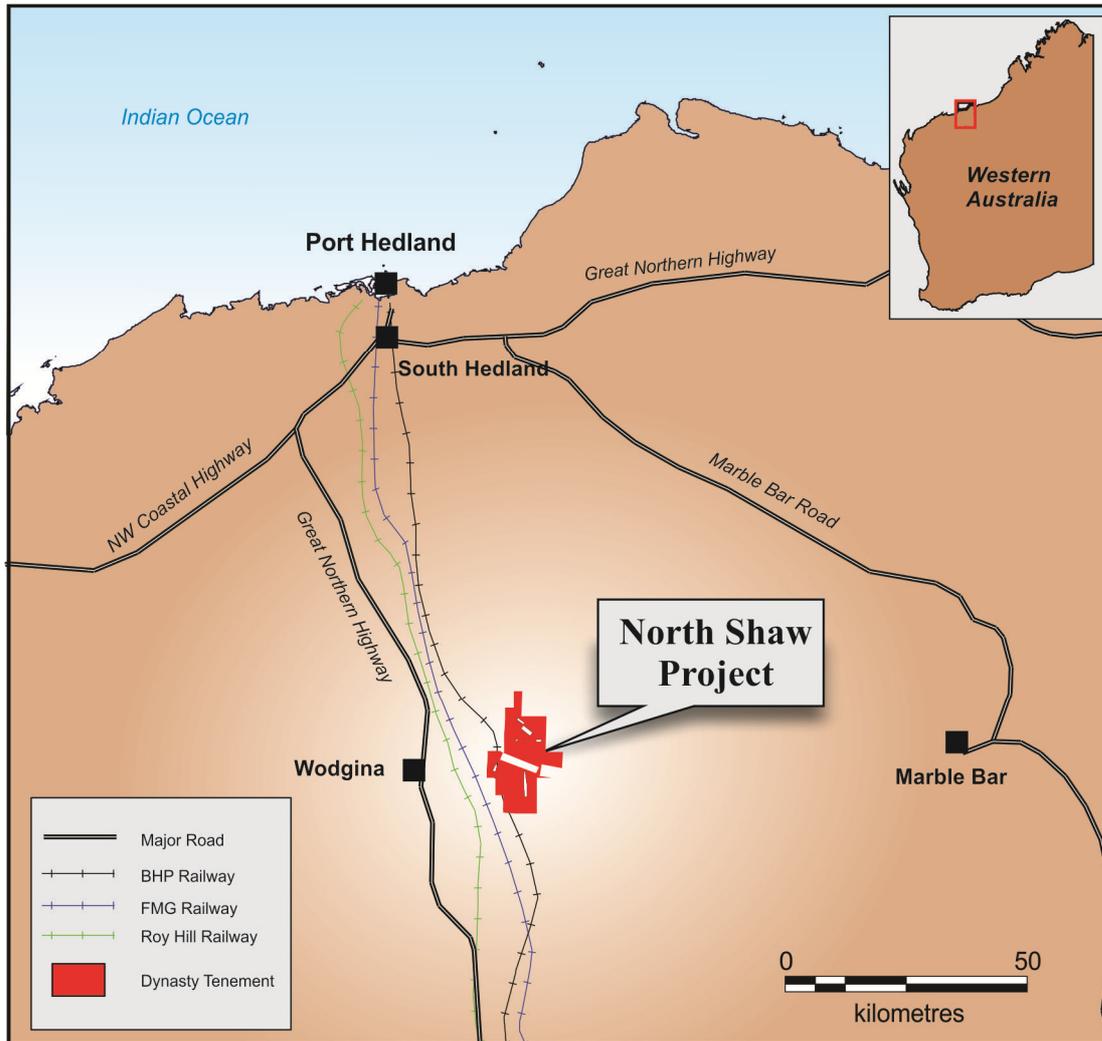


Figure 4 North Shaw - Project location

## TENEMENT UPDATE

As part of the Company's ongoing review of its tenement portfolio, it has relinquished its Prairie Downs tenement E52/1927 and voluntarily partially surrendered E52/2024 (13 blocks surrendered, 38 blocks remaining) and E69/2266 (51 blocks surrendered, 5 blocks remaining).

The holding costs of retaining these tenements were not considered to be justified in light of the outlook for iron ore.

## 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.*