

DYNASTY EXPLORATION LTD.
VSE 5.60 (Unlisted)

Summary

A major lead zinc discovery appears to be unravelling in the Vangorda Area Yukon. Dynasty Exploration in partnership with Cyprus Mining of Los Angeles have spent in excess of \$1 million and are presently exploring in the area at a rate of \$150,000 per month. Initial drill results have indicated 20 million tons of ore, grade approximately 14% lead-zinc (\$34-35 per ton). Mining costs are estimated at \$16 per ton for an operating profit of \$18-19 per ton. The company is looking into the possibilities of locating 5 or 6 - 5,000 ton per day concentrators and a 30,000 ton per day smelter in the general area of the mine.

History

Dynasty was incorporated as a private company in Vancouver, April 23, 1964 by Dr. Aaro Aho - Geological Engineer, Ronald Markham-businessman, R. E. Gordon Davis - Geological Engineer, and Alan Kulan - Prospector, to explore lead - zinc - silver - copper prospects in the Vangorda Area, Yukon. The company was capitalized with 3,000,000 shares @ 50¢ per share.

Initially 700,000 shares were sold for \$280,000. Of this, \$200,000 was spent on Geological mapping, prospecting, Geological and Geochemical surveys followed by preliminary diamond drilling, bulldozer trenching and road building. A total of 805 claims were stated. Several anomalies were revealed from flat-lying disseminated to massive sulphide mineralization at varying depths. An engineering report recommended further work.

On January 7, 1965 Dynasty was converted to a public company and increased capitlization to 10,000,000 shares at 50¢ par value, with 2,400,000 shares issued. The company stated additional claims for a total of 2,500 in the Vangorda Area, Yukon. These claims are over more than 20 prospective targets detailed by aeromagnetic, electromagnetic and geophysical surveys. These anomalies are grouped into five main zones of interest, Sea-Swim Lake, Cub, Beta, Faro and Ace.

In order to continue an active exploration program Dynasty approached Cyprus Mines Corporation of Los Angeles, California to form a joint participation program in this area, called the Anvil Project. Under an agreement dated March 31, 1965 Cyprus will forward to Dynasty, the operator, \$250,000 for the first year program, \$250,000 for the second year, \$300,000 for the third year, and \$350,000 for the fourth year. Cyprus bought 150,000 shares of Dynasty at \$1.00 per share with an option on an additional 200,000 shares at \$1.00.

Under this arrangement, the Anvil project would have \$1,300,000 for exploration. Further, Cyprus committed \$10 million at Bank interest to be lent to this project prior to Oct. 1, 1968 for exploration. Dynasty would remain the operator and raise the necessary funds to get the project in operation. Under the agreement Cyprus has the option to acquire 55% of the Anvil project, which subsequently has been exercised, with Dynasty owing 45%.

Dynasty and Cyprus have accelerated their program so that they are now in their fourth year commitment having spent in excess of \$1 million. The group are presently exploring and developing the area at a rate of \$150,000 per month. There are 5 diamond, 1 rotary and 1 Copco drills working the area. One Hundred and fifteen men are presently employed on the property.

Ore Body

Dynasty is presently drilling two zones in their Faro Claim,

Vangorda Area Yukon -See Attached Map (200 miles North of Whitehorse) on 400 ft. spacing. To date 16 rotary holes and 14 diamond drill holes have been drilled proving a 2,000 ft. by 1,500 ft. area with a 60 ft. thickness. The average grade is 5.35% lead, 8.65% zinc, 2.0 oz. per ton silver for a value of \$34-35 per ton. Mining will be mostly open pit with some underground mining. The indicated tonnage is calculated at 20 million tons with a potential in this claim of 50-60 million tons. The company plans on drilling the Faro Claim on 200 ft. spacing to prove the indicated and potential tonnages. Mining costs are estimated at about \$16 per ton.

In addition to this claim another prospect south of the Faro Claim is being drilled with higher values than in the main Faro area.

The Company is working on another claim of which the results were not available. There are in excess of 20 targets to be explored with some extending more than 5 miles in length.

Dynasty has formed Pelly River Mines with Dickson Yukon to explore additional claims in the area. Dynasty owns 750,000 shares of the 3,000,000 shares issued, with an option on 1,000,000 shares by spending \$100,000. Dynasty will then control the company with 57% of the issued stock.

Concentrator

The Company states they would like to prove 30 million tons of ore prior to committing to a concentrator. However, in view of their success they are figuring on building 5 or 6 - 5,000 ton per day concentrators.

Smelter

It is the Company's intention at this time to erect a 30,000 ton per day smelter in the general area. They figure the cost will be approximately \$100 million. The ore has been analyzed to have 33% sulphur and 34% iron which can be removed.

Dynasty Share Distribution

750,000 shares	-	held in escrow
110,000 shares	-	originally issued @ 8¢ per share
700,000 shares	-	1st public issue @ 40¢ per share
260,000 shares	-	1st public issue @ 1.00 per share
200,000 shares	-	directors option
30,000 shares	-	personnel option
<u>350,000 shares</u>	-	Cyprus option on 200,000 shares at 50¢ per share
2,400,000 shares		issued

Of the 2,400,000 shares issued, the Company states that only 685,000 shares are held by the public.

Listing

The shares of the Company are trading on the unlisted market in Vancouver. The Company advises that submissions will be forwarded to the Vancouver Stock Exchange for listing in about 2-3 weeks. Listings should be forthcoming shortly thereafter.

