ASX Code: DMA

ASX Announcement
16th November 2009

REGIONAL EXPLORATION UPDATE
UPSIDE BEYOND 400Mt FLAGSHIP DEPOSIT

On 5 November Dynasty announced a 400Mt flagship deposit on its Prairie Downs tenements in the Pilbara Western Australia. The Directors wish to expand on its exploration concepts and targets and to outline in more detail what they consider to be the prospectivity of these tenements which includes:

1. **The potential to increase the reported 400Mt Detrital Channel Iron target deposit and the potential for Tertiary Channel Iron deposits**
2. **The potential to discover hidden (buried) deposits of the Marra Mamba Formation in addition to the Marra Mamba outcrop recently drilled**
3. **The potential to identify a substantial commercial deposit of basal Haematite iron conglomerate**

Dynasty has a vast tenement portfolio located south, south west and west of Mt Newman which cover four different style iron deposits in a number of areas as shown in **Figure 1**.

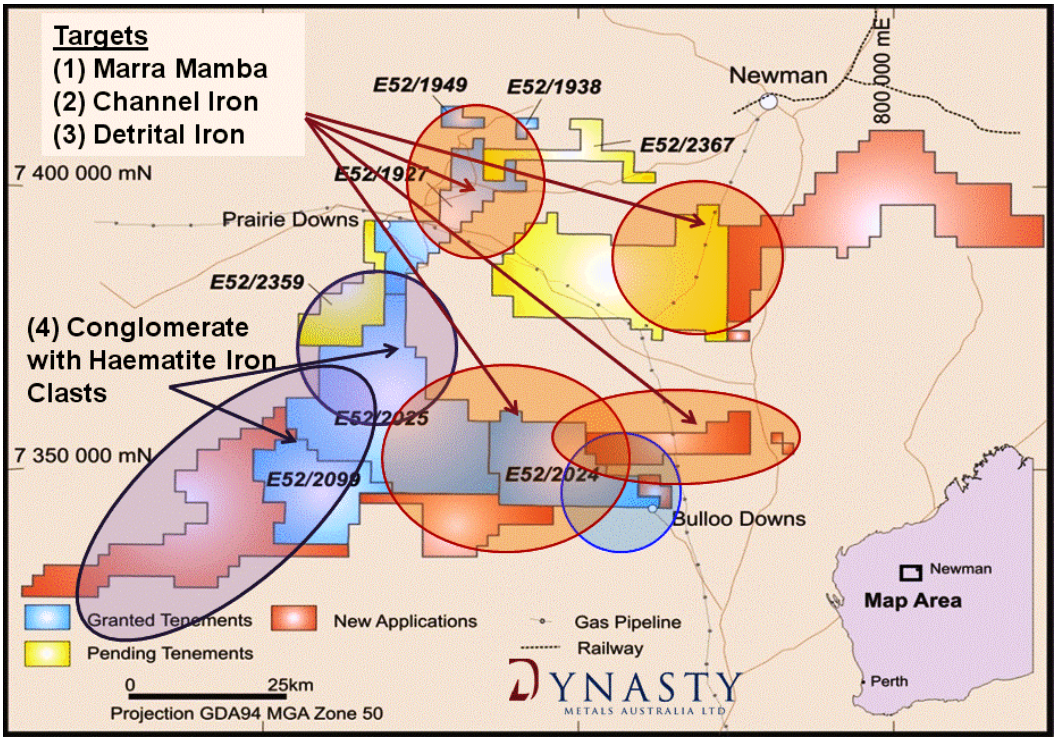


Figure 1 – Exploration Target Areas, Dynasty's Prairie Downs Tenements (3,591 km^2)

Dynasty is excited about the prospectivity of its strategic land holding as demonstrated by the immediate success from the Stage 1 drilling which has outlined Channel Iron and Detrital

Iron Deposits of approximately 400Mt with the scope to be substantially bigger, and also defined a sequence of Marra Mamba Formation in its tenements.

1 The 400Mt Spearhole Deposit and the potential to increase tonnes

In our November 5 announcement, Dynasty stated that geological modelling of the drill hole logging of the deposit thickness has shown:

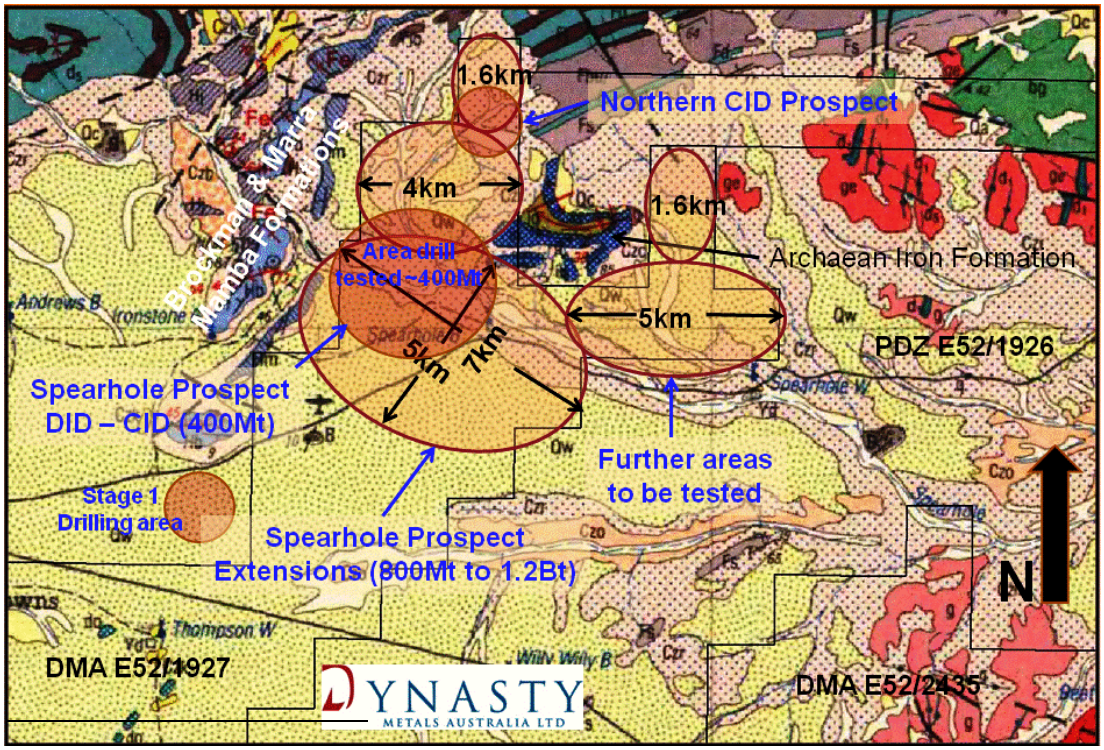
1. Within the area drill tested to date (400 million tonnes)

The Stage 1 drilling completed in October undertaken at 100m and 200m spacing along 7 lines up to 3.5km long and 400m apart, has defined an exploration target deposit of detrital[1] iron material ranging between 350 and 510 million tonnes, averaging approximately 400Mt, see **Figure 2.**

2. Extrapolating along drainage systems across the tenements (1 billion tonnes)

Figure 2 shows the extent of the drainage systems within and beyond Dynasty's tenements. If the 400Mt deposit so far identified were to extend along these same geology drainage systems, the total exploration target deposit would range from 800 million tonnes to 1,200 million tonnes, averaging approximately 1,000Mt. The figure shows other areas to the east of those drill tested which have similar geology and which will be tested in future programs. These areas are not included in the 1,000Mt target.

The river systems illustrated in Figure 2 have headwaters east and adjacent to outcropping Brockman Iron Formation and Marra Mamba Iron Formation and immediately west and south of an un-named Archaean Iron Formation.



[1] **Detritus** (adjective *detrital*) is a geological term used to describe particles of rock derived from pre-existing rock through processes of weathering and erosion.

Figure 2 – Areas drill tested (target 400Mt) and areas for possible extensions (target 1Bt)
In addition to the target areas shown in Figure 2, reconnaissance exploration has shown that these detrital channels extend to the south west of the areas illustrated in Figure 2 and within E52/1952 and also south and south east into E52/1926 held by Dynasty's neighbour Prairie Downs Metals Limited (ASX:PDZ). The limits of the iron rich detrital channels in these areas are unknown at this stage and will be tested in future exploration programs.

Channel Iron - Geological Model: The model being tested by Dynasty at Prairie Downs is illustrated in the following conceptual diagram, **Schematic Figure 4.** Dynasty's tenements straddle the boundary between the Hamersley Basin and the Bangemall Basin represented by the Prairie Downs Fault. The Hamersley Basin, which contains the Hamersley Group rocks (2,500Mya), is estimated to have been approximately 2.5km thick. The Hamersley Group rocks also include iron rich sedimentary layers called Banded Iron Formation (BIF) typically containing 30% Fe and which have become enriched through secondary processes to form commercial deposits (>60% Fe). The two most important commercial BIF units are the Brockman Formation (620m thick) and the Marra Mamba Formation (230m thick).

These layers which host many of the iron ore deposits in the Pilbara, once extended over the entire Pilbara region of Western Australia. Subsequent weathering and erosion has resulted in the remobilisation and concentration of iron in bedded iron deposits and channel iron deposits. Deep aggressive erosion in the western part of the Pilbara has resulted in iron deposits being left as caps on the top of hills referred to as Mesas. In the eastern parts of the Pilbara Mesa development is less prominent and commercial deposits exist in-situ and consist of weathered magnetite (Haematite) such as the Brockman Formation at Mt Whaleback or are represented by iron concentrated through remobilisation in massive Quaternary sedimentary Channel Iron Deposits such as at Yandicoogina.

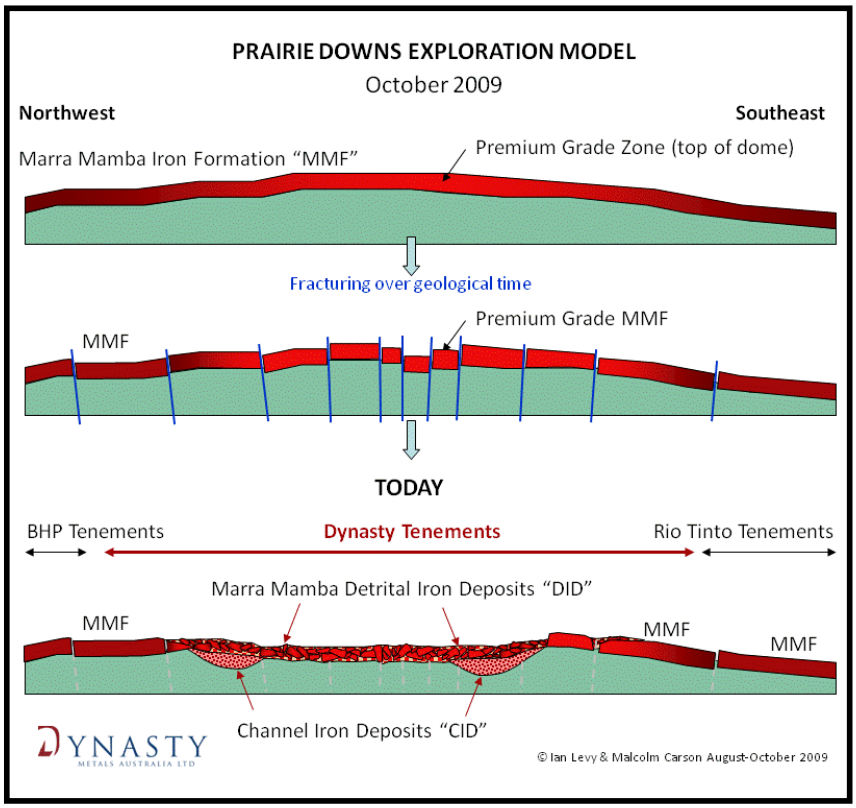


Figure 4 –Dynasty's exploration model, Marra Mamba Detrital Iron Deposits ("DID")
Dynasty is testing another exploration model **(Figure 4 above).** Our geological hypothesis is that given the banded iron formations (such as the Marra Mamba Formation - MMF) once extended over the entire Pilbara region and were of a substantial thickness, it follows that with the destruction of these formations over time, the Marra Mamba will have broken down into fragments in-situ and formed into Detrital Iron Deposits and through concentrations through weathering, Channel Iron Deposits as shown in the schematic, Figure 4.

Therefore, iron concentrated in these deposits will not have travelled very far, for example quite possibly less than 200m, as **Figure 5** illustrates.

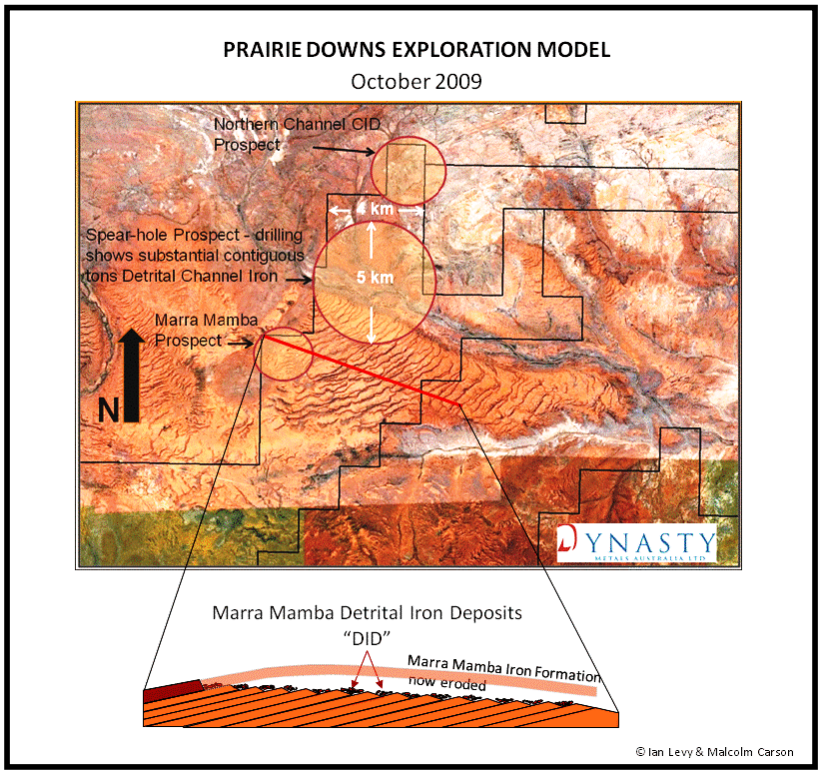


Figure 5 – Predicted location ancient Marra Mamba Formation deposits supporting Dynasty's conceptual model

Such deposits are defined in geological terms as colluvial[2] and elluvial[3] and are referred to by Dynasty as Marra Mamba Detrital Iron Deposits. It is considered feasible that iron in these deposits will be concentrated in traps which would most likely be linear lenses and parallel to drainage systems.

Dynasty's concept shown in Figure 4, suggests that the **Detrital Channel Iron Deposits ("DID")** represent fragments of the iron formation rocks which have in recent time (Quaternary Period - 2.6Mya to Present) broken up to form lag deposits or iron ore

[2] **Colluvium** or **colluvial deposits** is the name for loose bodies of sediment that have been deposited or built up at the bottom of a low-grade slope or against a barrier on that slope, transported by gravity.
[3] **Eluvium** or **eluvial deposits** are those geological deposits and soils that are derived by *in situ* weathering or weathering plus gravitational movement or accumulation.

fragments left behind and concentrated as the rest of the fragmented material are washed away.

In addition to DID, Dynasty has identified from outcrop and drilling typical **Channel Iron Deposits ("CID")** which represent concentrations of iron in the matrix and in pisolitic[4] concretions which has occurred following the removal of silica and the remobilisation and re-precipitation of iron through aggressive weathering processes which occurred during the Tertiary Period (60Mya to 2.6Mya). Figure 4, shows conceptually where such CID deposits could form. Dynasty anticipates from its drilling and from previous experience in the Pilbara (Brockman Iron's Marillana Deposit) that approximately 10% of the Detrital Iron Deposits will be CID.

The model (Figure 4) also supports the potential for discoveries of buried Marra Mamba Formation within the tenements in the areas marked on the tenement plan presented in Figure 1 and on the regional geology plan Figure 5 below.

2 Buried Marra Mamba Formation Targets

The conceptual model in Figure 3 above supports the hypothesis that buried Marra Mamba Formation could exist elsewhere on Dynasty's tenements. Also, supporting this hypothesis is the evidence of outcropping Marra Mamba Formation in tenements held by Rio Tinto Exploration Pty Ltd E52/1617 and Rosanne Pty Ltd E52/1690 immediately south of and adjacent to the Prairie Downs Fault (boundary of Hamersley and Bangemall Basin) as evidenced by W.A. Geological Survey regional mapping, see **Figure 6**.

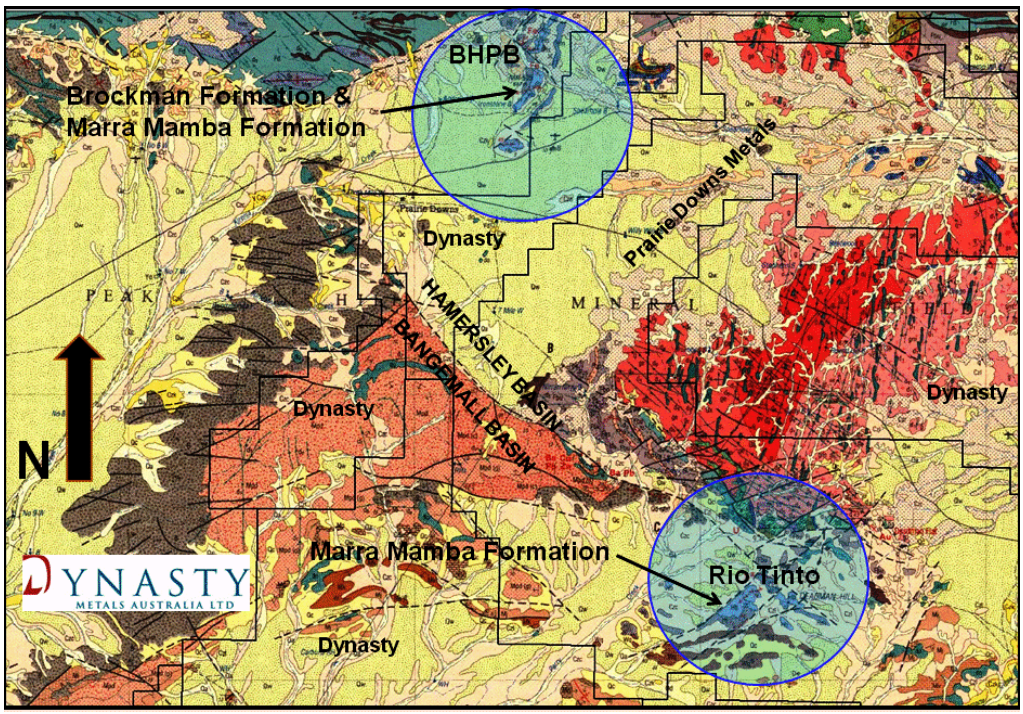


Figure 6 – Regional geology and surface evidence of Marra Mamba Formation

[4] A **pisolite** is a sedimentary rock formed from **pisoliths**. These are concretions which resemble ooids but are always more than 2 mm in diameter. These grains are approximately spherical and have concentric layers reaching 10 mm in diameter.

Figure 6 shows evidence of remnant blocks of iron formations proximal to Dynasty's tenements and in the case of Rio's area some 40km to the south east, adjacent to the Hamersley Basin and within the Bangemall Basin. Therefore consistent with its exploration model (Figure 4) and with the surface geological evidence (Figure 5), Dynasty considers there is a strong possibility of hidden targets comprising:

1. Buried south to south west strike extensions of BHPB's Marra Mamba Formation; and

2. Buried blocks of Marra Mamba which may be faulted into Dynasty's tenements; and

3. Buried remnant blocks of Marra Mamba in accordance with the exploration model presented in Figure 4

Stage 2 exploration for the 2010 field season will include comprehensive geophysical ground work designed to assist Dynasty's geologists to define buried drill targets within E51/1927.

3 Basal Iron Conglomerate – Homestead Deposit

Within Dynasty's tenements exists a Haematite (iron) boulder basal conglomerate which has largely been derived from the erosion of the Hamersley Basin during the formation of the Bangemall Basin estimated to have occurred ~1,500Mya.

The boulders containing the high iron concentrations will have been derived from BIF within the Hamersley Basin, such as the Brockman Iron and Marra Mamba Iron Formations. See **Figure 7** for the location of the conglomerate within Dynasty's tenements.

The Basal Iron Conglomerate covers a vast area and from outcrop appears to be 30 to 40m thick in places. The area in red outlined in Figure 6 is 13,840Ha or 138.4km^2. Therefore the conglomeratic rock unit represents potentially a very large deposit.

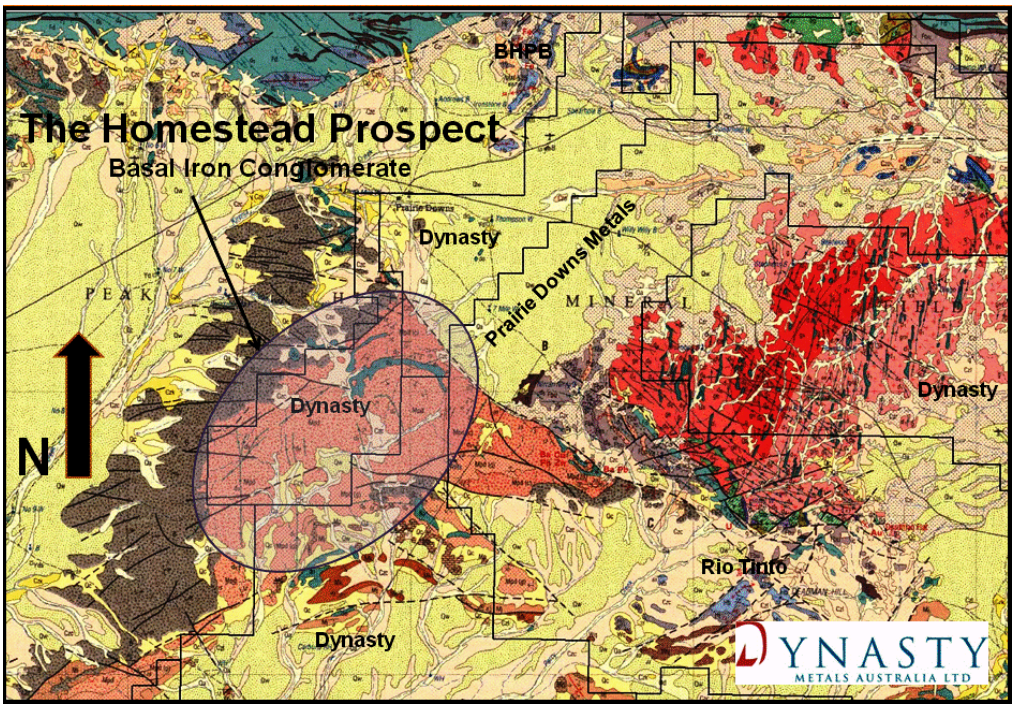


Figure 7 – Homestead Prospect, Basal Iron Conglomerate

Iron mineralisation can be seen in visible concentrations of iron, which assay up to 63% Fe in rock chips, occur mostly on the west faulted boundary where fluids may have been able to circulate, dissolve and concentrate iron through dissolution and re-precipitatation in the matrix between the boulders.

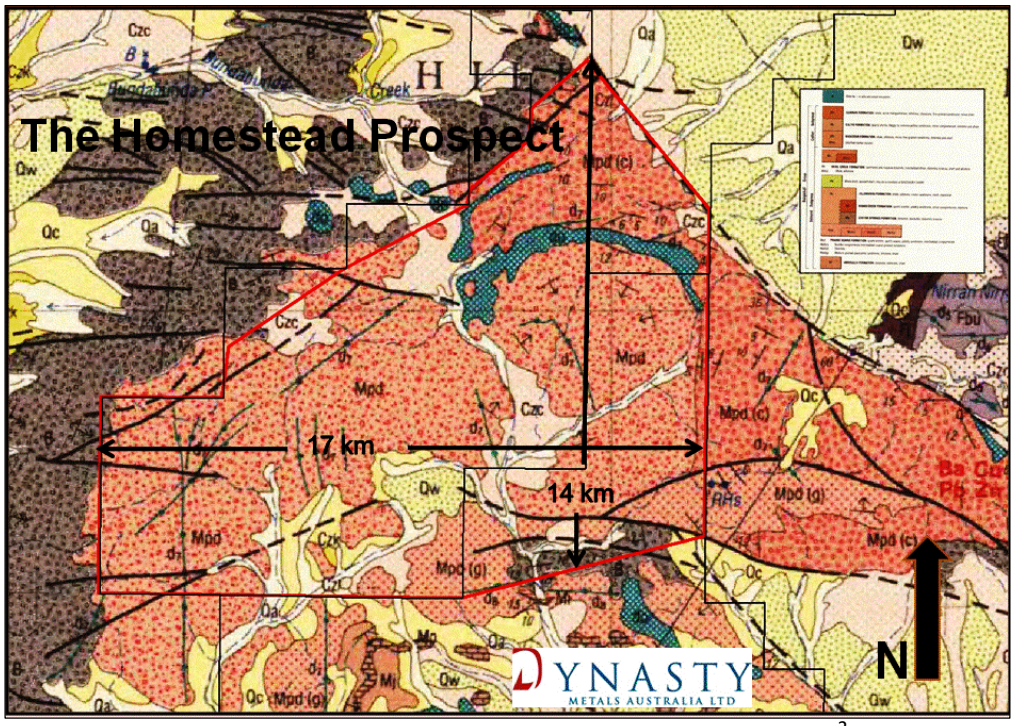


Figure 8 - Area of the Homestead Basal Iron Conglomerate (138.4km^2)

The basal unit also appears to have a greater concentration of Haematite boulders within the conglomerate with grades commonly in the 25-35% Fe range.

Such concentrations could also occur elsewhere within this substantial rock unit.

Dynasty collected several bulk chip samples from the prospect to determine the average iron content. During sampling the aim was to obtain a 40kg representative proportion of matrix and boulder material over an area of outcrop, to determine the average bulk grade from such surface material. These samples were then screened to various size fractions and each fraction assayed for the elements shown in the example for sample MET03 presented in **Table 1** below.

Table 1 – Homestead Conglomerate, bulk surface sample results for MET03

SAMPLE		Weight	Fe	SiO2	Al2O3	TiO2	Mn	Ca	Mg	P	S	LOI
		g	%	%	%	%	%	%	%	%	%	%
Met 03 Sample			**41.48**	**38.00**	**0.61**	**-**	**0.01**	**0.18**	**-**	**0.03**	**-**	**0.24**
	Calc. Feed	6,109.30	41.31	37.97	0.66	0.00	0.02	0.05	0.18	0.04	-	0.25
	+6.7 mm	2,375.20	42.50	35.79	0.65	-	0.01	0.05	0.17	0.04	-	0.24
	+4 mm	1,242.30	41.43	38.49	0.55	-	0.01	0.05	0.16	0.03	-	0.21
	+2.8 mm	530.30	40.52	39.60	0.52	-	0.01	0.04	0.26	0.03	-	0.24
	+2 mm	378.10	39.34	41.56	0.57	0.01	0.01	0.05	0.19	0.04	-	0.21
	+1 mm	608.70	40.14	39.90	0.61	-	0.02	0.03	0.15	0.03	-	0.27
	+0.5 mm	364.30	40.26	38.65	0.64	0.01	0.05	0.03	0.23	0.03	-	0.23
	+0.25 mm	255.10	41.36	38.85	0.70	0.04	0.04	0.04	0.19	0.03	-	0.15
	-0.25 mm	355.30	39.25	39.84	1.41	0.03	0.04	0.05	0.14	0.04	-	0.62

The table shows that this sample, which was collected in the north-west corner of the Homestead Conglomerate near to the faulted boundary and where there are visual concentrations of iron, has an in-situ grade of ~41.5% and is low in phosphorous and that the iron is evenly distributed across the range of crushed sizes which means the mineralisation is evenly distributed throughout the rock. This distribution of mineralisation was consistent for all samples collected, although grades varied from 18% to 42% with lower grades being encountered where expected further away from the western fault boundary.

Beneficiation: Due to the vast size of this conglomerate, the economic beneficiation[5] of the iron rich portions would result in a major new deposit. The gravitational separation of the silica rich portions of the rock from the Haematite is the most likely method for this beneficiation. Preliminary testing of samples collected at the surface are underway and if positive larger bulk samples will be collected and processed to refine the process.

Beneficiation is a relatively straight forward process which usually involves crushing, grinding, separation using gravity and in some cases magnetic separation techniques. The process does not involve chemicals.

For further information please contact either Messrs:

Malcolm Carson (Executive Technical Director) on 02 9229 2702

Lewis Tay (Executive Director) on 02 9229 2710

Ian Levy (Chairman) on 02 9229 2704

***Qualifying statement**: Malcolm Carson has compiled the information in this report from information supplied by Dynasty Metals Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposit under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Mr Carson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

[5] **Beneficiation** is a variety of process whereby extracted ore from mining is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use.