

## DYNASTY IDENTIFIES DSO IRON ORE TARGETS IN PILBARA

### Highlights

- Regional exploration on Dynasty's large Prairie Downs tenements has identified potential iron targets that would enhance Dynasty's **1.4 billion tonne** detrital ironstone gravel deposit at the Spearhole Prospect.
- Geophysics and mapping has **identified new direct shipping ore ("DSO") targets** on tenement E52/1927, including targets for concealed Marra Mamba iron ore formation deposits.
- Channel iron deposits have been reported to the south of Dynasty's Spearhole Prospect.
- Dynasty's vast "basal iron conglomerate" adjacent to Prairie Downs Fault to be tested.
- Dynasty has intensively **explored less than 2% of its 4,000km<sup>2</sup>** Prairie Downs tenements to date.

**Sydney, Australia:** Iron ore company Dynasty Metals Australia Limited (**ASX: DMA**) today announced the results of regional geophysics and regional mapping to the south west of its **1.4 billion tonne** Spearhole Iron Deposit.

### Iron Gravel Potential

Interpretation of the geophysical results suggest the presence of two sub-parallel north east to south west trending structures which may have had a significant influence on the formation of massive iron gravels in the Spearhole deposit and elsewhere on the tenement (see Figure 1).

### Iron Formation Potential

Figure 1 also illustrates target areas which are considered to be prospective for hidden Brockman or Marra Mamba hematite iron deposits and additional detrital ironstone gravel deposits which have been defined from the interpretation of the magnetic data and regional geological mapping.

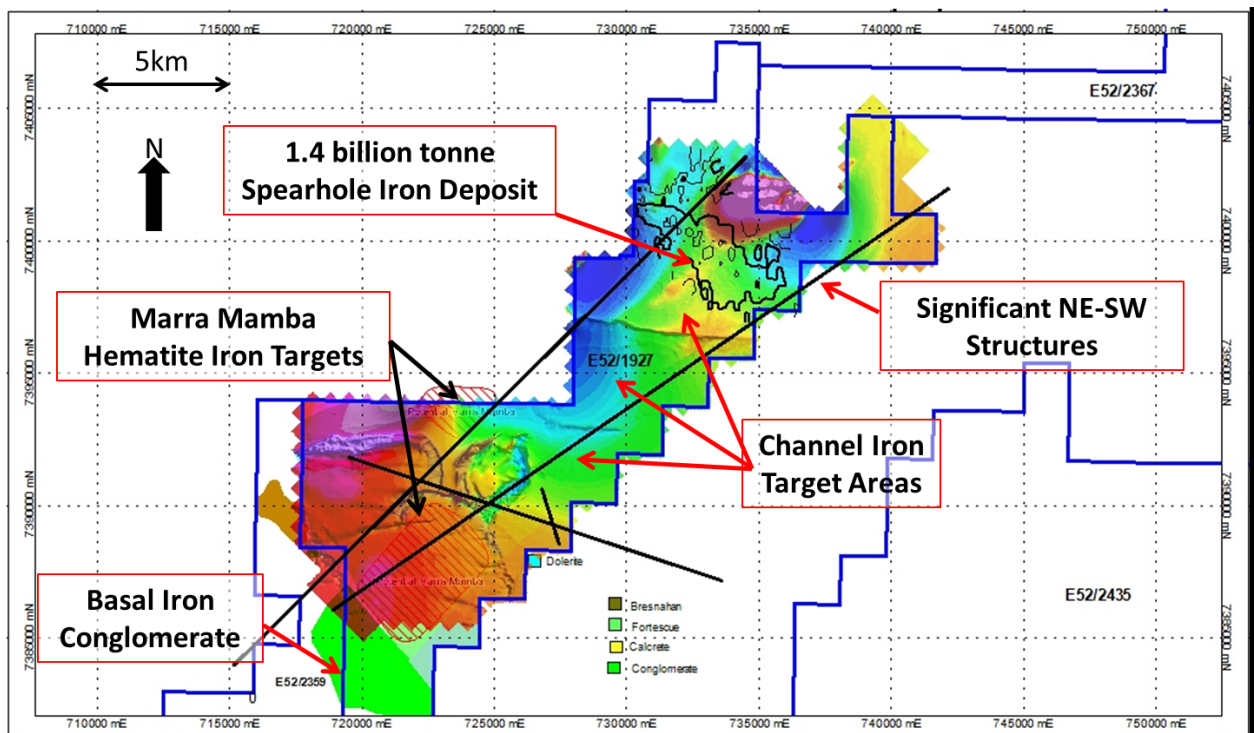
### Channel Iron Potential

During the first quarter 2011, geological mapping traverses will be undertaken to define drill sites in the target areas illustrated in Figure 1. In addition, Dynasty's geologists will investigate the tenements further to south to establish the area's prospectivity for the channel iron deposits reported to exist in that area.

### Basal Iron Conglomerate Potential

Dynasty is making preparations to test a large basal iron conglomerate deposit (see Figure 1) in 2011. Surface sampling has returned high iron grades in places.

Dynasty is encouraged by the early stage reconnaissance exploration at Prairie Downs to date. The Company is optimistic that exploration will define additional iron ore deposits that will be suitable for blending with the vast Spearhole detrital ironstone gravel deposit.



**Figure 1 – Magnetic survey over E52/1927 showing interpreted regional structures and identified target areas.**

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## **Competent Persons**

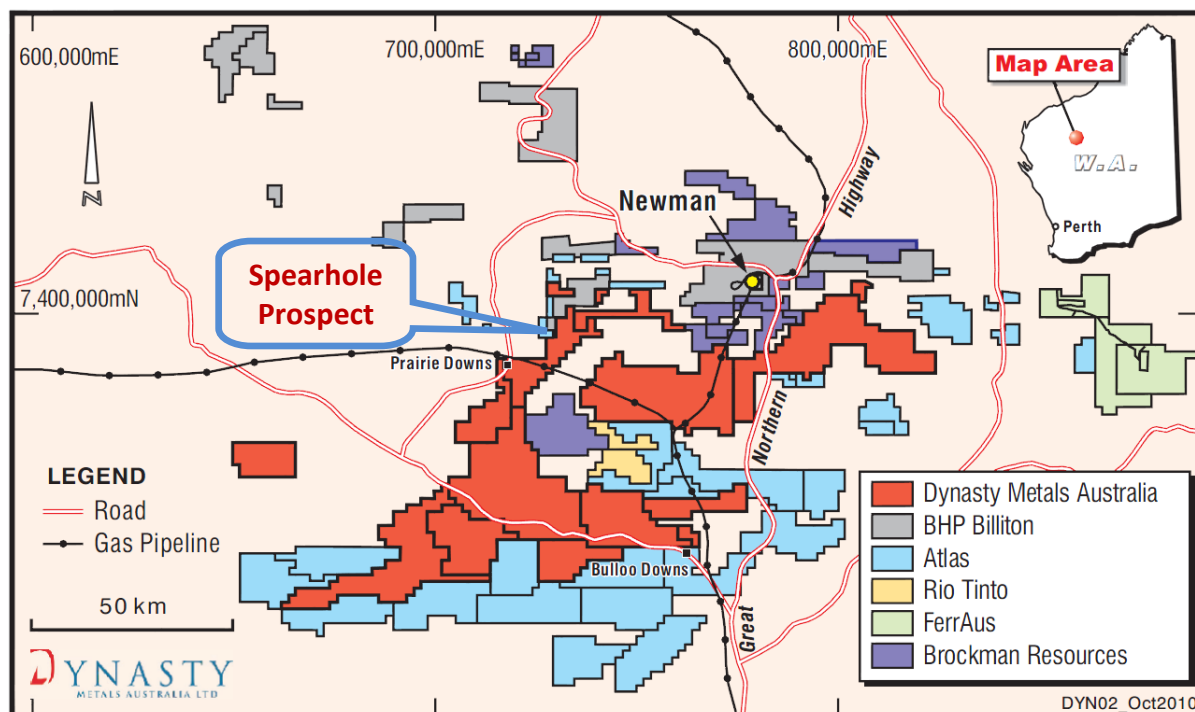
*Qualifying Statement: Malcolm Carson has compiled the information in this report from information supplied to Dynasty Metals Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposit under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results (“JORC Code”). Mr Carson is a Member of the AusIMM and an Executive Director of Dynasty Metals.*

*JORC Statement: The information in this summary report relates to the Mineral Resource at Spearhole is based on the information compiled by Mr David Jenkins who is a Members of the Australian Institute of Geoscientists. Mr Jenkins 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 JORC Code.*

*Mr Carson and Mr Jenkins consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.*

## Overview of the Spearhole Prospect, Prairie Downs Project

The Prairie Downs tenements (~4,000 km<sup>2</sup>) are located to the west, south-west and south of Mt Newman. Dynasty's drilling to date has focussed on the Spearhole Prospect in the northern part of E52/1927, covering only a small portion of the Prairie Downs tenements.



**Figure 4 – Dynasty's tenements at Prairie Downs**

During the second half of 2009, a 300 hole (9,979m) reconnaissance drilling program was carried out at the Spearhole Prospect for a cost of \$1.2 million.

In March 2010, Dynasty announced the maiden JORC-Compliant Inferred Resources for the Prairie Downs Project totalling 453 million tonnes.

A \$2.5 million exploration program commenced in May 2010. Drilling completed during 2010 has comprised 9,377m of RC drilling and 1,085m of sonic drilling.

At the Spearhole Prospect, the 2010 RC drilling program has:

- tested “extension” areas to the south and southeast of established resource;
- tripled the Inferred Resource to 1.4 billion tonnes; and
- twinned Sonic drilling holes allowing tight control on the beneficiation results

On 27 October 2010, Dynasty announced a 1.4 billion tonne JORC Compliant Resource including 932 million tonnes at 27.4% Fe at a cut-off grade of 20% Fe for the Company's Spearhole Detrital Channel Iron deposit.