ASX RELEASE **29th October 2010**

Prairie Downs Iron Potential

Dynasty Announces updated 1.4 billion tonne JORC Code Compliant Resource on adjoining tenement

- **Prairie Downs Metals Limited ("Prairie") welcomes the recent announcement (attached) by Dynasty Metals Australia Limited (ASX:DMA) ("Dynasty") of an updated 1.4 billion tonne JORC Code Compliant Resource at Dynasty's Spearhole Detrital Channel Iron Deposit at Prairie Downs.**

- **Prairie is particularly encouraged by Dynasty's observation that "grades and thicknesses ... are tending to improve as extensions of the deposit are discovered to the southeast". This southeast trend has the potential to extend for many kilometres into Prairie's tenements.**

- **Dynasty have further indicated that preliminary bulk-sample test-work indicates good potential to produce export grade iron ore with best results of 61% Fe and very low impurities.**

- **Prairie will continue to monitor Dynasty's progress and note their confidence to move to Pre-Feasibility Study stage. In addition to the existing agreement with Dynasty for the use of Prairie's exploration facilities and infrastructure discussions are continuing in relation to the potential for further co-operation between the companies in the exploration and project development of the iron potential of the Prairie Downs region.**

- **Prairie has commenced seeking the necessary approvals for a further future drilling program aimed at confirming the iron potential of Prairie's tenements.**

PRAIRIE DOWNS IRON ORE POTENTIAL

The iron ore potential of Prairie's tenements was first identified by the targeting study completed by Southern Geoscience Consultants Pty Ltd in March 2009. In September 2009, Prairie completed a highly encouraging reconnaissance drilling campaign which identified detrital iron of up to 34.94% Fe. Dynasty's ongoing success at the Spearhole Deposit reinforces the iron prospectivity of Prairie's tenements.

The potential for Dynasty's Spearhole deposit to extend into Prairie's tenement was apparent after the release of Dynasty's first exploration results. However this potential has been dramatically enhanced by the most recent results which show the Detrital Channel continuing up to the lease boundary. Aerial photos (Figure 1) suggest the mineralisation is bounded to the north and south by two present day creek system's, with the deposit occurring as a preserved remnant of an ancient, iron-enriched drainage system.

The untested strike potential on Prairie's tenements is around 8km. The 1.4 billion tonne JORC Code Compliant Resource at the Spearman deposit has been delineated over a strike length of 6km.

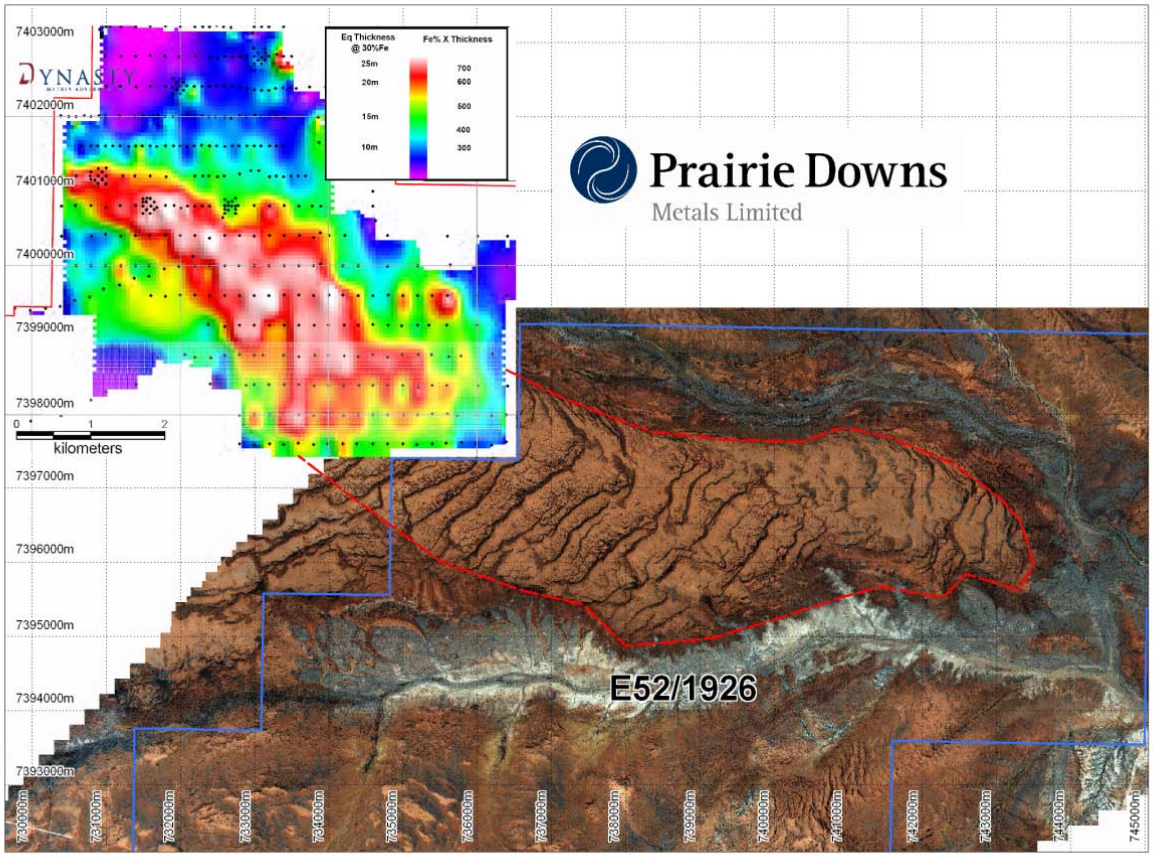

Figure 1: Dynasty Spearman Deposit (Top Left) and untested extensions of channel within Prairie's tenements

Prairie continues to monitor Dynasty's exploration and development activities with an ongoing agreement in place with respect to the sharing of resources. In addition discussions and negotiations are continuing on ways in which Prairie and Dynasty could collaborate to explore and develop the Prairie Downs regional iron ore potential.

Prairie will continue to assess the most appropriate path which will allow it to unlock the iron potential of its tenements and in this regard has commenced seeking the necessary approvals for a further future drilling program aimed at confirming the iron potential of Prairie's tenements.

For further information contact:

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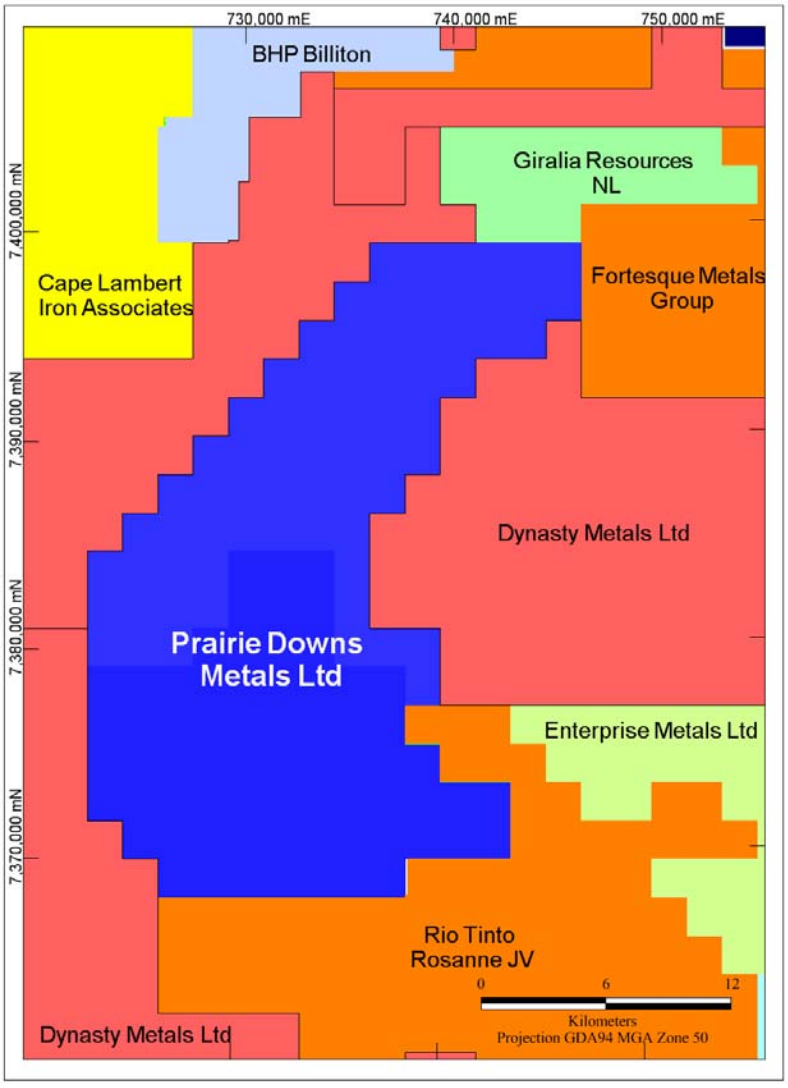
Information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mr David Kelly who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Kelly has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Kelly consents to the inclusion in this report of the statements based on their information in the form and context in which it appears.

Tenement Location Map



ASX Code: DMA

ASX Announcement
27 October 2010

DYNASTY TRIPLES JORC RESOURCES TO 1.4 BILLION TONNES

Highlights

- Resources of iron-rich gravels increased **300%** to **1.4 Billion tonnes** Inferred Resource estimate for the Spearhole Detrital Channel Iron Deposit at Prairie Downs
- Preliminary bulk-sample test-work indicates good **potential to produce export grade iron ore with best results of 61% Fe** and very low impurities.
- Iron mineralisation has been extended by the 2010 drilling by 4 km to the southeast, as well as increasing both grade and tonnage of the resource.
- Only about 1% of Dynasty's Prairie Downs tenements which cover ~4,000km^2 has been tested to date.
- Project is comparable to Brockman Resource Limited's 17Mtpa mine and 1.6 billion tonne Marillana Detrital Project.

Table 1 – Inferred Resources for Spearhole Detrital Iron Deposit (October 2010 Estimate)

Tonnes Mt	Fe %	Calcined Fe* "CaFe" %	SiO_2 %	Al_2O_3 %	P %	LOI %	Cut-Off Grade % Fe
449	31.5	34.0	30.2	13.6	0.04	7.5	>27% Fe
586	30.2	32.7	31.6	13.9	0.04	7.6	>25% Fe
800	28.4	30.8	33.5	14.4	0.04	7.7	>22% Fe
932	**27.4**	**29.7**	**34.6**	**14.7**	**0.04**	**7.8**	**>20% Fe**
1,118	25.9	28.1	36.1	15.0	0.04	7.9	>17% Fe
1,400	**23.5**	**25.5**	**38.6**	**15.5**	**0.03**	**8.1**	**Total Resource**

*Calcined Fe ("CaFe") = Fe/((100-LOI)/100)

Sydney, Australia: Iron ore company Dynasty Metals Limited **(ASX: DMA)** today 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 ("ironstone gravel") at Prairie Downs in the Pilbara region of Western Australia **(see Table 1).**

The total Mineral Resource estimate has increased 300% since the Company announced the initial Mineral Resource estimate for the Spearhole Deposit in March 2010.. This increase is a result of the 2010 drilling programs successfully extending the resources approximately 4 km to the southeast, over an additional area of 11.5 km^2.

The Spearhole Deposit:

Figure 1 below shows the area that the extent and distribution of iron mineralisation included in this resource estimate.

ABN: 80 110 385 709

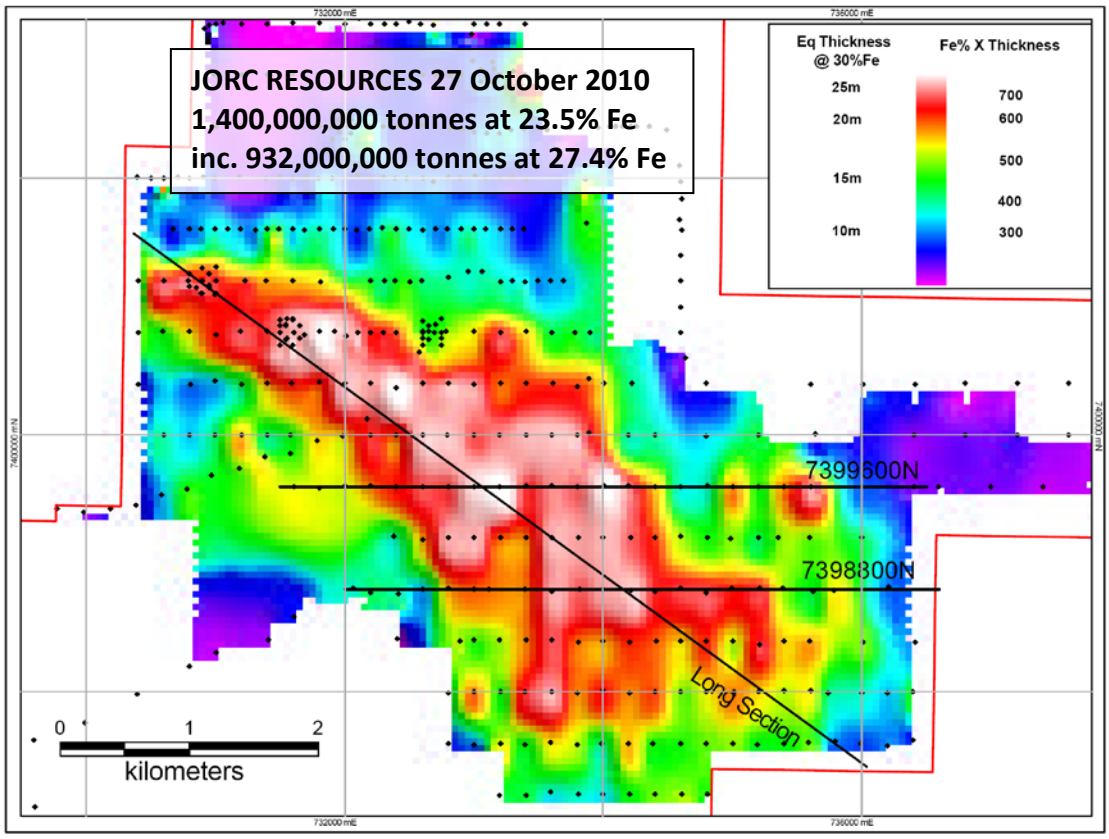


Figure 1 – shows distribution (Fe grade x thickness) of the iron mineralisation at the Spearhole Prospect, with the deepest, high-grade channel trending NW-SE.

The Spearhole iron deposits occur at or near surface, with consistent grades and thicknesses that are tending to improve as extensions of the deposit are discovered to the southeast. The detrital iron mineralisation is contained within a large, ancient, iron-enriched drainage system between outcropping Brockman and Marra Mamba Iron Formations.

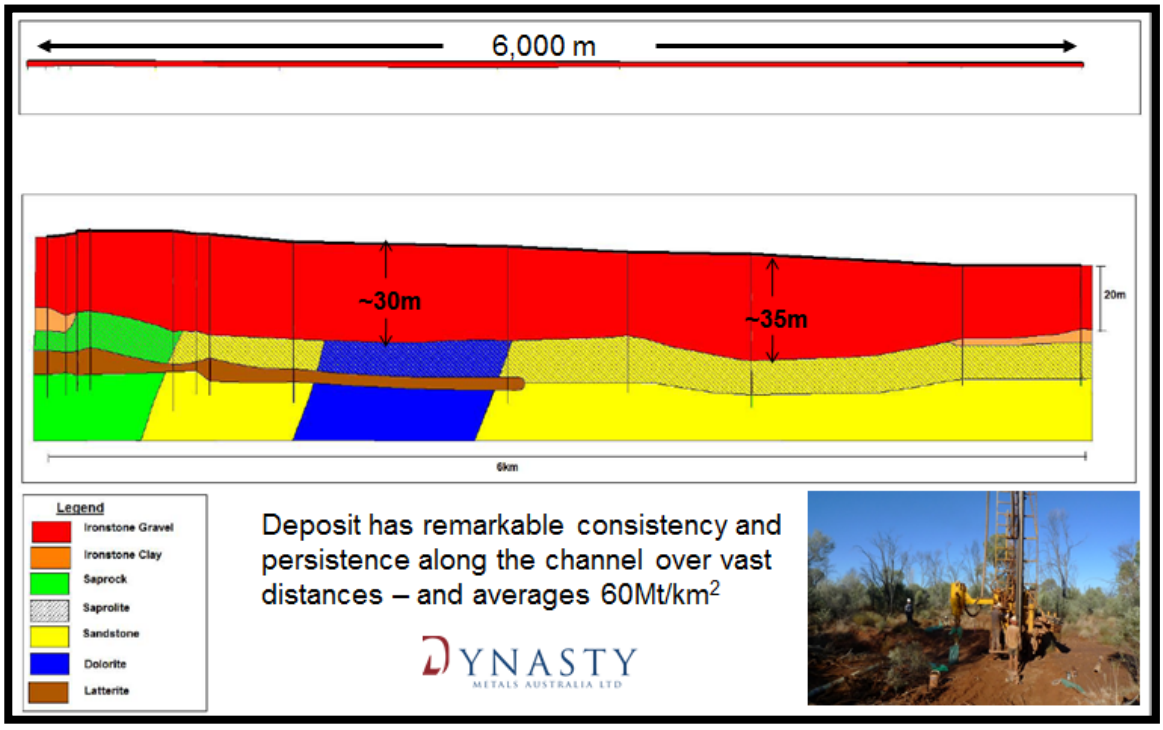
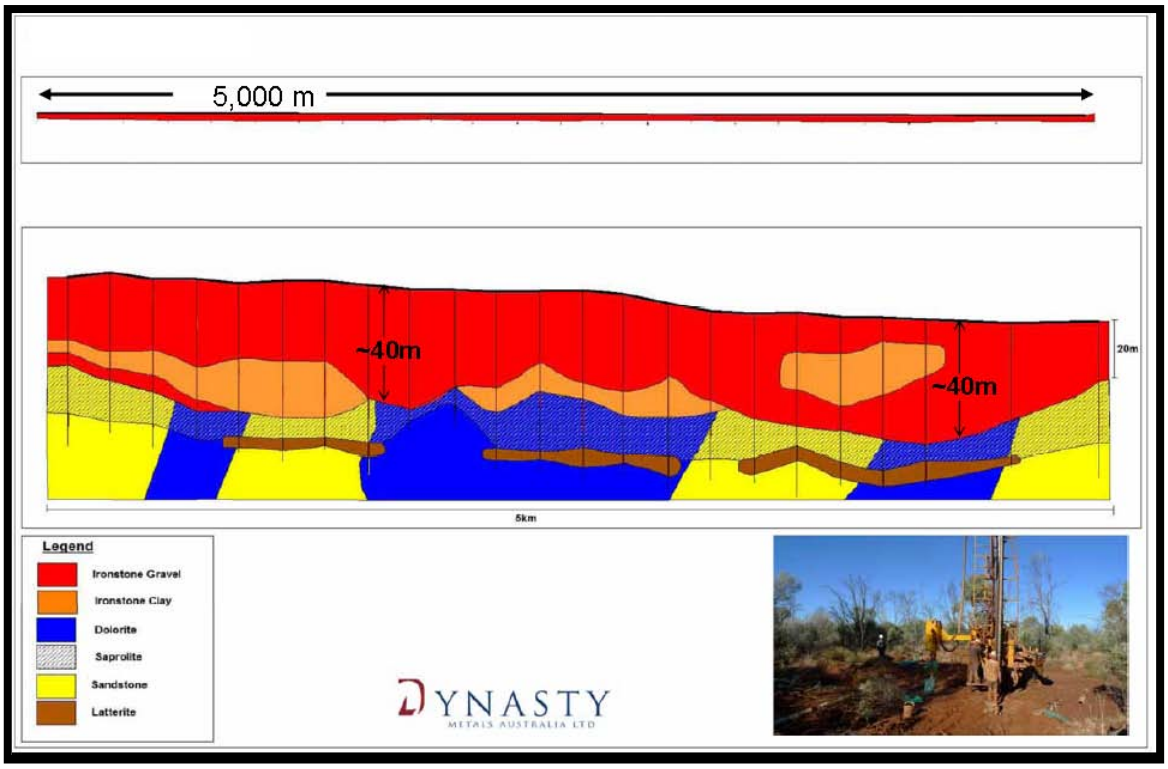


Figure 2 – Long section through the Spearhole Prospect demonstrating the shallow depth of the iron mineralisation over 6,000m.

Figure 3 is a cross section on line 7398800N (location illustrated on Figure 1 above) and also shows as Figure 2, the consistency and persistence in thickness across the channel.



Processing test-work producing encouraging results:

Drilling activity during 2010 has also included deploying a Sonic drill rig which drills a 150mm hole in unconsolidated material and gives an excellent high volume representative sample, ideal for metallurgical and beneficiation test-work.

Sonic drilling provides continuous and relatively undisturbed core samples which are ideal for assessing ore characterisation, density and metallurgical characteristics required for optimal beneficiation processes.

The sonic rig has drilled large diameter holes in five areas of the Spearhole Detrital Channel Iron deposit. The aim has been to collect bulk samples "representative" of the in-situ material which are composited into five-tonne parcels for beneficiation test-work in Perth laboratories.

The Sonic drilling program has also provided valuable information on the size and distribution of the detrital iron in the stratigraphy. The better understanding of the deposit has led to observing consistent lower-grade interburden between iron-rich layers which may be possible to mine and remove selectively. The collection of a complete sample from this unconsolidated material also allowed measurement of the bulk density of the material allowing more accurate resource estimation.

Recent test-work on the bulk samples collected by the Sonic drilling has indicated that simple physical processing **(see Figure 4)** significantly improves iron and silica grades and for the Area 3 sample returned commercial ("DSO") iron, silica and alumina grades of ***61% Fe with 2.7% SiO_2, 0.7% Al_2O_3 and <0.03% P_2O_5)***

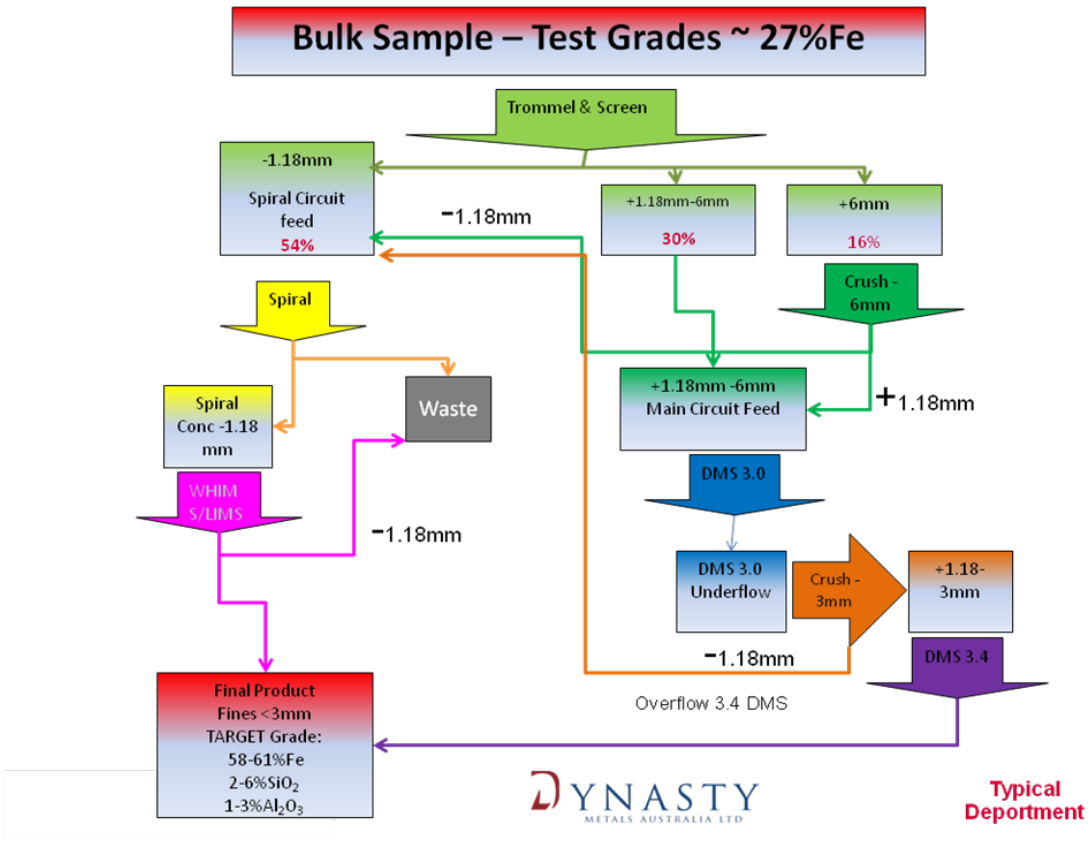


Figure 4 – indicative flow sheet for beneficiation of Spearhole Detrital Iron

This test-work demonstrates that the Spearhole Detrital Iron Deposit can readily be separated from the majority of the waste material at a very low cost of <$1.00/tonne. The substantial reduction in volume for a low cost, will increase head grade to the processing plant and reduce the overall processing and transport costs, as well as enable a DSO commercial grade of iron, silica and alumina to be achieved. Phosphorous is inherently low in the Spearhole Iron Deposit.

Future beneficiation test-work will focus on applying various processing techniques to enhance and optimise grades in the remaining fractions to establish an optimum blend with the high grade fraction against an optimum product yield. *The "optimum yield" is that yield which will support a commercially viable, profitable and competitive mining and processing operation.*

Overall, these initial results confirm various similarities with Dynasty's Prairie Downs deposit and Brockman Resources' 1.6 billion tonne Marillana Detrital Channel Iron Deposit, 100km to the north of Prairie Downs.

Dynasty's Technical Director Malcolm Carson commented:

> "In just over one year, Prairie Downs has progressed from an undrilled prospect to a substantial project approaching a pre-feasibility stage."
>
> "Work completed during 2010 has defined a substantial resource of the magnitude required for our target of a large scale mine development (>15Mtpa) with the potential to produce DSO iron ore at a low cost and high profitability."

"I am pleased that the total iron resources of 1.4 billion tonnes announced today have met and significantly exceeded the Company's and its consultant's previously published exploration target of more than 1 billion tonnes of iron for the Spearhole Prospect.

"Our initial beneficiation results from test-work on representative bulk samples, show we can achieve commercial DSO grades of iron with acceptable grades of silica and alumina."

"We now have confidence in the project to move to Pre-Feasibility Study stage with the commercial and technical benefits arising from the relationship with our new and strong strategic Chinese partner (steel maker) Hebei Xinghua."

For further information please contact:

Malcolm Carson (Technical Director) on 02 9229 2704
Lewis Tay (Executive Director) on 02 9229 2710

Media enquiries:

Fergus Ross at Six Degrees Media on 02 9230 0661

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 complied 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 the report of the matters based on the information in which it appears.

Overview of the Spearhole Prospect, Prairie Downs Project

The Prairie Downs tenements (~3,600 km^2) are located to the west, southwest 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.

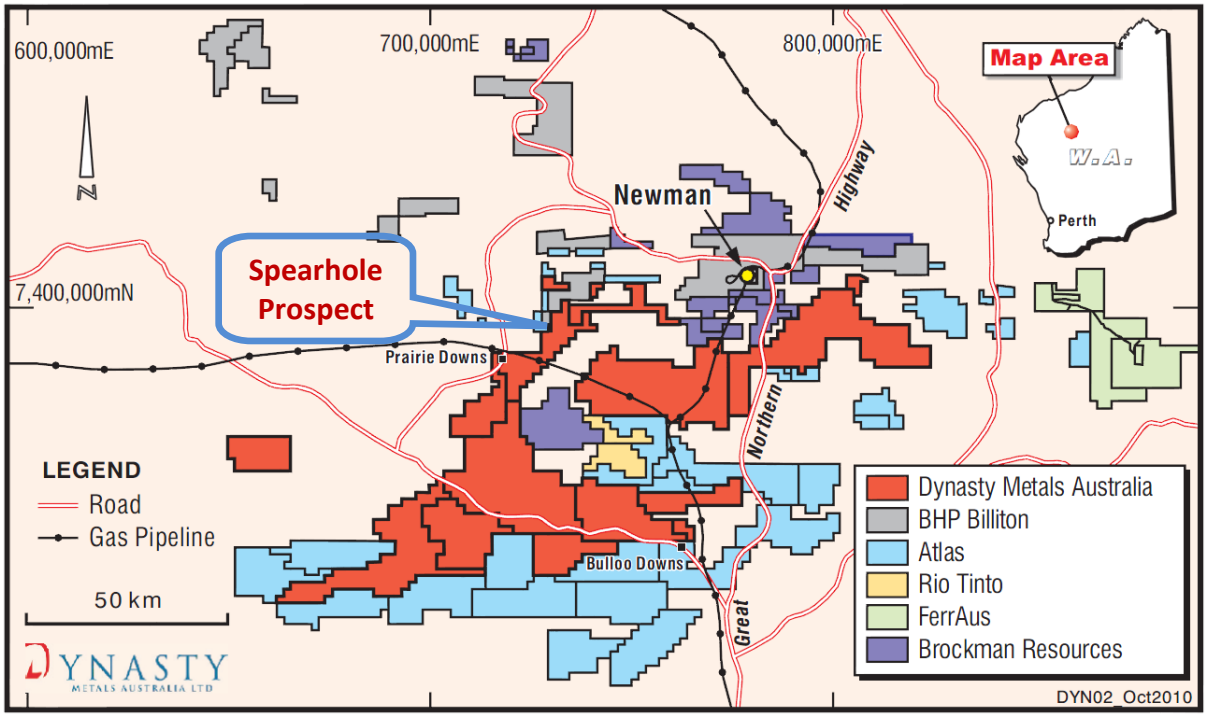


Figure 4 – Dynasty's tenements at Prairie Downs

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 following maiden JORC-Compliant Inferred Resources for the Prairie Downs Project:

Table 2 – Inferred Resources for Spearhole Detrital Iron Deposit (March 2010 Estimate)

Tonnes Mt*	Fe %	Calcined Fe "CaFe" %	SiO_2 %	Al_2O_3 %	P %	LOI %	Cut-Off Grade % Fe
129.0	30.5	33.0	30.6	13.9	0.03	7.8	>27% Fe
264.6	27.4	29.7	33.0	14.8	0.03	8.0	>22% Fe
369.5	25.2	27.4	35.5	15.5	0.03	8.3	>17% Fe
452.8	23.1	25.2	37.0	15.8	0.04	8.7	Total Resource

***** Detrital Deposit density assumed at 2.4 dry tonnes per cubic metre

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

Appendix A

Competent Person's Memo on "Spearhole Prospect Inferred Mineral Resource Estimate"

Terra Search Pty Ltd
Specialists in Mineral Exploration: Geology and Computing
A.B.N. 59 011 073 939

Memorandum

To: Dynasty Metals

From: Terra Search Pty Ltd

Date: Tuesday, October 26, 2010

Subject : Spearhole Prospect Inferred Mineral Resource Estimate

The mineral resource estimate for the current drilling at the Spearhole Prospect within Dynasty Metals Prairie Downs Project is as follows:

Reporting Fe Cut-Off	TONNES (Mt)	FE %	CaFe* %	SIO_2 %	AL_2O_3 %	P %	LOI %
>27%	448	31.5	34.0	30.2	13.6	0.038	7.5
>25%	585	30.2	32.7	31.6	13.9	0.037	7.6
>22%	800	28.4	30.8	33.5	14.4	0.036	7.7
>20%	932	27.4	29.7	34.6	14.7	0.036	7.8
>17%	1117	25.9	28.1	36.1	15.0	0.035	7.9
Total Mineralised Envelope	1400	23.4	25.5	38.6	15.5	0.034	8.1

*CaFe = Fe/((100-LOI)/100)

All resources have been classified as an **Inferred resource** and reported in accordance with the 2004 edition of the JORC Code Table 1.

This resource estimate includes all assays from drill hole from SERC001 to SERC433 and SWRC001 and SWRC012.

This resource estimate was prepared by Terra Search Pty Ltd.

David Jenkins reviewed the QAQC data including certified reference materials, field duplicates and pulp duplicates. Analysis of samples of certified material shows that the analytical accuracy was within the tolerance limits. A summary of these investigations are given in the following table:

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Perth
PO Box 2016, Carlisle North, WA 6101
12/120 Briggs St, Welshpool, WA 6106
Ph +618 9472 8546 Fax +618 9472 8548
Email: dri ts@bigpond.com

Criteria	Explanation
Sampling Techniques and Data	
Drilling Techniques	• All drilling to date by RC drill rig. Sample hoses and cyclone regularly cleaned to ensure clean samples. • 4 ½" hole diameter
Sampling techniques	• Rock chip samples collected in PVC bags at metre intervals.
Drill sample recovery	• Sample size and excessive moisture content due to water injection recorded. • Water injection used sparingly when necessary for sample recovery and hole stability.
Logging	• Rock chips logged at metre intervals in the field. • RC chips sieved (2mm), washed and sample stored in chip tray and subsequently photographed. • Quantitative logging of magnetic fraction, iron minerals, silica and alumina
Sub-sampling techniques and sample preparation	• A spear sample of 0.8-2kg is taken from the sample bag for assay and sent to Nagrom mineral processing and testing facility, Perth, where it is pulverised and the pulps kept in pulp packets and stored.
Quality of assay data and laboratory tests	• Samples assayed for a suite of elements by XRF. • Field duplicates periodically taken approximately 1:50 in 2009 sampling and 1:20 in 2010 sampling through the mineralized zone. . • Three Certified reference material samples inserted at a rate of 1:25. • Laboratory duplicates taken throughout course of sampling 1:20 metres. • Error in sample preparation identified early on from these precautions and jobs in question resampled and reassayed.
Topography Measurements	• NASA SRTM (Shuttle Radar Topography Mission) used for DTM.
Verification of sampling and assaying	• Significant intersections confirmed by alternative company personnel.
Location of data points	• Hole collars located using handheld GPS accurate to +/- 4m. • Topography (DTM) taken from NASA SRTM (Shuttle Radar Topography Mission) data.
Data spacing and distribution	• RC drilling based on a 400mN by 200mE grid pattern with some areas having infill at 400mN by 100mE.

	• Geological data between drill holes is sufficiently consistent to confidently map mineralisation. • Hole grid extends out of mineralised zone to the North and abuts the tenement boundary to the West and east.. Mineralisation extension to the Southwest within the tenements is currently untested. • Down hole sampling at one metre intervals in mineralisation. Two or four metre composites used when not in mineralisation.
Orientation of data in relation to geological structure	• Vertical drill holes extend through mineralised zone, which is a shallow flat braided river system orientated to the SE.
• **Estimation and Reporting of Mineral Resources**	
Database integrity	• Data recorded in the field checked thoroughly at the end of each hole and any errors corrected immediately. • Data checked and validated when entering into spreadsheet for possible keying errors. • Blank fields, inconsistent data and unexpected values identified when entering data into database.
Geological interpretation	• Iron rich detritus has been reworked by surface processes within a buried braided river system, orientated NW-SE, housing extensive iron rich material with pockets of higher grade material. Areas closer to the Brockman and Marra Mamba formation to the north west are less sorted and the ferruginous material contains a lower percentage of silica as this material has not been subjected to as much silicification through precipitation. Further down the drainage system the material contains a higher fraction of rounded fragmental material. • Interpretation of Spearhole detrital material based on drillhole logging and lab assay results.
Dimensions and orientations	• Strike direction of 150 degrees deduced from the orientation of the braided river system hosting mineralisation. Broadly the concentrations of iron form parallel to tertiary palaeochannels. • Dip of 0 degrees as detrital material does not form competent geological units. • The mineralised area of the braided system extends 8km x 10km (tested) and extends from the surface to a maximum of 46m.
Estimation and modelling techniques	• Grade Estimation of Fe%, SiO_2%, Phosphorus%, Calcined Fe (FE (Ca) and Al_2O_3% and LOI by Inverse Distance Squared (IDW^2) technique using a 100m by 100m by 1m block (block size were based on data spacing and geometry of mineralisation).
	• Drill holes composited to 1 m interval and allowed 2 metres of internal waste.

	• Search ellipse based on data spacing. Search ellipse orientation based on known geology, No variography was applied.
Moisture	• Tonnage calculations based on available dry bulk density collected during bulk sampling using a sonic drilling rig..
Cut-off parameters	• No top cut applied in resource reporting
Mining factors or assumptions	• Assumed shallow open pit to approximately 40m depth
Bulk density	• During the collection of bulk samples from a sonic drilling rig, Samples of known volume were weighed to the nearest 50g using industrial scales. The resultant bulk density readings showed some variability around a trendline that could be determined using average bulk densities within ranges. The most conservative trend was used to calculate theoretical bulk density values across the resource.
Classification	• Spearhole resource classified as Inferred Resource based on data spacing.

Further recommendations for Dynasty are as follows:

Recommendations for QA/QC:

1. 5% of all returned pulps should be submitted at a rate of half to the principal lab and half to an umpire lab to monitor the precision of the contract lab. The resubmitted pulps should include standard samples at the rate of 1 standard per 20 submitted samples. There should be at least one standard per submission. It is best to have a bias of mineralised samples in the 5% submissions. 5% of samples must be sent to an Umpire laboratory to check the precision of the Principal laboratory

2. 5% of the returned coarse rejects samples should be routinely submitted to the umpire lab to test the precision of the principal lab. It should include standard samples at the rate of 1 standard per 20 submitted samples to monitor for accuracy. It is best to have a bias of mineralised samples in the 5% submissions.

Competent Person's Statement

The information in this summary report relates to the Mineral Resource at Spearhole is based on the information complied by Mr David Jenkins who is a Members of the Australian Institute of Geoscientists.
Mr David Randal Jenkins has sufficient experience in the style of mineralization and type of deposit under consideration and the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australian Code for Reporting of Mineral resources and reserves.
Mr David Randal Jenkins consent to the inclusion in the report of the matters based on the information in which it appears.