

3 April 2012

ASX Announcement

UPDATE ON FARM-OUT JOINT VENTURE

Dynasty Metals Australia ('Dynasty') entered into a joint venture agreement with China Coal Geology Engineering Corporation ('CCGEC') in May 2011 in relation to further exploration activities at non-core base metal tenements held by Dynasty.

Those tenements (as detailed in Dynasty's 17 May 2011 announcement) were transferred to a joint venture company, Goldstone Resources Pty Ltd ('Goldstone'), and CCGEC has now contributed \$2 million to Goldstone, in exchange for a 60% interest in that company (held by CCGEC and its associate). Dynasty retains a 40% interest.

This transaction enables Dynasty to reduce costs on non-core tenements, allows for the required exploration activities to continue, and preserves Dynasty's ability to participate in the project upside.

Under the terms of the joint venture agreement, CCGEC may exercise an option, subject to FIRB approval, to increase its interest in Goldstone to 75% for a total share subscription price of \$750,000.

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