

19 April 2012

ASX Announcement

DRILLING COMMENCES AT SOUTHERN LEASES OF PRAIRIE DOWNS

Highlights

- Dynasty Metals Australia Limited (ASX: DMA) (Dynasty) has commenced exploration drilling on the Southern leases of Dynasty's flagship Prairie Downs Project, WA.
- RC Drilling program of 2,000m to target buried channel iron deposit (CID) mineralisation and test base metal potential in these areas.
- Dynasty holds large landholding in the target region which is known to contain CID mineralisation (Warwick Resources Limited, now part of Atlas Iron Limited (ASX: AGO), discovered CID material in the adjacent tenements). Drilling should be completed in May 2012 and assay results will be released once available.

Drilling Commences

A drilling program to target buried CID systems in the southern part of the Prairie Downs project (refer Fig 1 on page 2) has commenced following delays due to weather and heritage clearance issues. The program was originally planned to continue on from the exploration drilling targeting potential direct shipping iron ore (DSO) hosting stratigraphy in the northern part of the Project.

The drilling is designed to test the extensive alluvial plains which may cover buried CID material which were found by Warwick Resources Ltd (now part of Atlas Iron Ltd) The CID may have been sourced from Hamersley Basins sediments just to the north of the tenements. The drilling is designed to be on a wide spacing along over 20 kilometres line length to determine the potential of the alluvial plains to host iron mineralisation. There are several copper occurrences in the region and the drilling will also be used to evaluate this potential.

The Program is expected to be completed in May 2012 and assay results will be released once available.

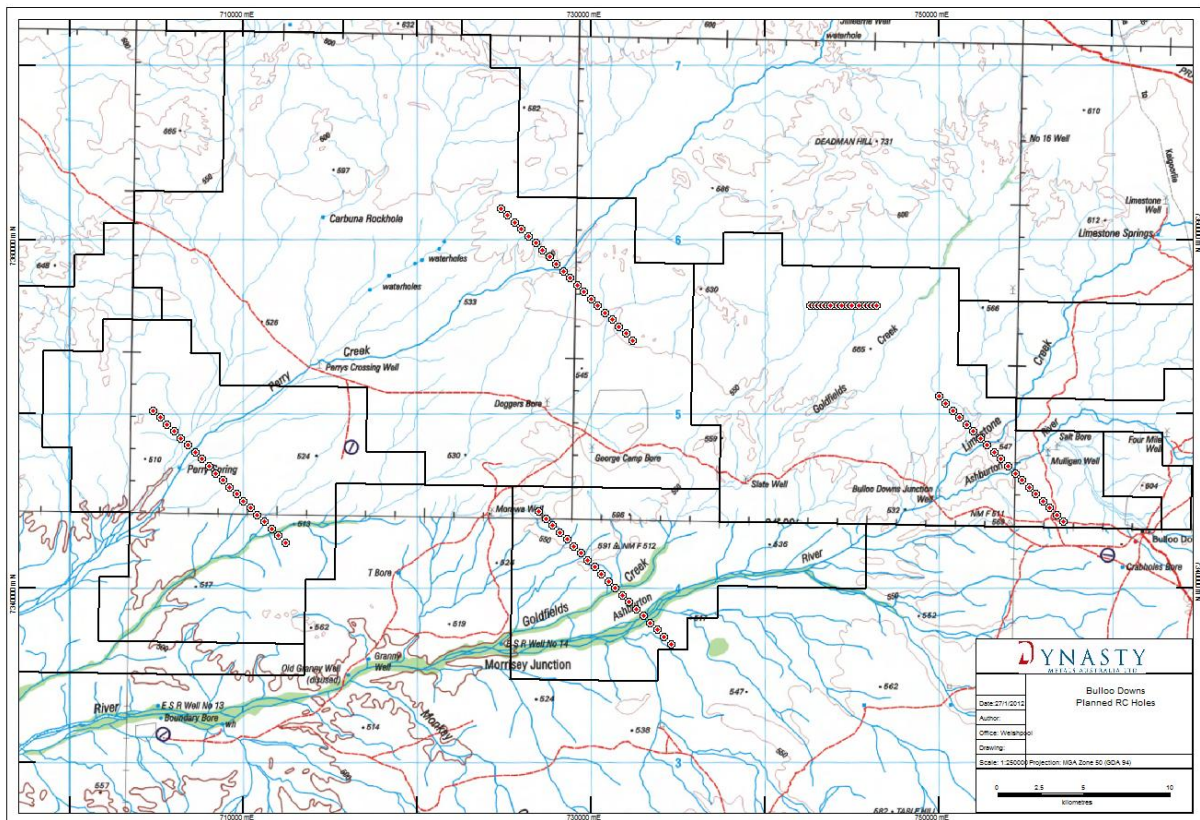


Figure 1 – Planned Drilling Southern CID Province.

Competent Person Statement

The information in this report that relates to exploration results has been compiled by Mr David Jenkins, a full time employee of Terra Search Pty Ltd, geological consultants employed by Dynasty Metals Australia Ltd. Mr Jenkins is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results (“JORC Code”). Mr Jenkins consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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