

19 December 2013

ASX Announcement

NORTH SHAW IRON ORE ROYALTY UPDATE

EXECUTIVE SUMMARY

- A review of exploration work by Atlas Iron Ltd (Atlas) on E45/2728 has shown significant and coherent intercepts across the Avalon Point Prospect within the Abydos Project. In April 2006, Atlas purchased the iron ore rights of the tenement by issuing 500,000 Atlas shares to Dynasty plus a 2% gross royalty.
- Based on the current results, Dynasty estimates an exploration target of 1-1.5Mt @ 54-58% Fe (59-61% CaFe) iron ore resources, which does not include extensions along strike from the current drilling, or potential resources at other prospects. Atlas is targeting production of Direct Shipping Ore (DSO) from Abydos at a rate of 2 - 3Mtpa.
- High grade rock chip sampling and encouraging drill results have been received from other prospects within the tenement that are currently untested.

NORTH SHAW IRON ORE ROYALTY

E45/2728 is located approximately 100km south of Port Hedland alongside the Great Northern Highway and Mount Newman Railroad. The tenement has areas excised due to BHP Billiton and BGC Contracting placing mining leases over mineralised zones. The remaining tenement area covers **189.4km²**.



Figure 1 North Shaw project location - Pilbara Region WA

Atlas Iron has provided Dynasty with an update of all exploration to date in the tenement, which has identified several mineralised zones within the banded iron formations contained within the Pincunah Hill Formation and overlying Corboy Formation. Figure 2 shows the location of these prospects and the best results to date from the target horizons.

Drilling to date has been most extensive at the Avalon Point Prospect where 41 RC and 2 diamond drillholes over a 180m strike length. The location of these holes is provided in Table 1 with significant results provided in Table 2.

Based on these results Dynasty estimates an iron ore exploration target based solely on this drilling at 1-1.5Mt @ 54-58% Fe (59-61% CaFe), 6-8% SiO₂, 2-4% Al₂O₃, and 0.1-0.12%P. This target does not include extensions along strike from the current drilling, or potential resources at other prospects.

According to Atlas, “the Abydos mine is now a key contributor to Atlas’ product mix, following the commencement of haulage on 23 August 2013. Atlas is targeting production of Direct Shipping Ore (DSO) from Abydos at a rate of 2 - 3Mtpa. With further exploration and conversion of existing Resource to Reserve, Atlas is targeting a mine life of 7 to 10 years for Abydos.”

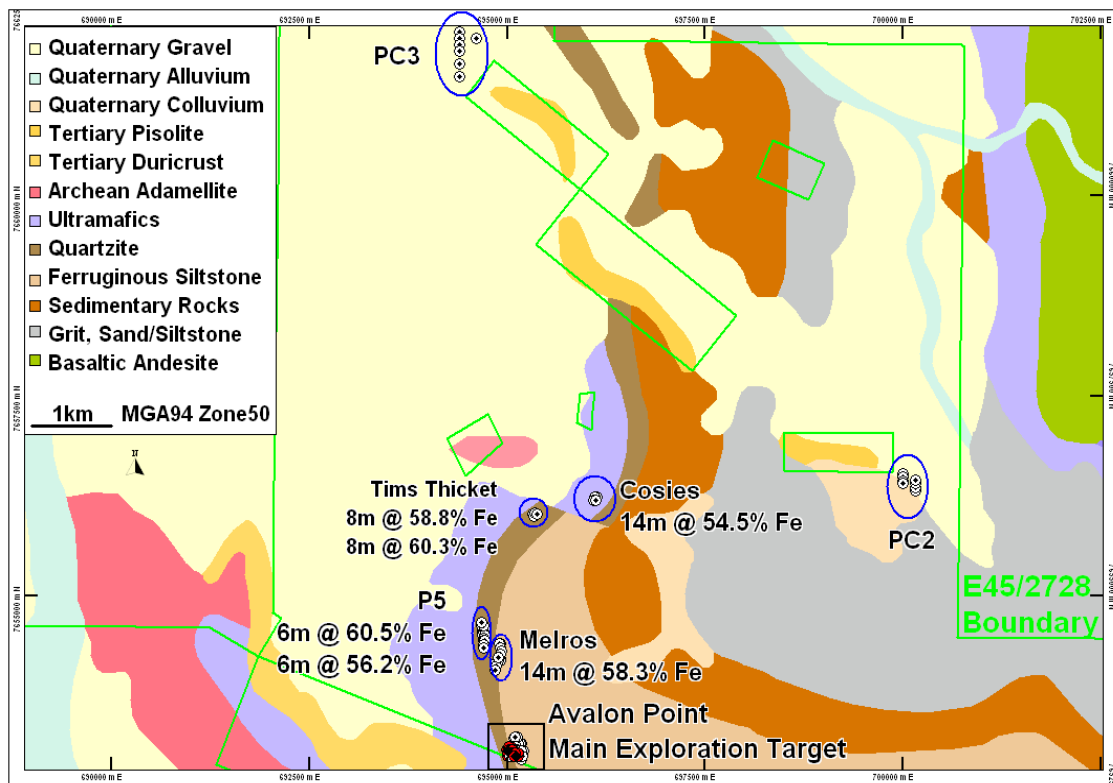


Figure 2 - Prospects drilled on the North Shaw tenement

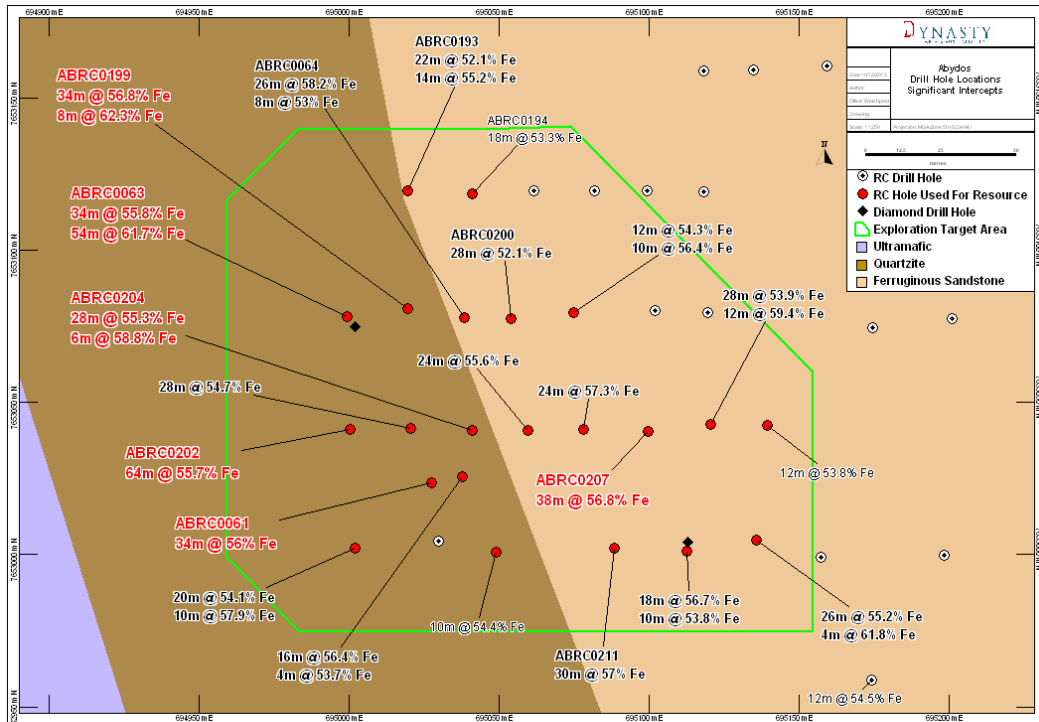


Figure 3 – Drill hole locations and significant intercepts at the Avalon Point prospect

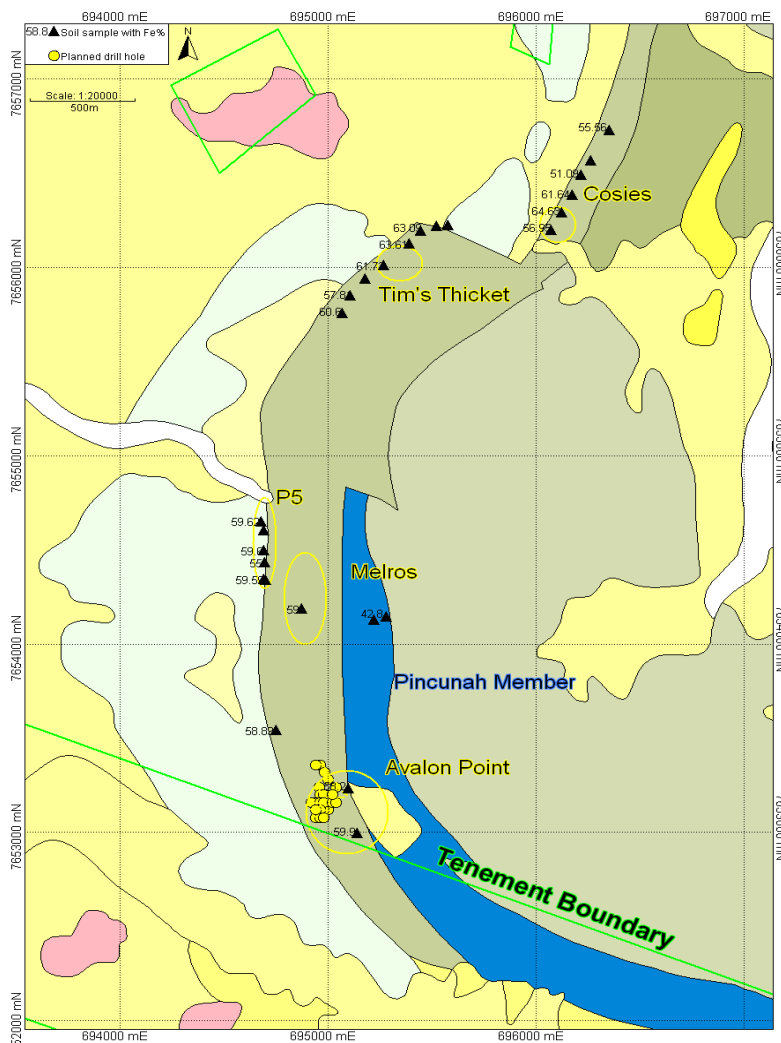


Figure 4 - Rock chip location along strike of the Pincunah Member at the Avalon Point prospects

Table 1 - Significant intercepts from the Avalon Point prospect used in the resource calculation.

Hole ID		From (m)	To (m)	Intercept Thickness (m)	Average Fe%
ABRC0054		0	18	18m	56.7%
	And	26	36	10m	53.8%
ABRC0060		10	30	20m	54.1%
	Including	20	30	10m	57.9%
ABRC0061		0	34	34m	56.0%
	Including	0	8	8m	59.2%
	And	18	24	6m	57.8%
ABRC0062		0	16	16m	56.4%
	And	18	22	4m	53.7%
ABRC0063		0	34	34m	55.8%
	And	38	92	54m	61.7%
ABRC0064		0	26	26m	58.2%
	And	30	38	8m	53.0%
ABRC0065		6	18	12m	54.3%
	And	32	42	10m	56.4%
ABRC0069		4	10	6m	55.1%
ABRC0193		2	24	22m	52.1%
	And	62	76	14m	55.2%
ABRC0194		0	18	18m	53.3%
ABRC0199		0	34	34m	56.8%
	And	70	78	8m	62.3%
ABRC0200		2	30	28m	52.1%
ABRC0202		0	64	64m	55.7%
ABRC0203		0	28	28m	54.7%
ABRC0204		0	28	28m	55.3%
	Including	0	16	16m	58.0%
	And	22	28	6m	58.8%
ABRC0205		0	24	24m	55.6%
ABRC0206		0	24	24m	57.3%
ABRC0207		0	38	38m	56.8%
ABRC0208		0	10	10m	54.4%
ABRC0210		0	12	12m	54.5%
ABRC0211		0	30	30m	57.0%
ABRC0212		0	26	26m	55.2%
	Including	14	18	4m	61.8%
ABRC0213		4	32	28m	53.9%
	Including	6	18	12m	59.4%
ABRC0214		0	12	12m	53.8%

Table 2 - Avalon Point drill hole locations. * - denotes diamond drill hole, all others are RC.

Hole ID	Easting MGA94	Northing MGA94	RL	Final Depth	Azimuth	Dip
ABDH016*	695001.74	7653074.89	286.561	107.8	270	-60
ABDH017*	695112.76	7653004.071	271.178	49	270	-60
ABRC0051	695179	7653160.92	267.43	40	272.8	-60
ABRC0052	695159.23	7653160.83	269.84	48	273.4	-60.7
ABRC0053	695117.99	7653158.94	275.5	30	273.1	-60.6
ABRC0054	695112.58	7653001.11	271.26	56	270.3	-60.1
ABRC0055	695157.09	7652999.07	271.02	50	266.6	-60
ABRC0056	695119.34	7653079.64	274.81	40	271.8	-60.6
ABRC0057	695200.84	7653077.63	264.9	30	270	-60
ABRC0058	695174.44	7653074.7	266.49	30	270	-60
ABRC0059	695198.29	7652999.73	266.72	30	261.5	-59.4
ABRC0060	695001.84	7653002.1	284.04	32	298.7	-84.4
ABRC0061	695027.35	7653023.79	284.23	34	271.4	-60.3
ABRC0062	695037.55	7653025.71	283.69	34	90	-60
ABRC0063	694999.28	7653078.38	286.71	97	266.6	-60.5
ABRC0064	695038.38	7653077.87	286.41	46	273.6	-60.5
ABRC0065	695074.82	7653079.5	283.77	50	273	-58.7
ABRC0066	695134.53	7653159.26	273.18	20	267	-60.4
ABRC0067	695126.45	7653242.38	270.12	40	271.1	-60.3
ABRC0068	695084.63	7653234.19	287.3	30	272.4	-60.2
ABRC0069	695095.12	7653237.58	286.77	30	298.8	-89.1
ABRC0193	695019.46	7653119.68	272.38	77	271.1	-60.3
ABRC0194	695041.02	7653118.83	273.75	50	271	-60.5
ABRC0195	695061.31	7653119.64	274.7	50	270.5	-58.5
ABRC0196	695081.53	7653119.77	275.64	50	269.8	-60.2
ABRC0197	695099.17	7653119.76	275.44	50	268.6	-60
ABRC0198	695118.18	7653119.49	273.02	50	270.8	-61.7
ABRC0199	695019.26	7653081.07	286.72	100	271.6	-60.5
ABRC0200	695053.99	7653077.68	286.13	50	278.3	-59.5
ABRC0201	695101.99	7653080.43	277.98	50	277.1	-60.6
ABRC0202	695000.33	7653041.36	286.56	80	272.4	-59.3
ABRC0203	695020.45	7653041.47	285.91	96	275.4	-59.5
ABRC0204	695040.99	7653040.88	284.17	60	270	-60
ABRC0205	695059.31	7653040.91	282.63	39	270	-60
ABRC0206	695078	7653041.12	280.7	39	270	-60
ABRC0207	695099.61	7653040.53	279.5	45	270.2	-60.6
ABRC0208	695048.9	7653000.73	279.57	30	90	-60
ABRC0209	695029.77	7653004.48	281.61	75	342.2	-88.3
ABRC0210	695173.92	7652958.77	274.97	39	270	-60
ABRC0211	695088.36	7653002	271.42	39	270	-60
ABRC0212	695135.58	7653004.89	273.45	50	268.4	-60.8
ABRC0213	695120.36	7653042.99	275.29	39	270	-60
ABRC0214	695139.21	7653042.62	272.33	30	270	-60

Criteria	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> All exploration was carried out by Atlas Iron as part of the North Shaw JV.
<i>Sampling techniques</i>	<ul style="list-style-type: none"> All Drillholes were sampled on a 2m composite basis.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> RC Drilling was completed by Mt Magnet Drilling using face sampling hammer.
<i>Logging</i>	<ul style="list-style-type: none"> Drill chips were collected, washed and logged on a metre by metre basis.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Samples were submitted to Ultratrace laboratories for XRF analysis for the Atlas Iron Suite.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> Standard and Duplicate were included in the assay batch and have been examined to ensure they meet required standards of accuracy.
<i>Location of data points</i>	<ul style="list-style-type: none"> Drillholes have been located using a handheld GPS then subsequently surveyed using DGPS by MHR Surveyors.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Drillholes were targeting magnetic anomalies on various spacings as shown in Fig 3.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Significant intercepts were calculated using a 52% Fe cutoff and a maximum 2m dilution.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> Intercepts are provided without true widths of mineralisation due to insufficient knowledge of the structure of the orebody.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Drillholes were drilled to the west between 60 and 85 degrees as geological mapping shows beds dipping to the east.
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> Exploration target was calculated using an assay based mineralisation envelope and block modelling on a 100m search radius using IDW2 methodologies within the MineMap IMS software. No extensions to drilled intercepts were assumed

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results and mineral resource calculations 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 Competent Persons 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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