



Dynasty Metals Australia Ltd

Investor Presentation – May 2012

(ASX: DMA)

Disclaimer



Important Notice

The purpose of this presentation is to provide general information about Dynasty Metals Australia Limited ("Dynasty Metals"). It is not recommended that any person makes any investment decision in relation to Dynasty based on this presentation.

Certain statements contained in this presentation, including information as to the future financial or operating performance of Dynasty Metals and its projects, are forward-looking statements. Such forward-looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Dynasty Metals, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and
- may include, among other things, statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

Forward-looking statements should therefore be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as at the date of this presentation.

Competent Persons Statement

This presentation includes information on Mineral Resources. Mineral Resources are compiled by Mr David Jenkins from information supplied to and obtained by Dynasty Metals. Mr David Jenkins is a full time employee of Terra Search Pty Ltd, geological consultants employed by Dynasty Metals. 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 his information in the form and context in which it appears.

Analytical assay data presented in this report has been certified by Dr Shane Wilson BSc Hon First Class (Chemistry) PhD (Analytical Chemistry) Grad Dip. Science (Extractive Metallurgy). Dr Wilson has sufficient experience with the ore types under consideration and the analytical techniques and instrumentation required in the assay process to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Board and Management

- Mr. Thomas Pickett – Independent Chairman
- Mr. Lewis Tay – Managing Director
- Mr. Bin Wang – Non-Executive Director
- Ms. Louise Edwards – Company Secretary

Capital Structure

- Ordinary shares on issue: 105,383,510
- Market Capitalisation: \$13.5m
- Cash on Hand: \$1.94m (as at 31 March 2012)
- Shares held by top 20 shareholders: 59.6% (Hebei Xinhua Iron & Steel holds 11.1%)

Core Assets – Iron Ore Projects



- Dynasty Metals owns 100% of its prospective iron ore tenements in the Pilbara (> 2000 km²). To date, only 10% of these holdings have been intensively explored
- The flagship Spearhole Iron Project will **produce 120-170 million tonnes** of iron ore concentrates according to the **current beneficiation study**
- Northeastern University (China) commissioned to further improve the Fe grade and production yield, **aiming to produce more than 200 Mt @ 60%+ Fe concentrates**
- Drilling is underway to test new areas, targeting more iron discovery including **direct shipping grade deposits (> 58% Fe)**
- A Scoping Study by MPS confirms **Spearhole project is economically viable**, producing 5 million tonnes per year over 25 years of mine life
- Favourable infrastructure development in Pilbara as announced by QR National (QRN) and Atlas Iron (AGO) – undertaking feasibility study for construction of a **4th rail line from Port Hedland to East Pilbara**
- Dynasty Metals aims to commence production by 2015

Other Exploration Assets

Goldstone Resources – base metal tenements

- Dynasty holds a 40% interest in Goldstone Resources, a joint venture company with China Coal Geology Engineering Corporation (CCGEC)
- CCGEC contributed \$2 million in March 2012 to fund further exploration activities of key projects
- Key projects in WA:
 - Stanley Nabberu Project – base metals, gold and uranium;
 - Hyden Gold Project – gold and nickel
 - Hector Bore and Mt Philips Project – uranium

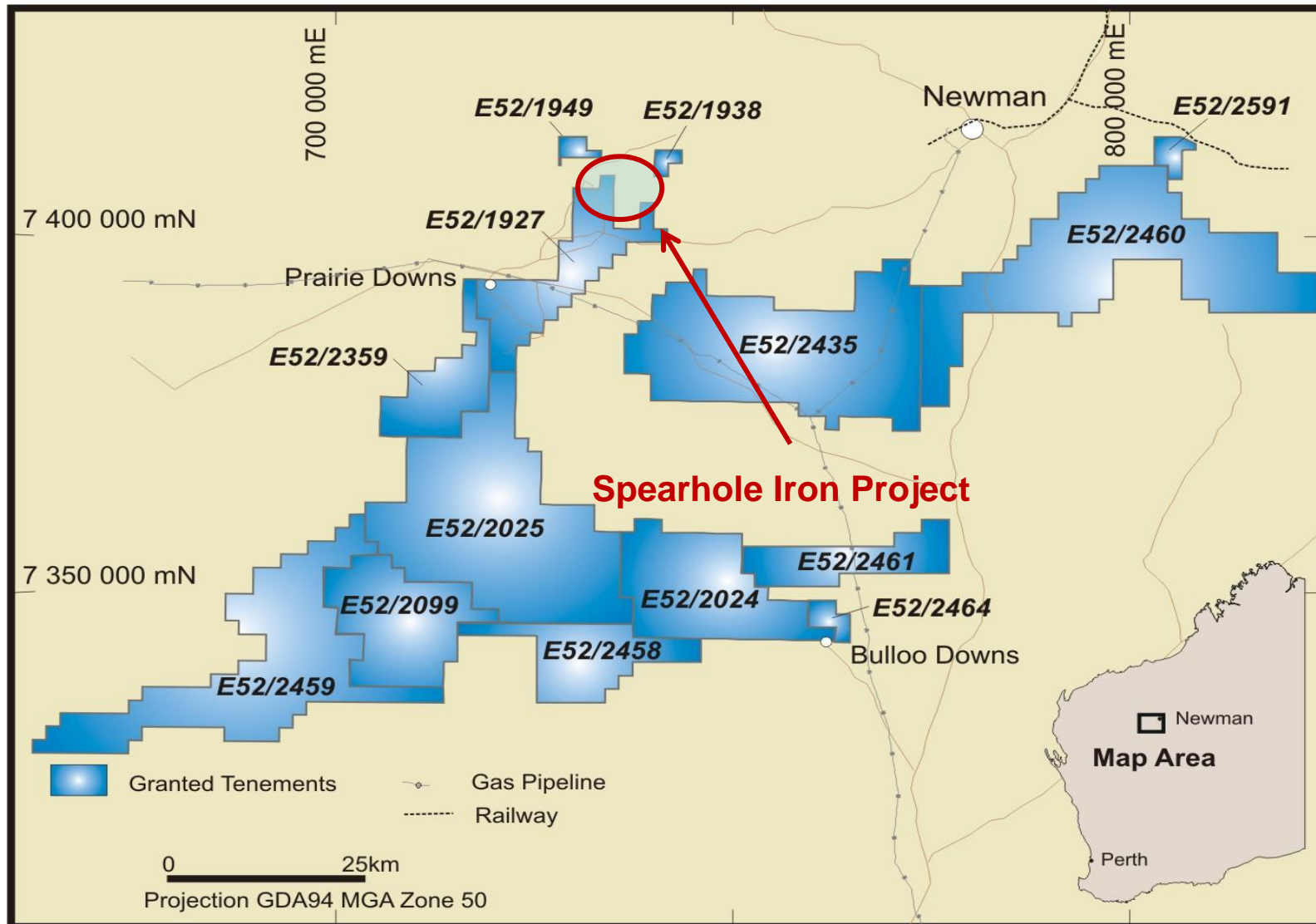
Irwin River - coal seam gas

- Two petroleum exploration licence applications covering 1327km² in the northern Perth basin, east of Dongara and Geraldton
- Dynasty has recorded approximately 100km of 2D seismic over its Irwin River area. The results from this work interpreted by Dynasty's geophysical consultants, have delineated areas which the company believes could contain coal seams at depth and warrant further exploration

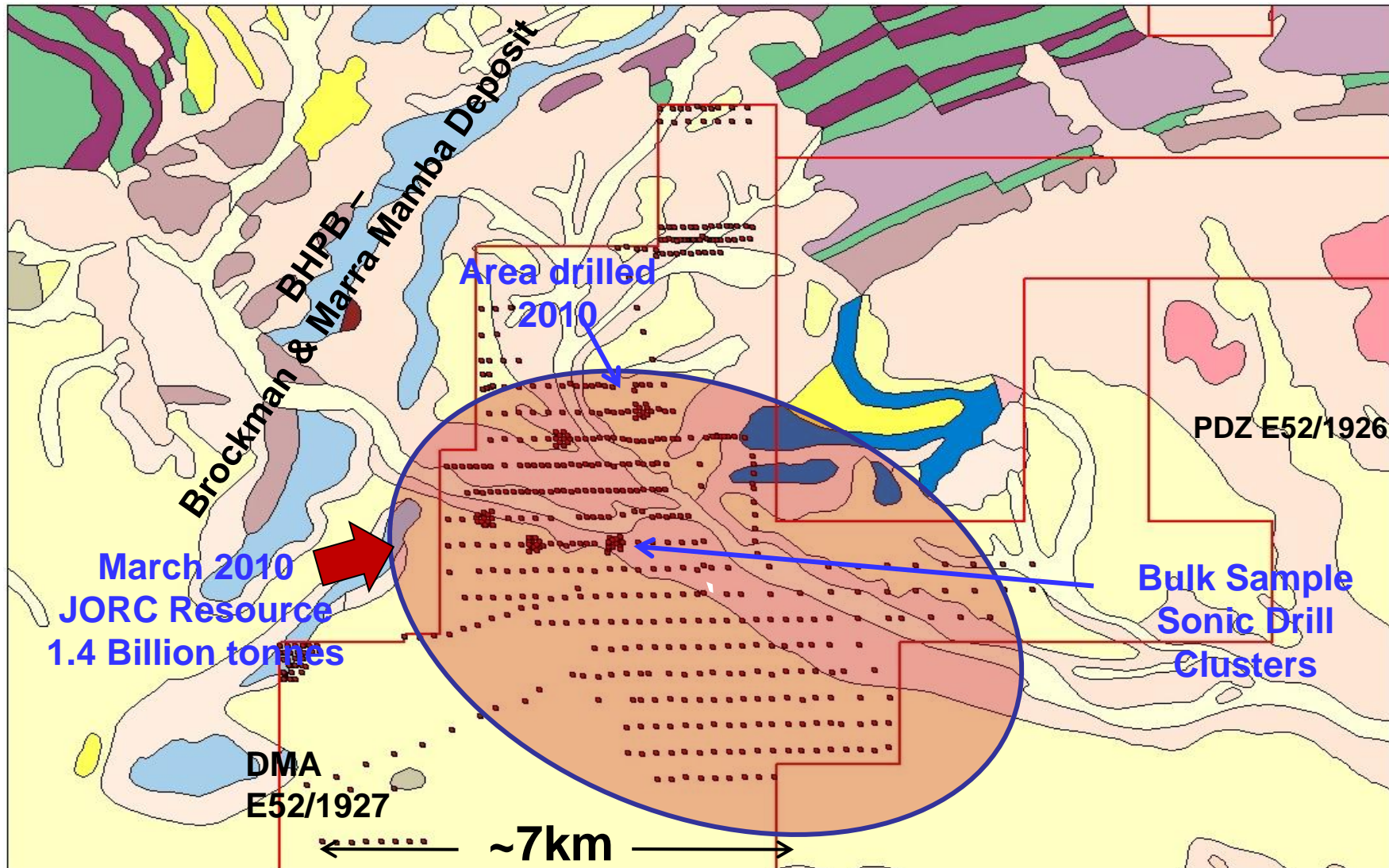
EXPLORATION



Dynasty's Iron Ore Projects - 100% owned tenements in Prairie District



Spearhole Iron Project - 2010 Drillings

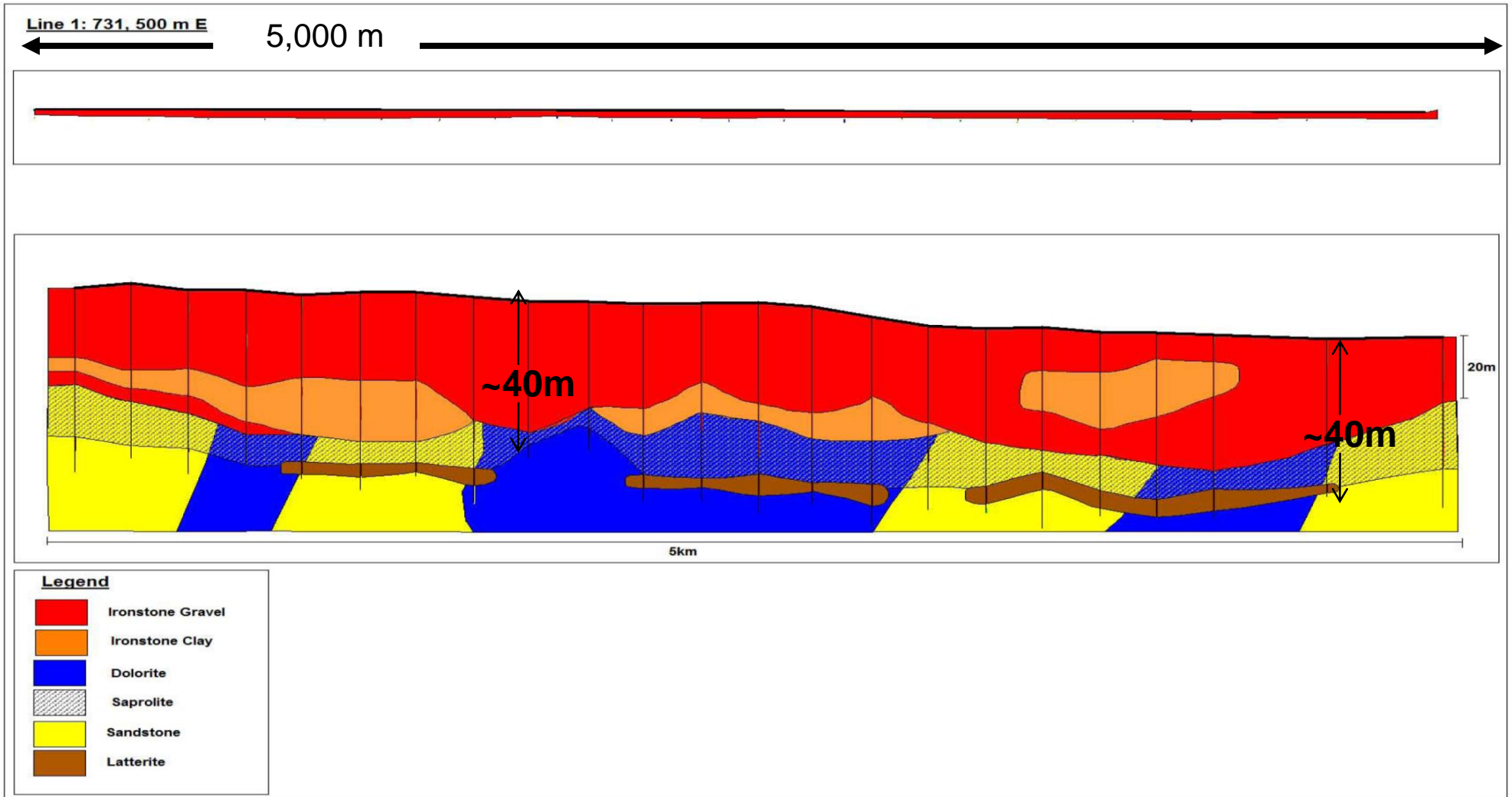


Spearhole Iron Project - Low Cost Operation

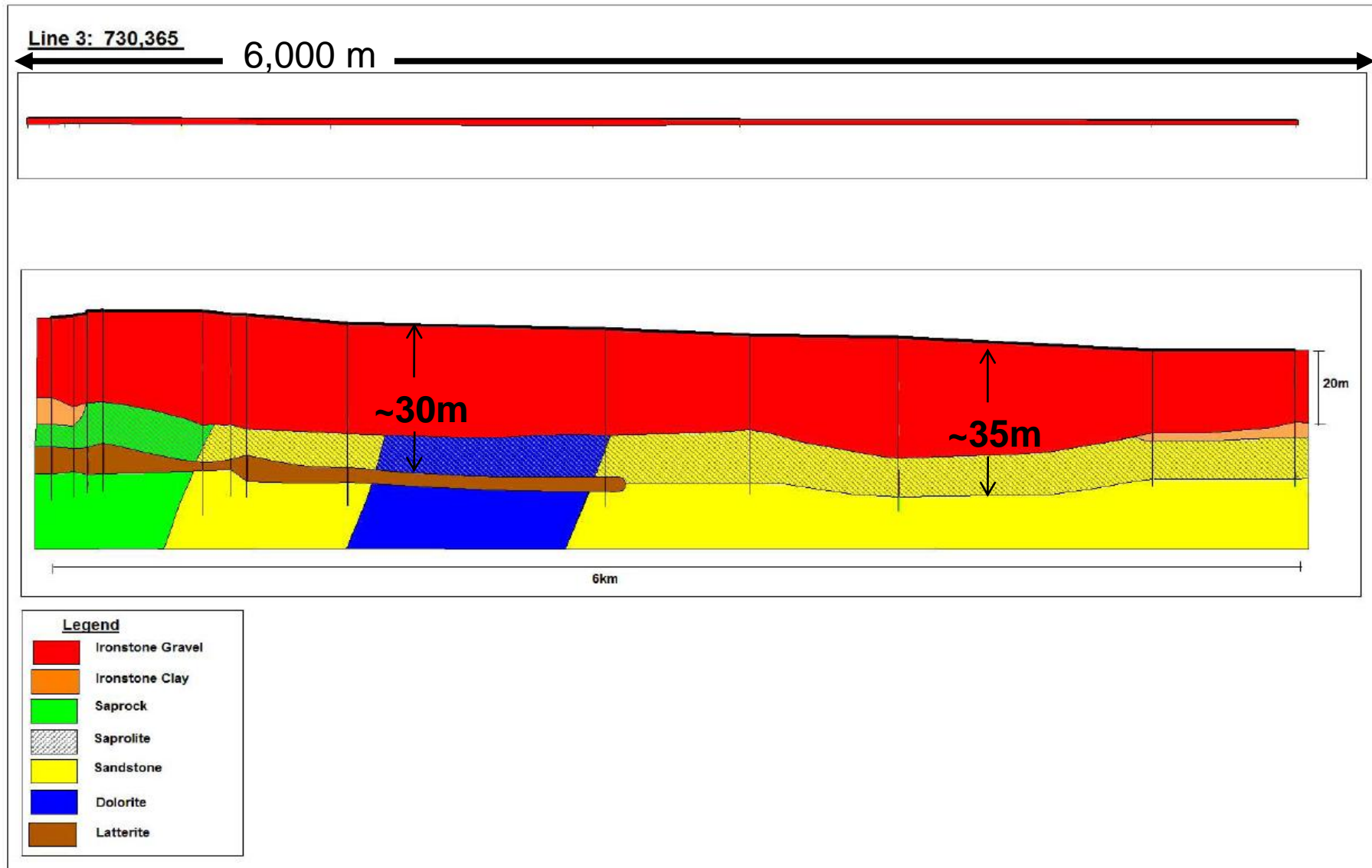
- ✓ **Overburden almost nil**
- ✓ **Low mining cost**
- ✓ Free digging, “drilling, blast, pre-crush & grind” will not be required
- ✓ **Simple physical beneficiation**, trommel and screen to upgrade the ores
- ✓ Modular operations **allowing expansion from 1Mtpa to 15Mtpa**



Spearhole Iron Project - Cross Section



Spearhole Iron Project – Long Section



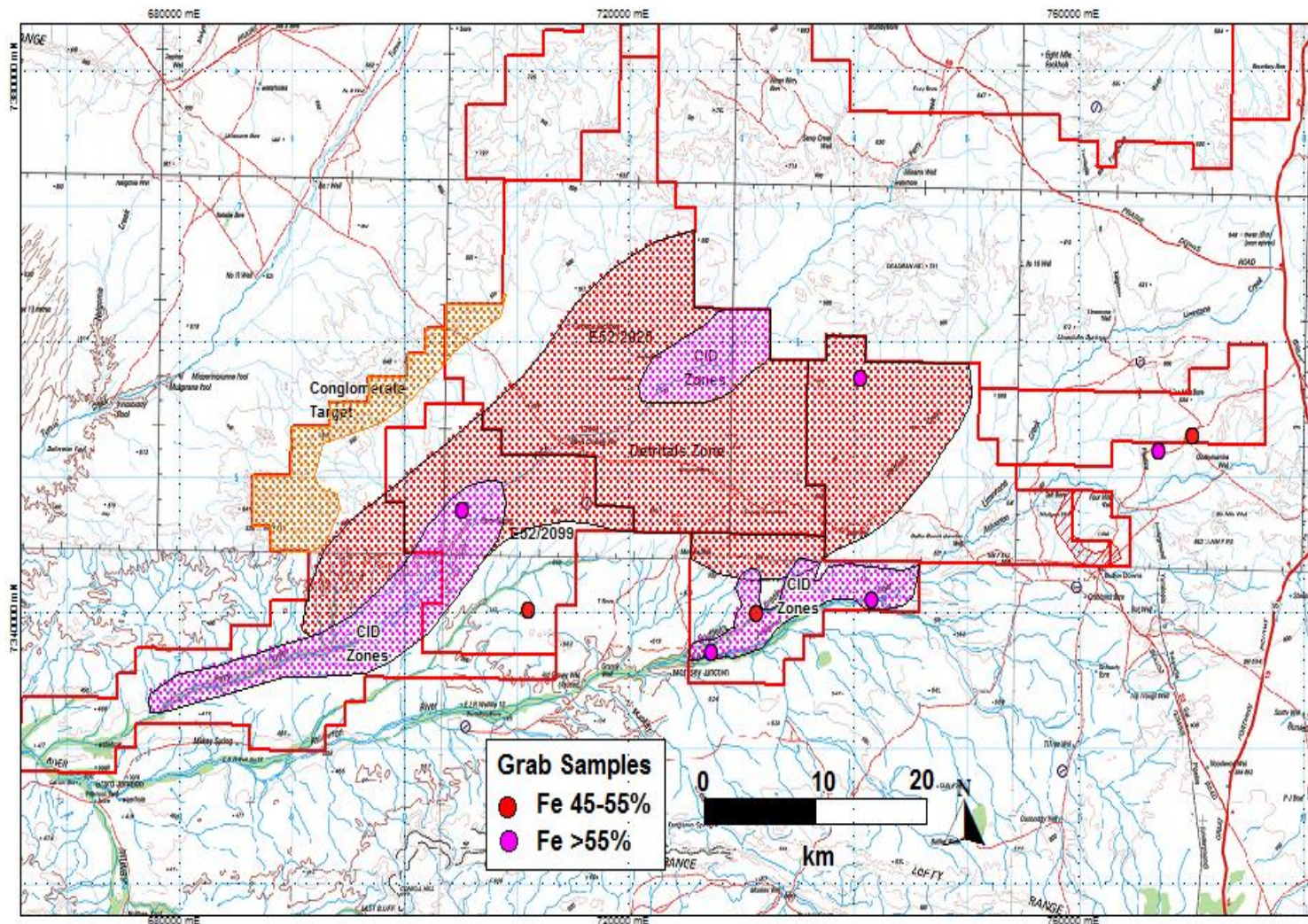
Spearhole JORC Compliant Inferred – Iron Resources



Tonnes (Mt)	Fe %	CaFe %	SiO ₂ %	Al ₂ O ₃ %	P ₂ O ₅ %	LOI %	Fe Cut-Of Grade
932	27.4	29.6	34.6	14.7	0.036	7.8	>20%
1,400	23.5	25.5	38.6	15.5	0.034	8.1	Global Resource

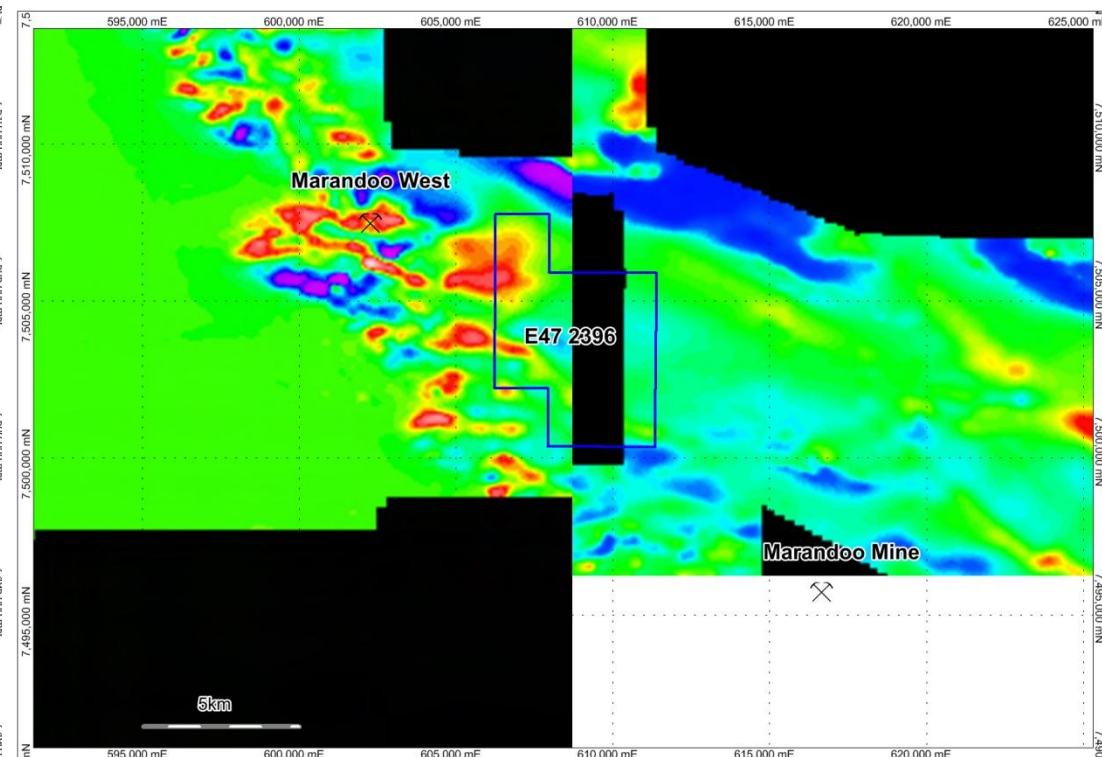
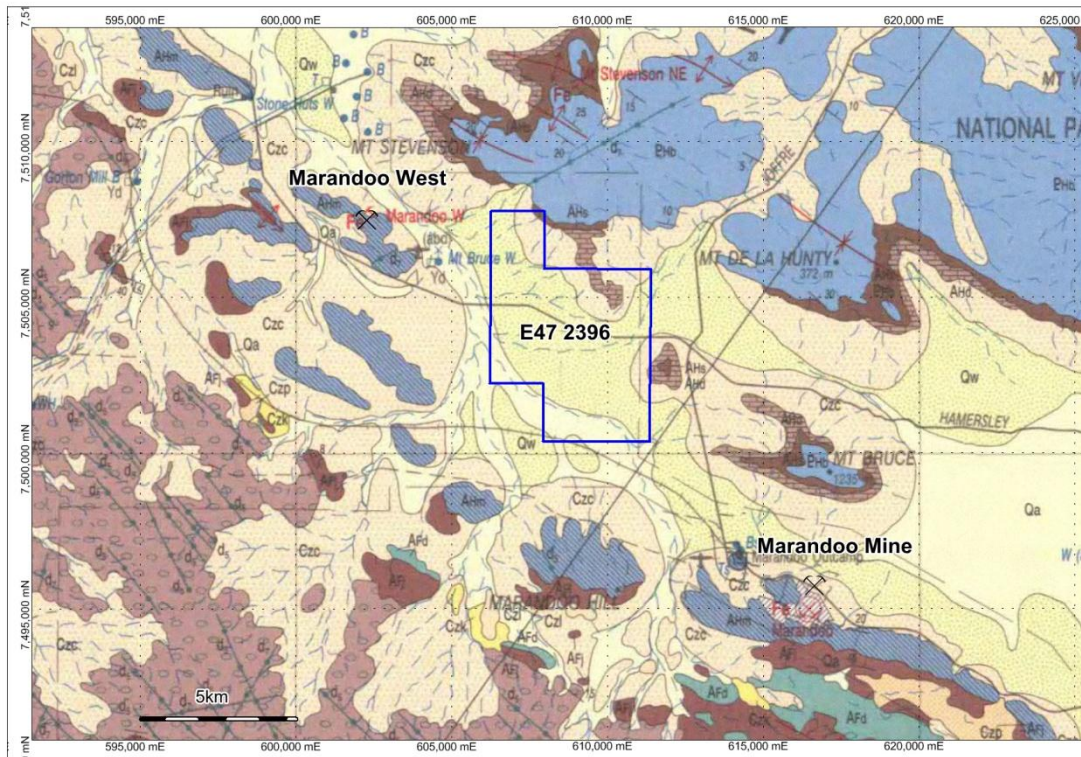
JORC Compliant Inferred Resource estimated by Terra Search - released 18 March 2010 and 27 October 2010

2012 Exploration Targets – Southern Prairie Channel Iron Targets



- Drilling underway in Southern Prairie tenements **targeting channel iron deposit (CID) and detrital material**
- Secondary base metal (Cu) targets
- Results expected in June 2012
- Large region with scope for extensive mineralisation
- Warwick Resources Ltd has reported CID discovery in the region

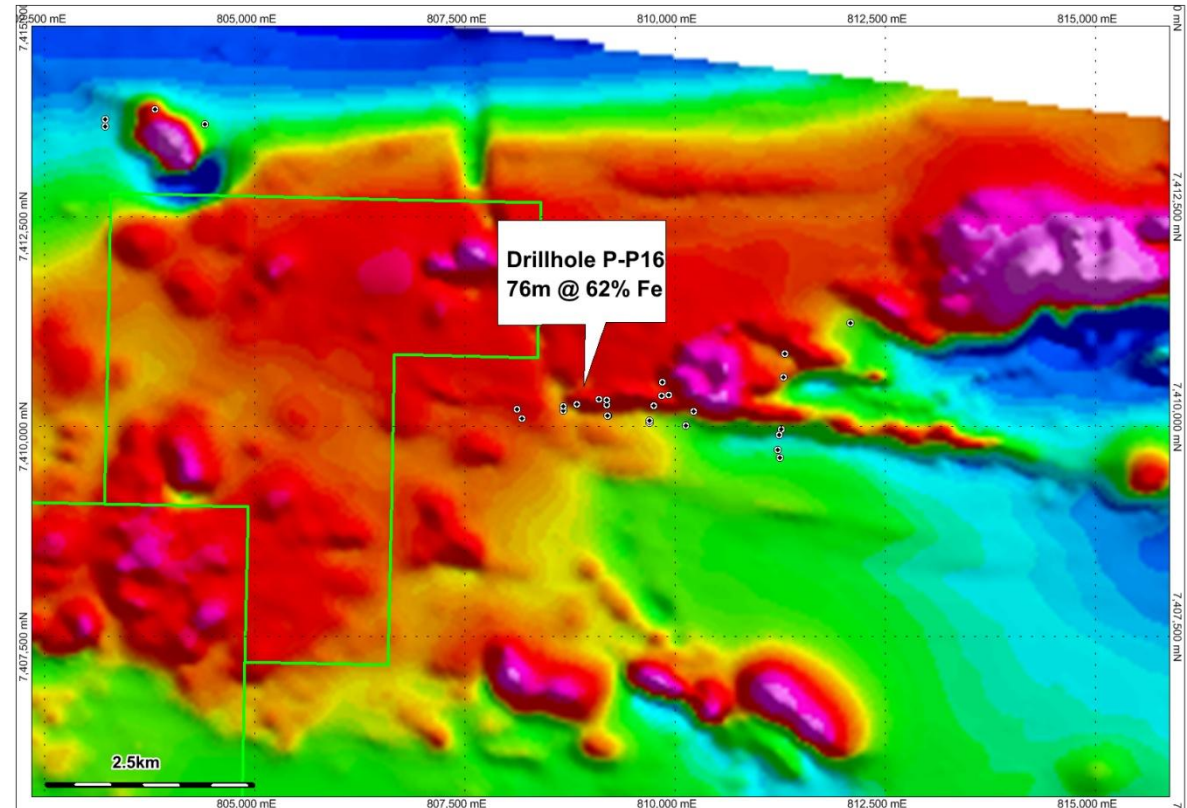
2012 Exploration Targets – E47/2396 (24.3km², Application Pending)



- Located 8km NW of Rio Tinto's Marandoo mine
- 30km ENE of Tom Price (both deposits occur in the Marra Mamba formation)
- **Potential to host BID and CID iron ore deposits**
- Regional Magnetics show **anomalies consistent with Marra Mamba Formation under cover**

2012 Exploration Targets – E52/2591 (20.5km², Newman)

- Strategically located near BHP's Mt Newman mining operations
- **Historical drilling** directly east of the tenement has extensive high grade intercepts including 76m @ 62% Fe
- Shows strong magnetic features that are often associated with buried iron deposits
- Neighbours major iron ore mining projects owned by BHP, Rio Tinto and Fortescue Metals Group



BENEFICIATION



Beneficiation Testwork

Preliminary result shows about 150Mt (target > 200Mt) of iron concentrates may be produced from Spearhole Project.

Current Study

- 50% of the bulk materials are less than 1.18mm which can be simply removed by screening
- The remaining courser materials have a head grade of 37-39% Fe
- The study was focusing on the current inferred JORC of 930Mt @ 27% Fe resources. Beneficiation will produce a minimum 120Mt – 170Mt of product with the grade in the range of **56-58% Fe, 6-7.5% SiO₂, 5.5 - 6.5% Al₂O₃, 0.03% P₂O₅**

Further Study

- Aim to produce more than **200Mt @ 60%+ Fe with low impurities.**

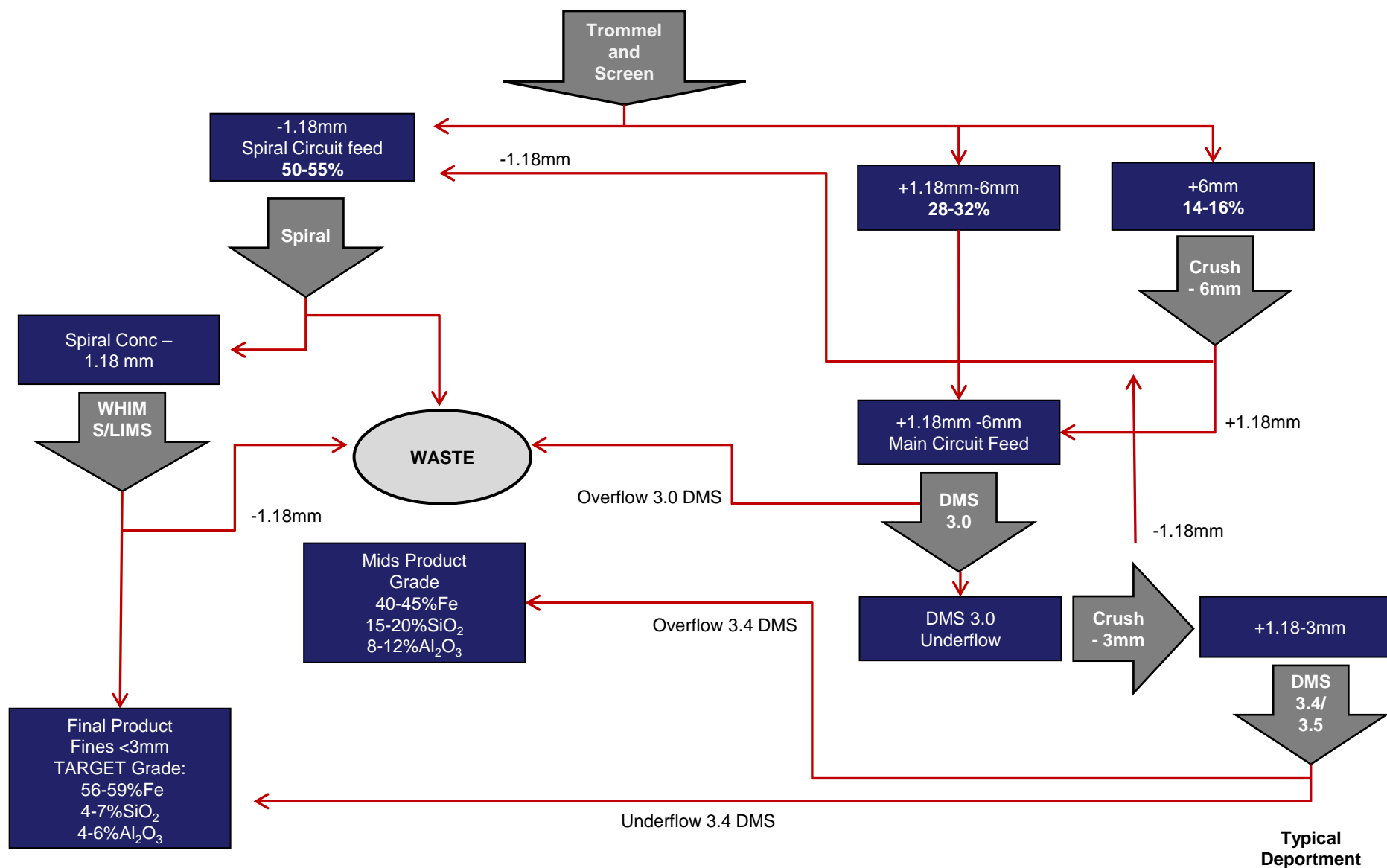
A2 – PDSN013



A3 – PDSN011



Bulk Sample – Test Grades ~ 27%Fe



SPEARHOLE IRON PROJECT SCOPING STUDY



Scoping Study – December 2011



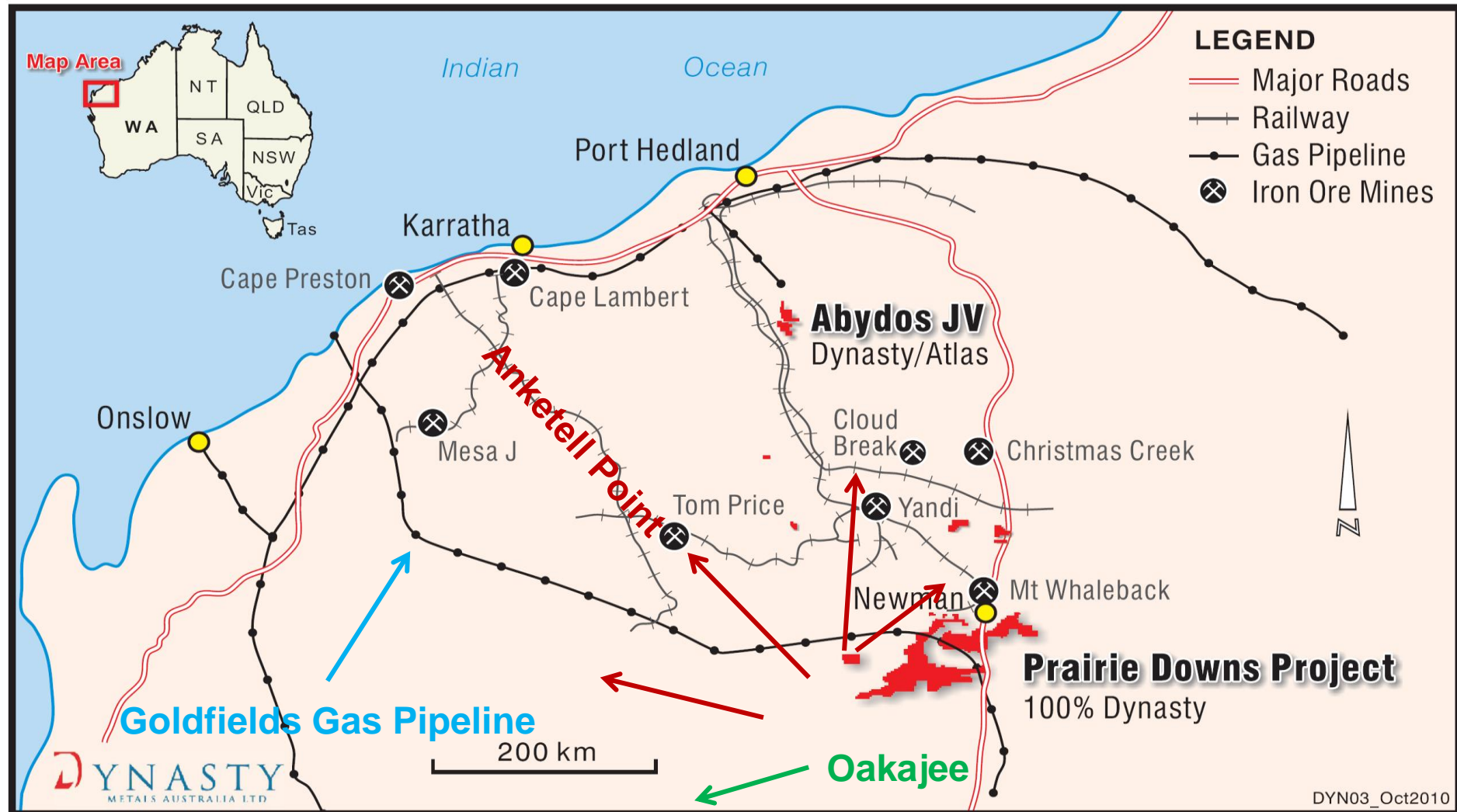
- Positive Scoping Study completed based on the current beneficiation results and inferred JORC resources
- Study based on a plant producing 5.25Mtpa of concentrates
- Mine gate production cost estimated at \$39 per tonne
- A 25 year mine life based on the current inferred resources
- Potential for enhanced economics with expansion to >10Mtpa

INFRASTRUCTURE



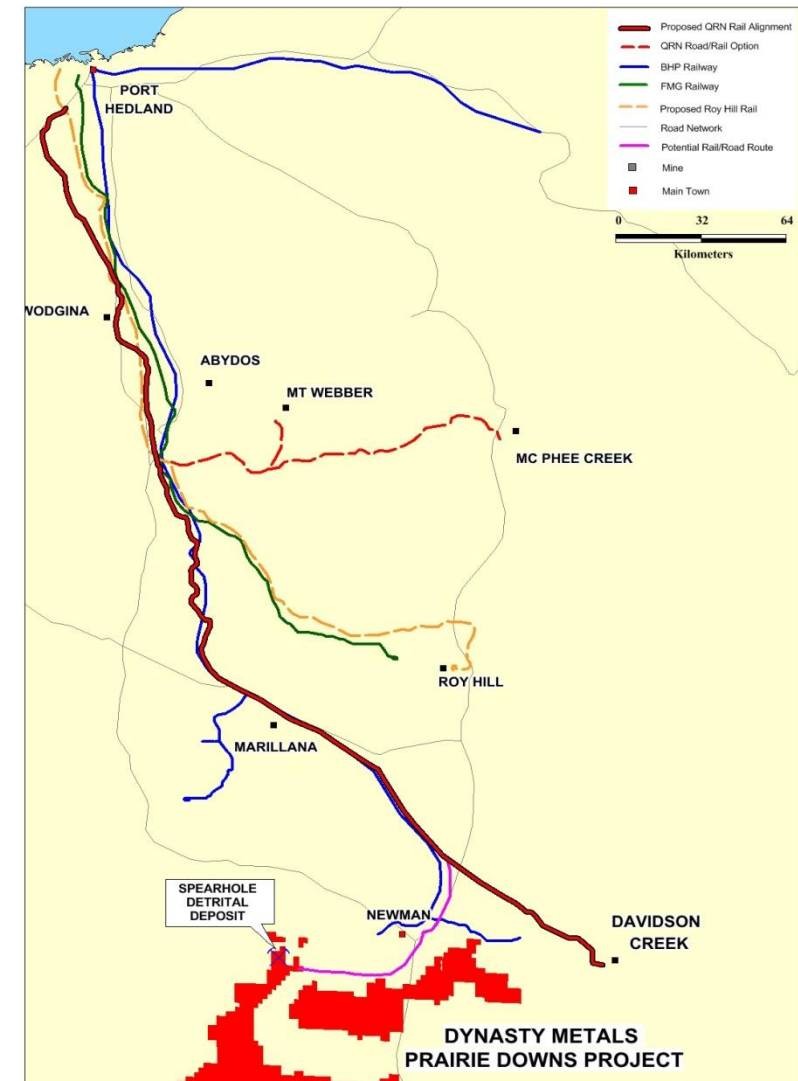
Courtesy/source - FMG

Infrastructure Options



Recent Development – QR National's Possible Rail Corridor

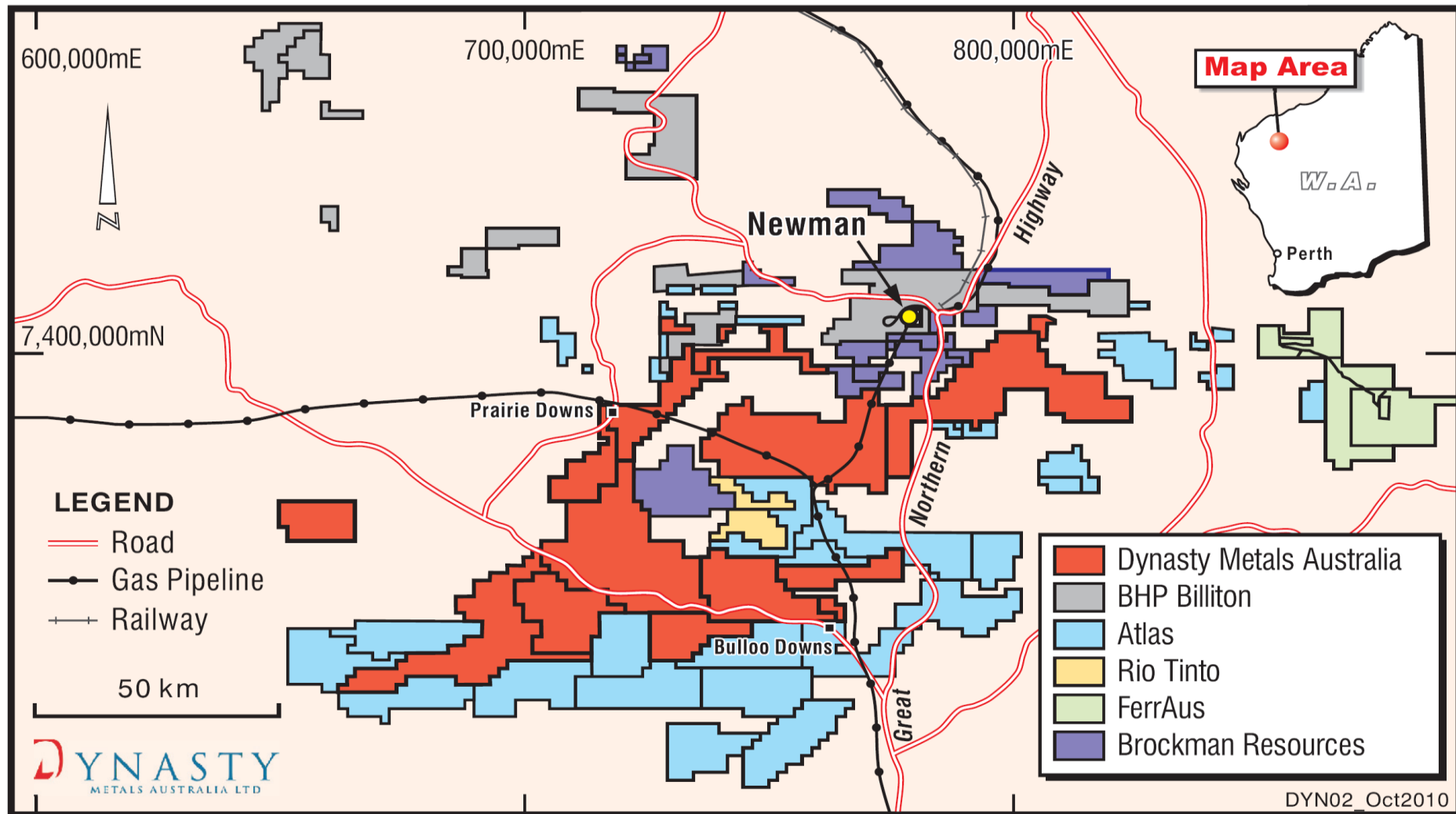
- QR National (ASX:QRN) is examining the development of an **independent railway** from Port Hedland to Davidson Creek (refer map). Initial design is to transport **50mtpa with capability for expansion over 100mtpa**
- The proposed **multi-user** rail is **within 75km of Dynasty's Spearhole project**
- Atlas Iron (ASX:AGO) and Brockman Resources (ASX:BRM) are expected to be foundation customers of the multi-user rail
- Dynasty Metals also intends to work with QRN as a potential customer of the proposed rail
- The multi-user rail project is expected to receive strong government support



PEER COMPARISON



Dynasty's Iron Ore Tenements - Strategic Location



Regional Iron Ore Producers/Explorers -

A snapshot of the regional competitors



Company	Market Capitalisation*
Warwick Resources (formerly ASX: WRK) – merged with Atlas Iron in Dec 2009	\$65m
Giralia Resources NL (formerly ASX:GIR) – merged with Atlas Iron in April 2011	>\$800m
FerrAus Ltd (formerly ASX:FRS) – merged with Atlas Iron in Oct 2011	>\$300m
Brockman Resources Ltd (ASX:BRM) – controlled by Wua Nam International Holdings (>80%)	\$358m
Atlas Iron Ltd (ASX:AGO)	\$2,288m
Dynasty Metals Australia Ltd (ASX:DMA)	\$13.2m

* as at 8 May 2012

A dark industrial setting with a bright, glowing orange and yellow light source in the center, surrounded by a shower of sparks. The scene is framed by dark, metallic structures, including a large vertical pipe on the right and a horizontal beam on the left. The overall atmosphere is one of intense heat and industrial activity.

Thank You

DYNASTY
METALS AUSTRALIA LTD

Glossary – Geological Terms

Marra Mamba Formation - Iron formation from the early Hamersley group - approximately 250m thick and hosts several major world class iron ore deposits

Brockman Iron Formation - Iron formation from the Hamersley group - approximately 620m thick and hosts several major world class iron ore deposits

Hamersley Formation Group - Sequence of over 2500m of chemical and clastic sedimentary rocks of Archaean to Early Proterozoic age including significant thicknesses of Iron formation.

Detrital Channel Iron - Quaternary Iron Oxide accumulations.

Channel Iron - iron rich fluvial sedimentary deposits occupying meandering paleochannels in the early to mid-Tertiary Hamersley palaeosurface of Western Australia.

Conglomerate - a rock consisting of individual clasts within a finer-grained matrix that have become cemented together

Palaeochannels - deposits of unconsolidated sediments or semi-consolidated sedimentary rocks deposited in ancient, currently inactive river and stream channel systems. (i.e. a palaeochannel is an ancient usually buried or hidden river system)

JORC Compliant - Compliant with the definitions in the *2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'* (www.jorc.org)

Hematite - iron oxide mineral of the form Fe_2O_3

Magnetite - iron oxide mineral of the form Fe_3O_4

Beneficiation - is a variety of processes whereby extracted ore from mining is screened and the ore minerals (e.g. Fe) and the gangue minerals (waste) are separated to produce a commercial grade concentrate (e.g. Fe >58%,).

Calcined Fe - Iron content following heating of material to 900-1000 degrees Celsius

Tertiary – Geological period ~65Ma (millions years ago) to ~1.8Ma.

Proterozoic - a period before the first abundant complex life on Earth (2,500Ma to ~550 Ma).

Archaean – a geological period older than 2,500Ma.

In-situ - Not reworked, removed or redeposited by weathering processes, in place.

RC Drilling - Reverse circulation percussion drilling.

Strip Ratio or Overburden Ratio – is the ratio of waste material to mineable (commercial) mineral deposit (ore)