

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

I am pleased to report that since the annual report was released, the re-focusing of the Company's activities has continued and has already generated the positive results that we hoped for. Your Company is focused on the exploration of its extensive iron ore tenements in the Pilbara Iron Ore Province, Western Australia which are highly prospective, underexplored and close to major iron ore mines and infrastructure. Most pleasing is the discovery of a major iron ore occurrence at Prairie Downs that we believe is our flagship project.

Iron ore drill program: The stage 1 drilling program at Prairie Downs has been completed after being extended due to positive results from a planned 120 holes to more than 300 holes – sufficient to confirm that a very large tonnage of detrital iron deposits that contain gravel fragments of the Marra Mamba Iron Formation extend across our large tenement holding. Within the area drill out, we estimated a target deposit of approximately 400 million tonnes of this material and if this material extends across our tenements, we estimate the total target deposit may be of the order of 1,000 million tonnes.

The details will be provided later in the meeting suffice to say that we went to this Prairie Downs area to prove 5 things:

1. That the famous, high grade Marra Mamba Iron Formation existed as a solid rock formation on the northwestern parts of our tenements – and we did that.
2. That Tertiary-age, Channel Iron Deposits ("CID") existed on our tenements – and we did that.
3. That younger, unconsolidated free-digging Detrital Iron Deposits ("DID") existed on our tenements – and we did that to a far greater extent than expected.
4. That we had the lion's share of the deposit – and we've confirmed that.
5. That the Detrital Iron Deposits can be beneficiated so as to recover the iron ore particles into a commercial-grade iron ore products. This work is now underway.

Over the next year, we hope to move into a study of the optimum way to commercialise this major discovery.

Commercial and corporate developments: During the year, directors worked with potential Chinese investors and joint venture partners, some of whom chose to participate in the July 2009 placement. The placement has been successful because it allowed the Company to fund the first stage of iron ore exploration in the Pilbara and this increased iron ore activity has been accompanied by an increase in the Company's share price.

The interest in our company's projects has grown steadily in recent months and we are now being approached by major firms that have been seeking a greater exposure to the Pilbara iron ore province. These discussions will take time to bear fruit.

However, at the appropriate time, we remain interested in forming strategic alliances with parties that can accelerate the commercialisation of the Company's discoveries in a way that significantly enhances shareholder value even further.

Focus is iron-ore; farm-out others: In addition to its significant iron ore holdings, your Company has a broad tenement portfolio in Western Australia, the Northern Territory and Victoria covering commodities which include, coal, coal seam gas, gold, base metals and uranium.

Your Board is united in our view is that it is not in the best interests of shareholders of emerging resource companies to be too diversified as it places significant financial, administration and technical stress on both management and the Board. Diversification can also discourage or confuse prospective investors. At this time in its history, Dynasty's focus must be clear in its purpose which is to add value for shareholders by progressing our iron ore holdings.

Therefore, your Company is pursuing joint ventures or similar agreements on non-core, non-iron ore tenements so as to secure third party funding on which can unlock residual value whilst still retaining upside by way of a direct minority interest in these non-core assets.

The rationalisation of the tenement portfolio will also allow the company to review new iron ore opportunities – several are under consideration that may represent a logical fit with the current iron ore tenement portfolio or otherwise enhance Dynasty's iron ore asset base. However, they will have to be significant assets to rival what we have discovered at Prairie Downs.

Outlook: we enter the 2009-10 financial year with a sense of optimism and an expectation of continued good results and subsequent definition of resources on your Company's iron ore tenements in the Pilbara and proceeding with investigations as to the potential to produce export grade iron ore products from our large tonnage, flagship project at Prairie Downs.

On behalf of the Board and shareholders, I thank the Dynasty management and technical team for their professionally astute work and enthusiasm which have made the Company's projects increasingly valuable. A special thanks is due to our past Chairman, Richard Oh who began the refocusing of the business plan last year and who has kindly agreed to remain a Non-executive Director so that we retain his wise counsel on the Board.

Most importantly we thank our shareholders for their ongoing support and encouragement.

Ian Levy
Chairman
Dynasty Metals Australia Ltd