

ASX Code: DMA

ASX Announcement
17th August 2010



DYNASTY SECURES KEY AGREEMENTS WITH HEBEI XINGHUA IRON AND STEEL

- Hebei XingHua Iron and Steel Co. Ltd and Dynasty Metals Limited have executed formal Subscription and Relationship Agreements.
- The agreements support the \$6.4 m placement previously announced on 30 June 2010 and are subject to Government and shareholder approvals.
- Placement to provide strong cash position which will enable Dynasty to accelerate Prairie Downs Iron Project.
- Strategic partnership with XingHua to give strong operational and corporate support, which will augment the high standard of the company's technical achievements and provide:
 - direct access to the vast and expanding Chinese iron-ore market
 - high level technical support in the assessment of Dynasty's iron ore
 - access to Chinese infrastructure engineers and infrastructure providers
 - support for access to debt and equity financing
 - significant upside for assessment of strategic project acquisition and development

Sydney, Australia: The Directors of Dynasty Metals Australia Limited (ASX: DMA) are pleased to announce that the two key agreements which formalise the relationship between the Company the Chinese steel producer Hebei XingHua Iron and Steel Co. Ltd ("XingHua") have been executed by both parties. The Dynasty Board will shortly issue a notice of meeting to seek shareholder approval and the parties will finalise all regulatory and Government approvals.

Dynasty Directors' consider that finalisation of these documents is a milestone in the development of the relationship between XingHua and Dynasty and ratification by the parties to secure the placement. The strategic relationship between the two parties will allow Dynasty to accelerate the exploration and resource definition work over the Company's flagship Prairie Downs Iron Ore Project.

Dynasty's 2010 Phase 1 exploration continues to deliver encouraging results with the anticipated extensions of the global resource envelope announced on March 18, 2010.

The placement with XingHua will enable the company to expedite Phase 2 2010/2011 exploration and pre feasibility studies. The Prairie Downs Phase 2 program will be designed from the interpretation of results from Phase 1. These results are expected over the next 8 to 12 weeks.

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