

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2011

Highlights

Dynasty Metals Limited (ASX: DMA) is an Australian exploration company focused on developing its iron ore projects in the Pilbara region of Western Australia.

As at release date of
29 April 2011:

Issued Shares: 90.9M

Options: 17.4M @ \$0.20

Share Price: \$0.195

Market Cap: \$18M

Cash: \$1.9M

Debt: Nil

- > Beneficiation testing on larger samples underway. Preliminary results are consistent with earlier testing. This testing is on material collected during the 2010 field season on **DMA's 1.4 billion tonne JORC Compliant Resource which includes 932 million tonnes at 27.4% Fe.**
- > Geophysical interpretation of airborne data collected in 2010 shows potential for iron formation at depth below recent alluvial plains. Drilling targets have been identified for a future drilling program to commence when appropriate funding is organised.
- > ASTER satellite data interpretation has indicated extensive channel iron deposit targets in the southern zone of the project area. A late wet season has delayed field work follow up of these targets.
- > Compilation of geological data over the Stanley Naberru project confirm the potential for base metal targets in this region, along with Uranium, Manganese, Iron and Gold.

Overview of Dynasty's Iron Ore Projects

Dynasty's iron ore tenements are located in the Pilbara region of Western Australia and total ~4,500km² in area, see **Figure 1**, areas highlighted in red.

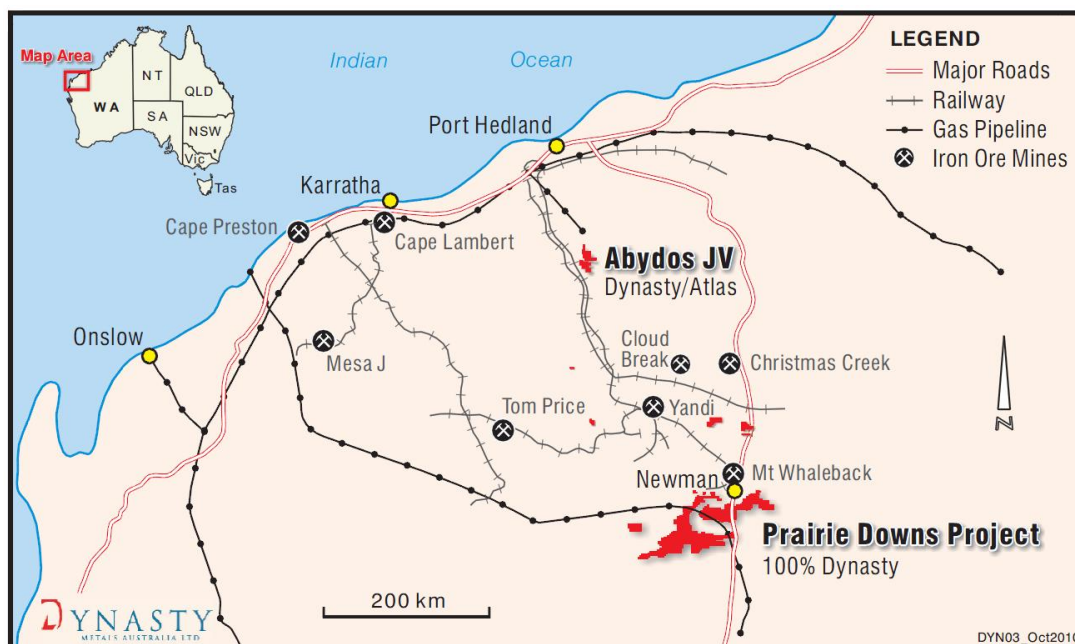


Figure 1 - Location of Dynasty's Tenements in Pilbara Region

Dynasty's flagship Prairie Downs Iron Project is located southwest and south of the township of Mt Newman. Exploration is focussed on a number of targets within the tenements with the main area drilled to date being at the Spearhole Prospect where an **inferred resource of 1.4Bt of ironstone gravels** has been identified.

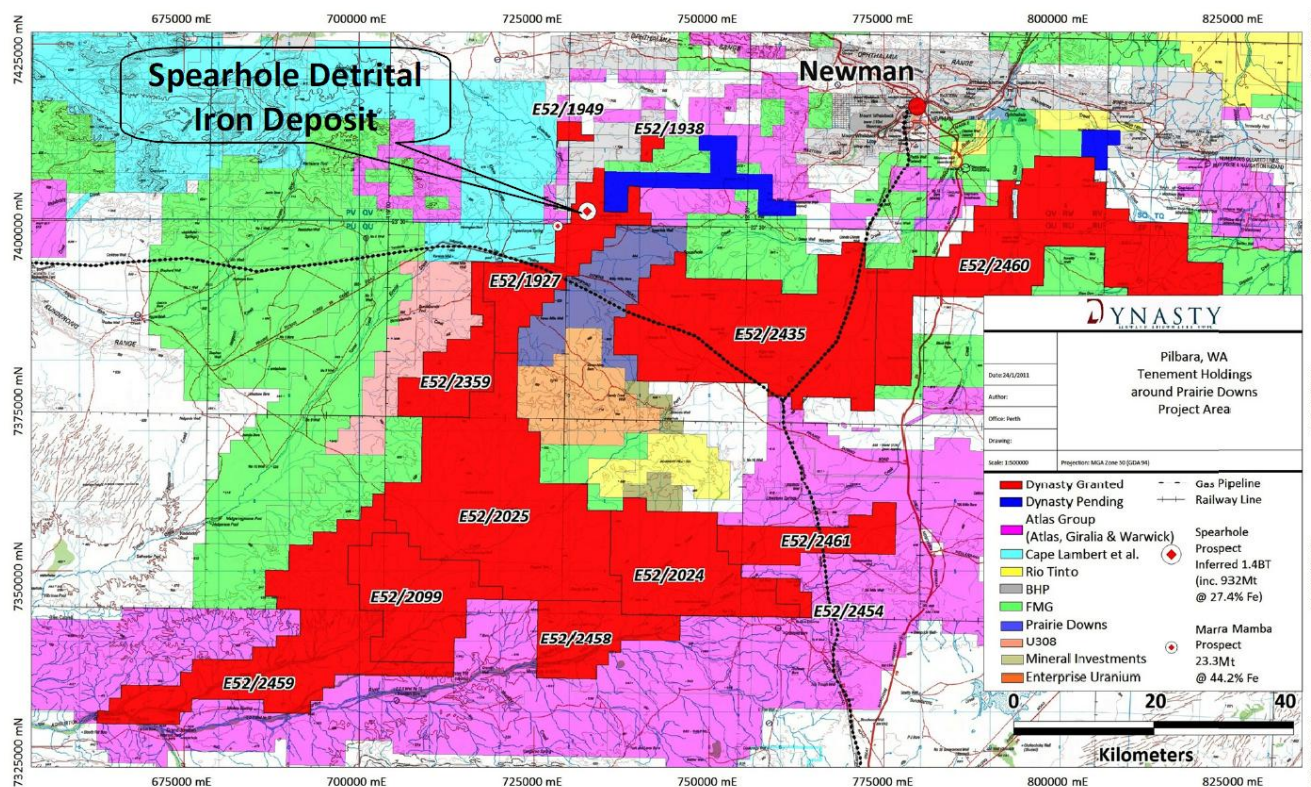


Figure 2 – Prairie Downs Iron Project - Strategic Location of Dynasty's Tenements

The Resources defined to date are set out in **Table 1** below.

The total Mineral Resource estimate has increased 300% since the Company announced the initial Mineral Resource estimate for the Spearhole Deposit in March 2010. This increase is a result of the successful 2010 drilling programs.

Table 1 – Inferred Resources for Spearhole Detrital Iron Deposit (October 2010 Estimate)

Tonnes Mt	Fe %	Calcined Fe* "CaFe" %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Cut-Off Grade % Fe
449	31.5	34.0	30.2	13.6	0.04	7.5	>27% Fe
586	30.2	32.7	31.6	13.9	0.04	7.6	>25% Fe
800	28.4	30.8	33.5	14.4	0.04	7.7	>22% Fe
932	27.4	29.7	34.6	14.7	0.04	7.8	>20% Fe
1,118	25.9	28.1	36.1	15.0	0.04	7.9	>17% Fe
1,400	23.5	25.5	38.6	15.5	0.03	8.1	Total Resource

*Calcined Fe ("CaFe") = Fe/((100-LOI)/100)

Prairie Downs – 2011 Beneficiation testing

The beneficiation of high grade material from the ironstone gravels will be the key to unlocking the value of the Spearhole project. Preliminary testing on a one tonne sample has been previously announced by DMA indicating that product grades can be achieved of approximately **57% Fe, 6-7% Si, 6-7% Al and 0.05% P with a yield in the order of 17%.** A majority of this material is liberated by screening and gravity separation. Crushing of a portion of the material and further gravity and magnetic separation is currently being used to obtain the rest.

A program of testing larger (5-6 tonne) samples is underway, which includes some testing of various methods of releasing the maximum contained iron. Mineralogical work is being undertaken on the products of the testing to date in order to maximise the yield. The testing will be completed once this work is received.

Results of this work are preliminary only. The testing indicates that the mid size fraction of the gravels does contain a proportion of material that is DSO grade and able to be separated using gravity methods. The yield from this fraction is similar to our earlier testing. Finalisation of these tests is estimated to take a further 4-6 weeks.

Prairie Downs – Regional Targeting

In conjunction with the highly encouraging work on the main Spearhole project, the technical team is also focussing on the identification of further resources, particularly evaluating the areas considered to have the best potential for in situ DSO material. An aeromagnetic survey was completed in 2010 and this has been examined by geophysical consultants to confirm potential Hamersley basin targets below the alluvial cover to the south of DMA's Marra Mamba prospect and the large BHP deposit. There is an area of potential Brockman formation within DMA's tenement just to the east of the Prairie Downs Homestead (Airstrip Prospect). Another extensive magnetic high to the south of this, adjacent to the Bangemall basin may also be an iron formation at depth and this will be targeted (7 Mile Prospect). Targets are noted on Figure 3 below:

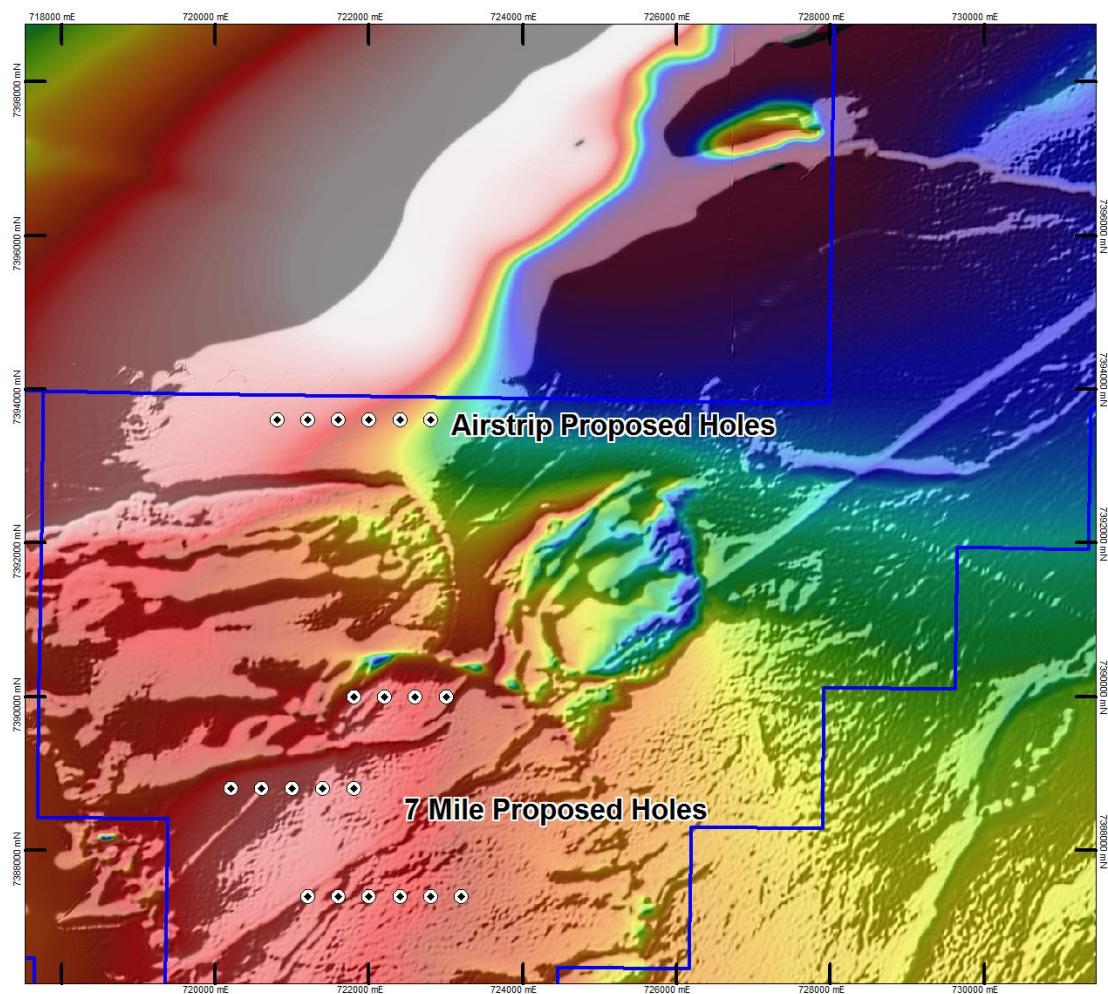


Figure 3 – DSO targets identified in E52/1927 to be tested in future exploration programs

This phase of future wider spaced drilling proposes to test the stratigraphy in the 2 areas and later may be followed by infill drilling to target potential DSO horizons.

The southern tenements of the Project area are considered to be prospective for channel iron deposits (CID). Warwick resources reported occurrences of CID in the region prior to their takeover by Atlas. A mapping program was planned for this quarter using ASTER satellite imagery and previous work. Due to extended rain periods this work has been delayed and may be rescheduled in line with a review of DMA's exploration strategy.

Other Projects

Work over the quarter on Dynasty's other projects has involved a geological reinterpretation of the Stanley Naberru project with particular attention being paid to Base Metal prospectivity. This work is encouraging and it is hoped that work can commence in this area to further evaluate this promising grass roots area.

Work on the Irwin River Coal Project during the period included examination of 1970's drilling through the coal seams in the region (within DMA's Petroleum Lease applications). Stratigraphic mapping of the region was also undertaken but a lack of outcrop makes meaningful interpretation of the surface rocks difficult.

Corporate

On the 21st of March 2011, an extraordinary general meeting of shareholders resolved to remove three directors: Mr Ian Levy (Non Executive Chairman), Mr Malcolm Carson (Executive Technical Director) and Mr Graham Anderson (Non-Executive Director/Company Secretary) and to appoint Mr Nicolas Revell as a Non-Executive Technical Director. Following this EGM, Mr Richard Oh was unanimously appointed as Executive Chairman and Mr Michael van Uffelen was appointed Chief Financial Officer and Company Secretary.

The EGM was an expensive exercise for a junior exploration company like DMA costing around \$200k+, with a major portion spent on legal fees. It was also a significant distraction of the Company's limited financial and human resources during the quarter. Unfortunately the incurrence of legal expenses and distraction to limited human resources will continue due to a writ lodged against the company challenging the outcome of the EGM. Your new Board and management immediately set about settling outstanding liabilities, and reviewing the cost base and strategy of DMA. A cost reduction program saving the Company \$25k+ per month has been implemented.

The Company's exploration program has been reviewed with ongoing consultants Terra Search and the new Non-Executive Technical Director taking into account recent events and current financial circumstances. As a result the consensus of the technical team and management is prioritisation to preserve limited cash funds and focus on beneficiation tests and analysis which is the key to unlocking the value of the Company's key Prairie Downs Spear hole ironstone gravel project. In addition, drilling targets have been identified and a drilling program is to commence when appropriate funds are raised.

The technical team and management of the Company remain independent and are focusing on unlocking the value of the Company's assets, particularly its Prairie Downs Project. The Company and management however still face some challenges from some shareholders and board members which must be resolved so the Company may progress forward in the interest of and for benefit of all shareholders.

Competent Persons

Qualifying 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. 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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