



# **Dynasty Metals Australia Ltd**

## **Investor Presentation – Nov 2011**

**(ASX: DMA)**

# Disclaimer & Competent Persons



## Disclaimer

***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;***
- 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.***

***Dynasty Metals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.***

## Competent Persons Statement

- Mr David Jenkins has compiled the information in this report from information supplied to and obtained by Dynasty Metals Limited. 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.***
- The information in this summary report relates to the Mineral Resource at Spearhole is based on the geological data compiled by Mr. David Jenkins who is a Member of the Australian Institute of Geoscientists. Mr. David Randal Jenkins has sufficient experience in the style of mineralization 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 Australian Code for Reporting of Mineral resources and reserves. Mr. Jenkins consents to the inclusion in the report of the matters based on the information 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.***

# Company Snapshot



## **The Board and Management:**

Mr. Thomas Pickett – Non Executive Chairman

Mr. Lewis Tay – Managing Director

Mr. Bin Wang – Non Executive Director

Mr. Michael Van Uffelen – Company Secretary

## **Capital Structure:**

Current Share Price: \$0.16

Market Capitalisation: \$16m

Cash on Hand: \$3.4m (as at 31/10/2011)

Ordinary Shares: 105.4m

Options: 17.5m @ 20c (expire 21/12/2011)

Top 20 Shareholders Holding: 59.4%

(Hebei Xinhua Iron & Steel holds 11.1%)

# 2011/2012 Strategic Outlook



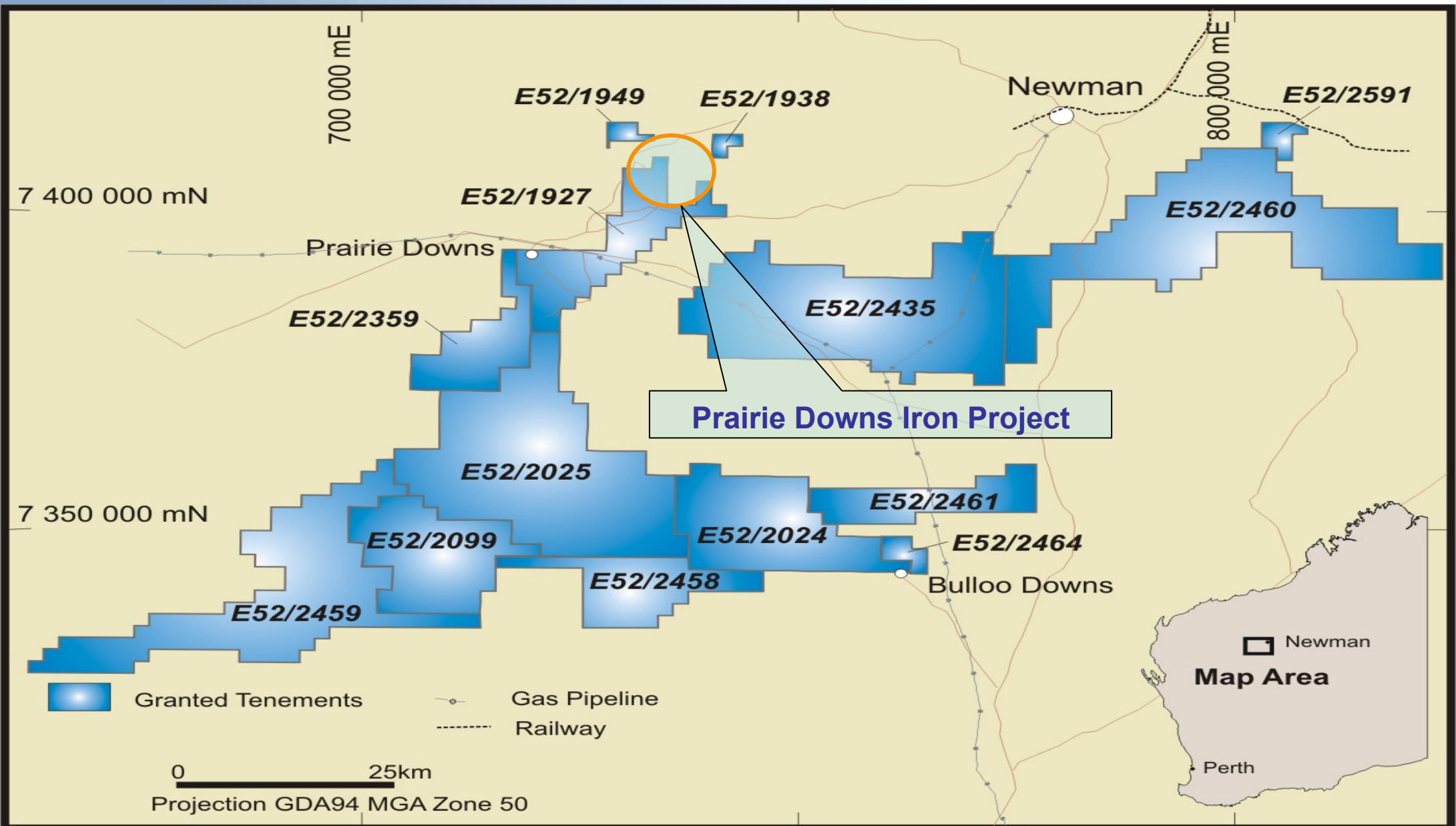
- ❑ Upgrade the current Spearhole Detrital Iron resources and reserves (1.4 billion tons at 23.5% Fe which includes 930mt @ 27.4% Fe\*)
- ❑ Continuing and fine-tuning the beneficiation study for Spearhole Detrital Iron
- ❑ Target to find DSO grade iron ores on the huge tenement holding in Pilbara (currently less than 5% being explored)
- ❑ Explore infrastructure options, commence negotiations with government and various parties
- ❑ Commence steps for mining lease and approvals
- ❑ Progress negotiations with off-take parties

\* JORC Compliant Inferred Resources estimated by Terra Search & released on 18 March 2010 and 27<sup>th</sup> October 2010

# EXPLORATION



# Dynasty's Prairie Downs Tenements



# Current JORC Compliant Inferred Iron Resources

Tonnes	Fe	CaFe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P <sub>2</sub> O <sub>5</sub>	LOI	Fe Cut-Of Grade
(Mt)	%	%	%	%	%	%	
448	31.5	34.0	30.2	13.6	0.038	7.5	>27%
585	30.2	32.7	31.6	13.9	0.037	7.6	>25%
800	28.4	30.7	33.5	14.4	0.036	7.7	>22%
<b>932</b>	<b>27.4</b>	<b>29.6</b>	<b>34.6</b>	<b>14.7</b>	<b>0.036</b>	<b>7.8</b>	<b>&gt;20%</b>
1,117	25.9	28.1	36.1	15.0	0.035	7.9	>17%
<b>1,400</b>	<b>23.5</b>	<b>25.5</b>	<b>38.6</b>	<b>15.5</b>	<b>0.034</b>	<b>8.1</b>	<b>Total Resource</b>

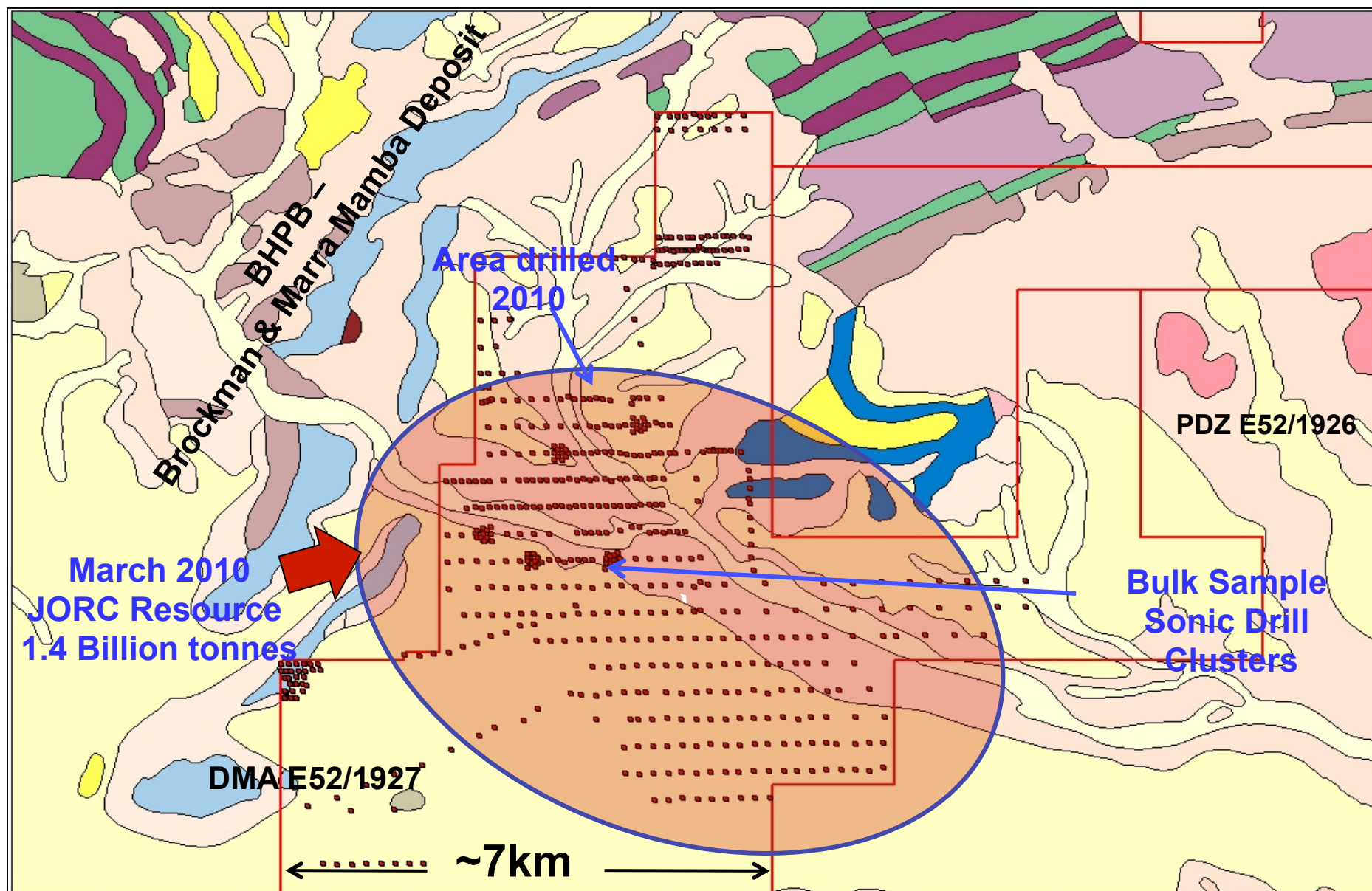
*JORC Compliant Inferred Resources estimated by Terra Search & released 18 March 2010 and 27<sup>th</sup> October 2010*

## Low Cost Operation

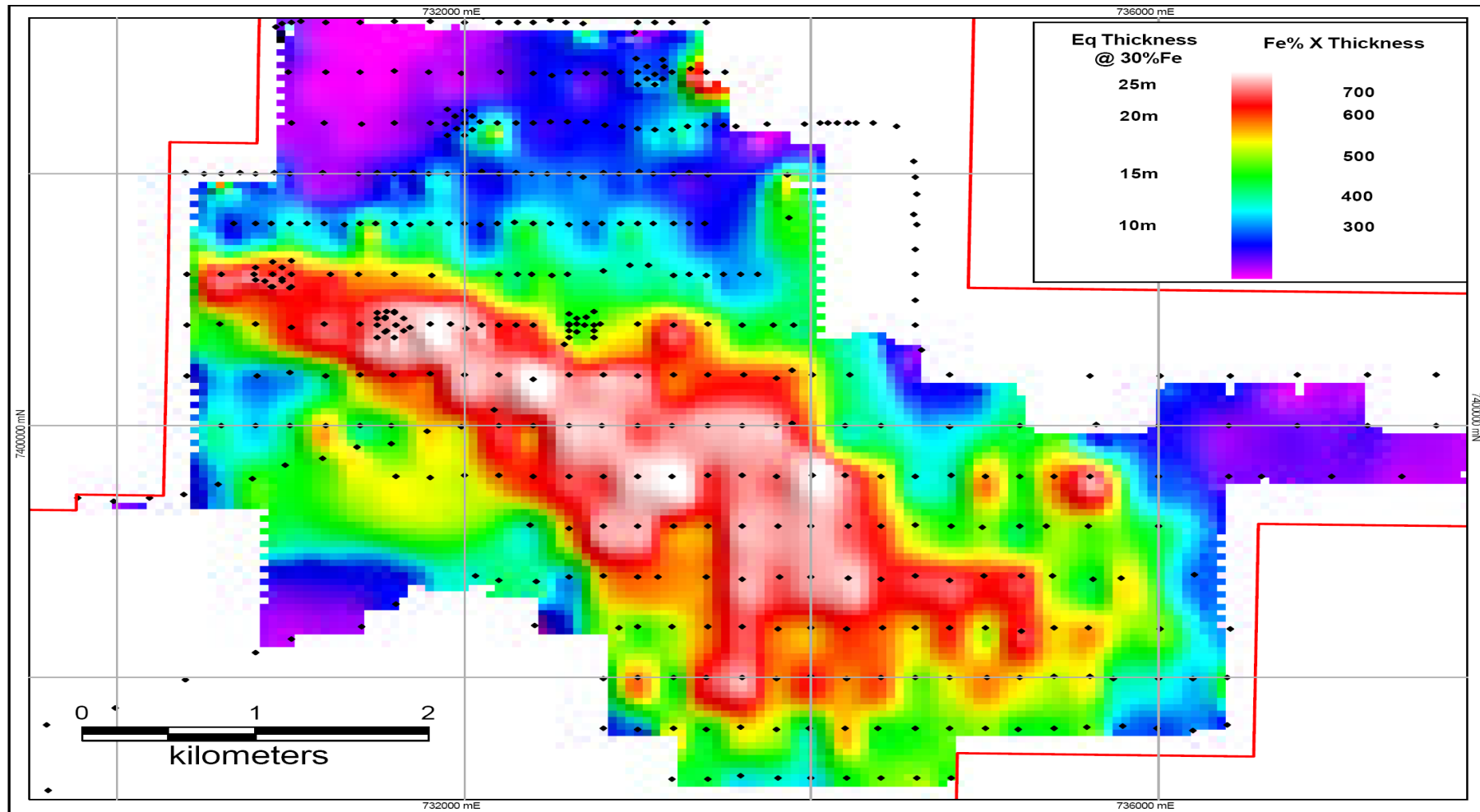
- ✓ Overburden nil
- ✓ Free digging “**drilling, blast, pre-crush & grind**” will not be required
- ✓ Simple low-cost trommel and screen to upgrade for beneficiation
- ✓ Simple physical beneficiation processes
- ✓ Economies of scale (>15 Mtpa operation)



# Spearhole Iron Prospect – 2010 Results



# Spearhole Iron Prospect – 2010 Results

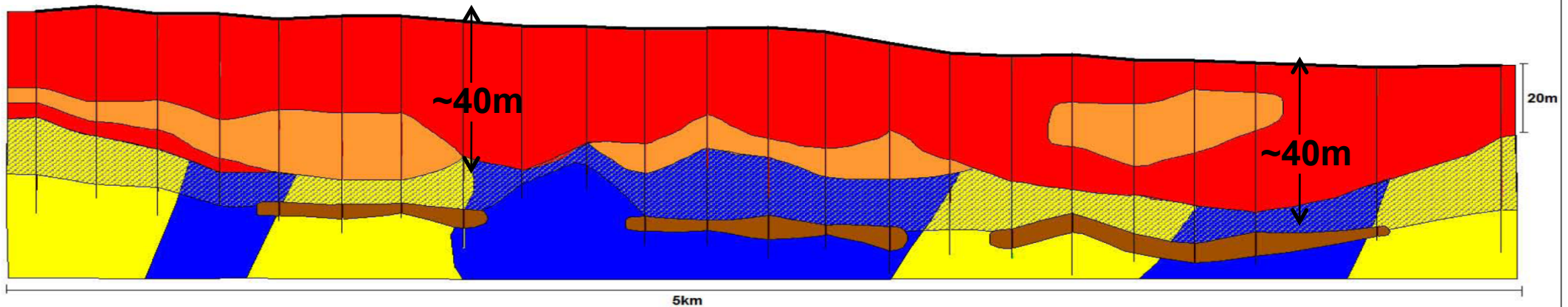


**1.4 billion tonnes  
JORC Compliant Inferred Resource @ 24% Fe (global)**

# Cross Section

Line 1: 731, 500 m E

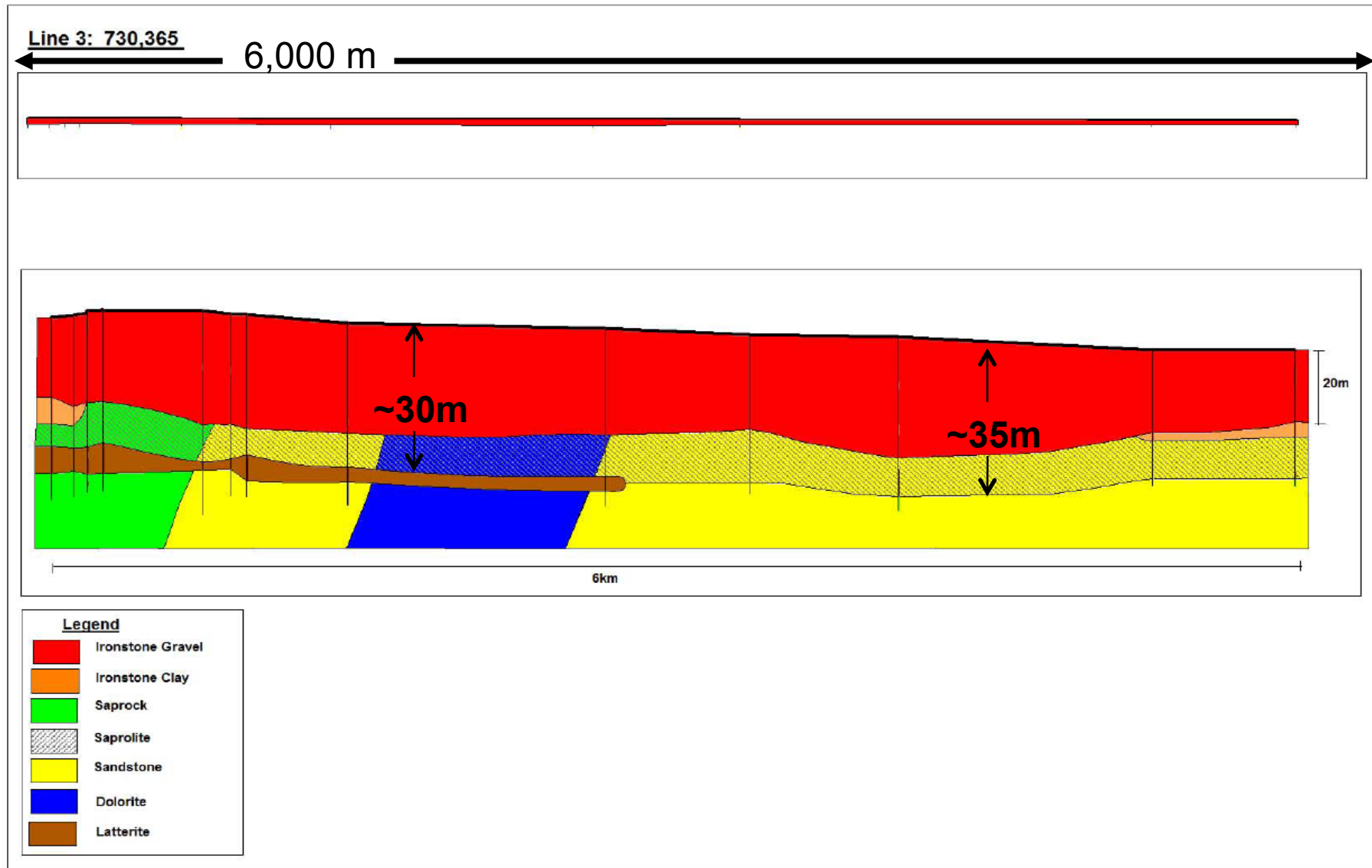
5,000 m



## Legend

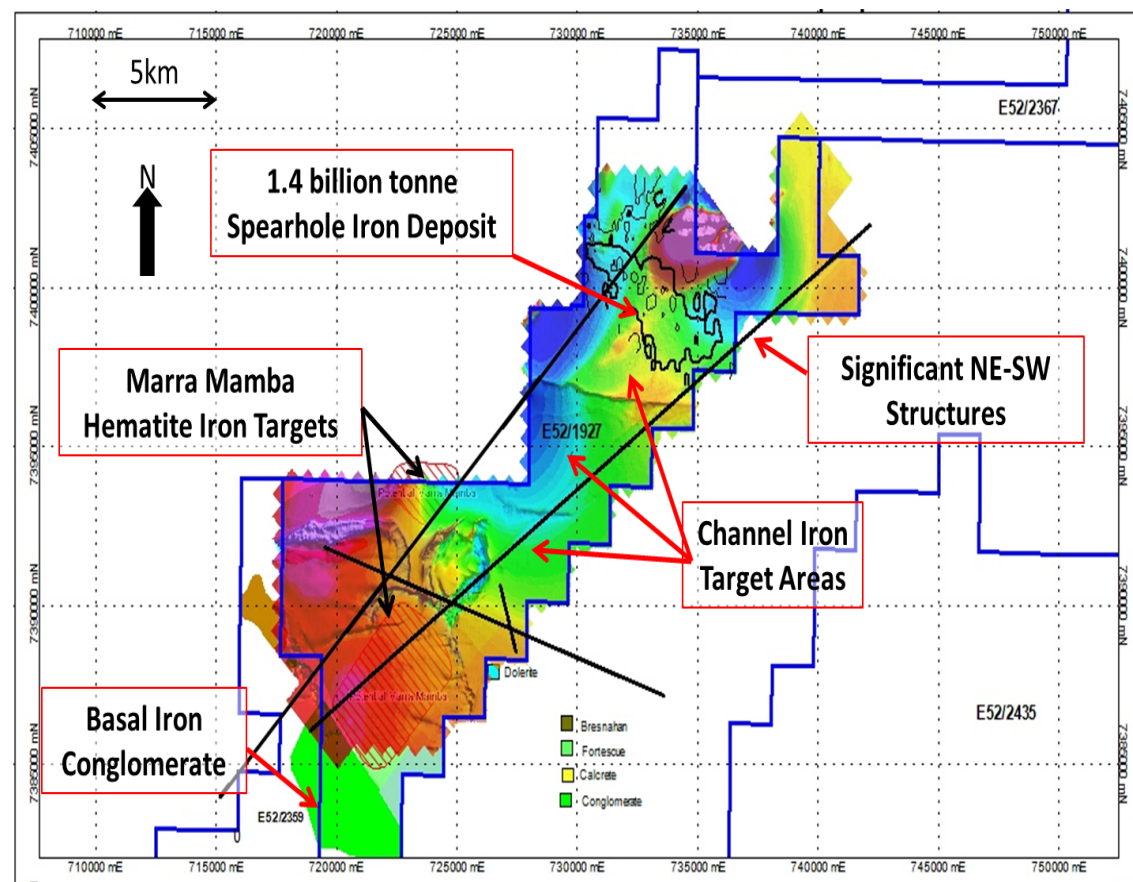
- Ironstone Gravel
- Ironstone Clay
- Dolorite
- Saprolite
- Sandstone
- Latterite

# Long Section



# “DSO” Targets – 2011 / 2012

- Regional geophysics and mapping have identified higher grade Direct Shipping Ore (DSO) targets
- Targets lie South-West of Dynasty's current billion tonne Spearhole Iron Deposit.
- Less than 5% of the 3,500km<sup>2</sup>** Prairie Downs tenements being explored to date.
- The 2011/2012 drilling programs focussed on extensions to current higher grade mineralisation



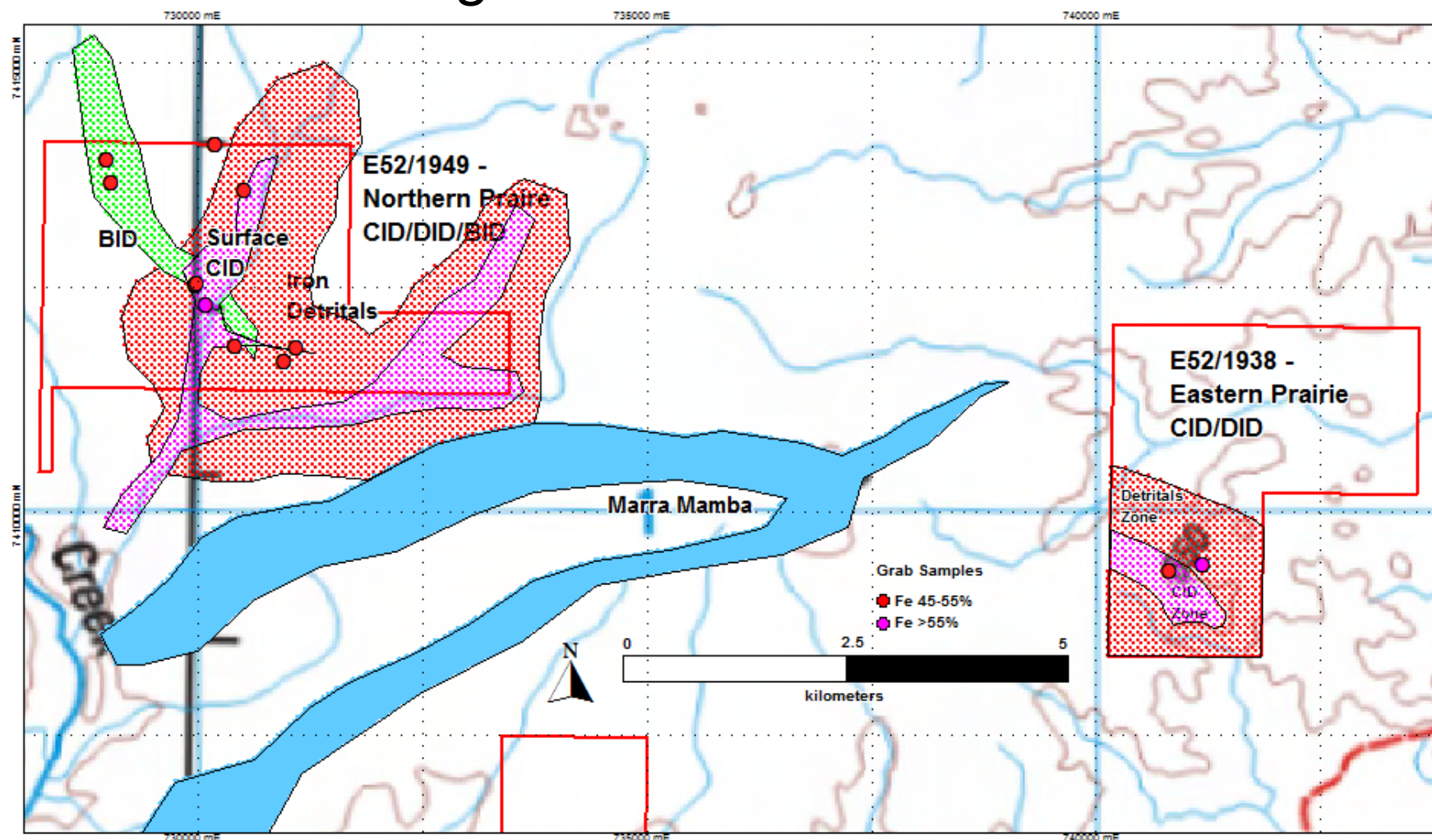
# “DSO” Targets – 2011 / 2012

- Remote sensing and geological models identified large areas of potential for further CID and detrital material.
- Regional rock chip sampling and mapping has further enhanced these targets including the location of outcropping CID.
- Drilling program of 6000m commenced in Oct 2011 to test these targets



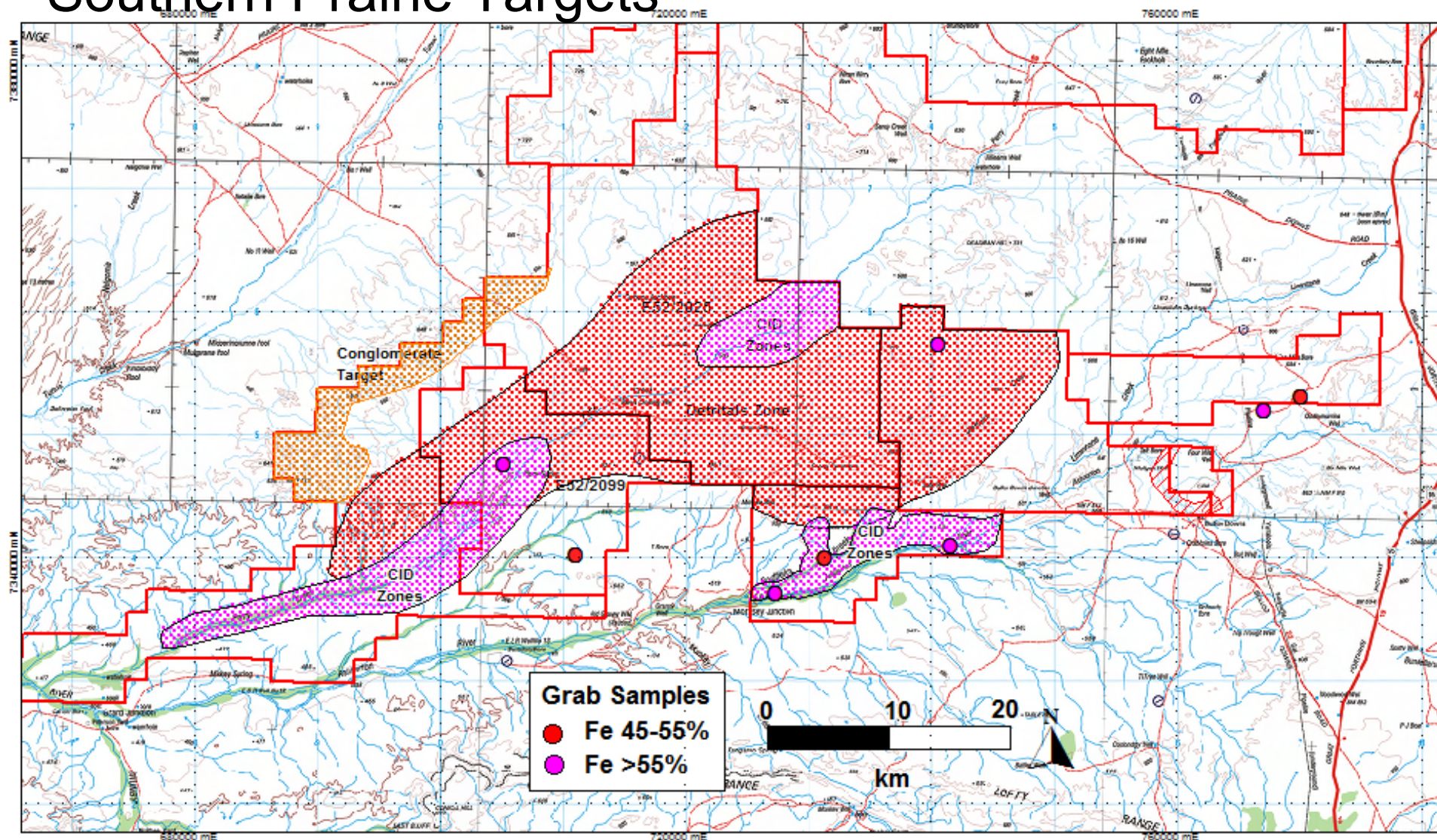
# “DSO” Targets – 2011 / 2012

## Northern Prairie Targets



# “DSO” Targets – 2011 / 2012

## Southern Prairie Targets



# Strategic Iron Ore Tenements

Three tenements have been awarded to Dynasty at the heavily contested ballots, the tenements are adjacent to existing mining projects owned by BHP, Rio Tinto and Fortescue Metals.

## Tenement E47/2396 (24.3km<sup>2</sup>) - pending

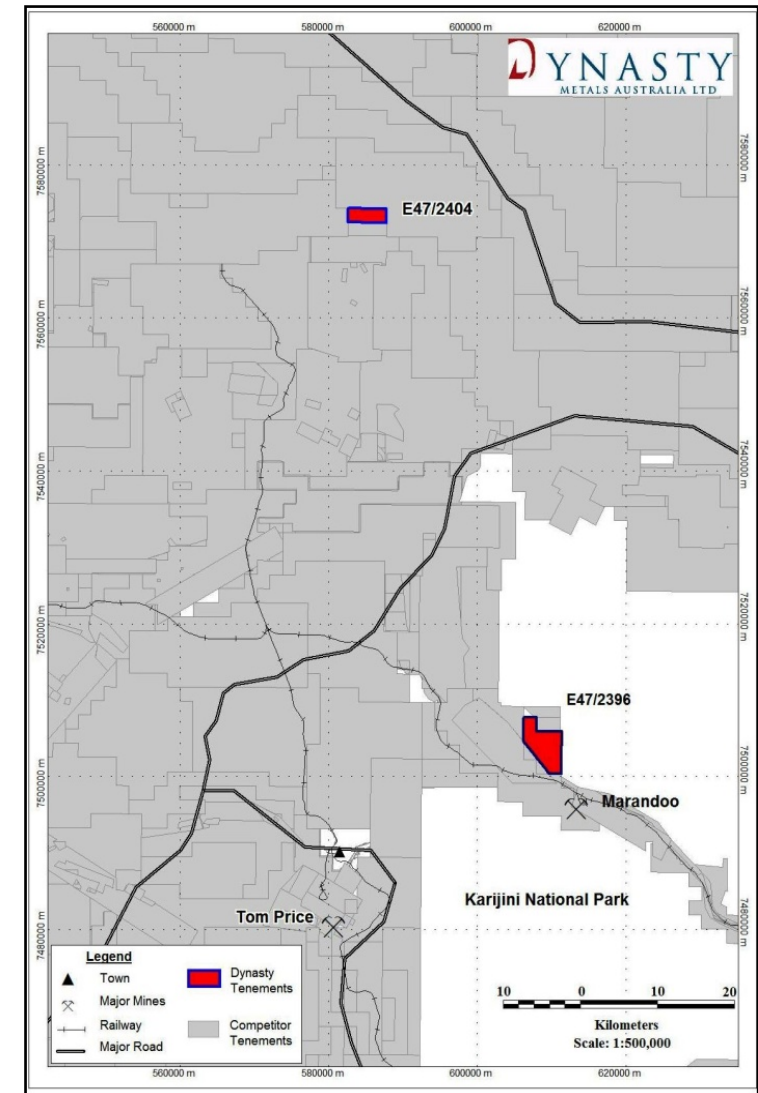
- Located in the vicinity of Rio Tinto's Marandoo mine
- 30km ENE of Tom Price, or 8km NW of RTZ's Marandoo Mine (both deposits occur in the Marra Mamba formation)
- Potential to host iron ore deposits

## Tenement E47/2404 (9.5km<sup>2</sup>) - granted

- Contains Brockman Iron Formation
- 80km N of Tom Price
- Potential for detrital and channel iron deposits

## Tenement E52/2591 (20.5km<sup>2</sup>) - granted

- Located near to the vast Mt Newman mining operations
- Shows strong magnetic features that are often associated with buried iron deposits
- Neighbours major iron ore mining projects owned by BHPB, Rio Tinto and Fortescue Metals Group



Tenements 2396 & 2404

# BENEFICIATION

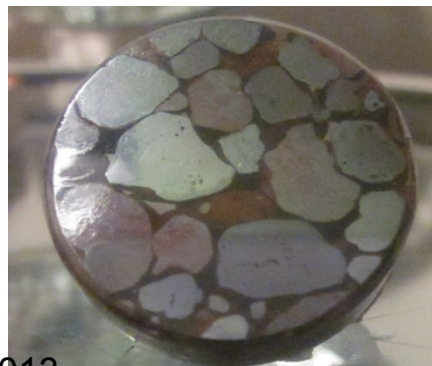


## Preliminary indications of obtaining 120-168Mt of DSO Product

- Trommel, screening shows clay <1.18mm fraction >50% (<25% Fe)
- >1.18 mm fraction head grade 37-39% Fe
- Crushing yet to be tested
- Yield range of 14-18% on >27% Fe material
- **Product Grade of 56-58% Fe, 6-7.5% SiO<sub>2</sub>, 5.5 - 6.5 % Al<sub>2</sub>O<sub>3</sub>, 0.03 P<sub>2</sub>O<sub>5</sub>**
- Further 15-18% of mid grade (40-45% Fe) to be tested to enhance yield
- Further testing on reducing Si and Al and increasing Fe grade



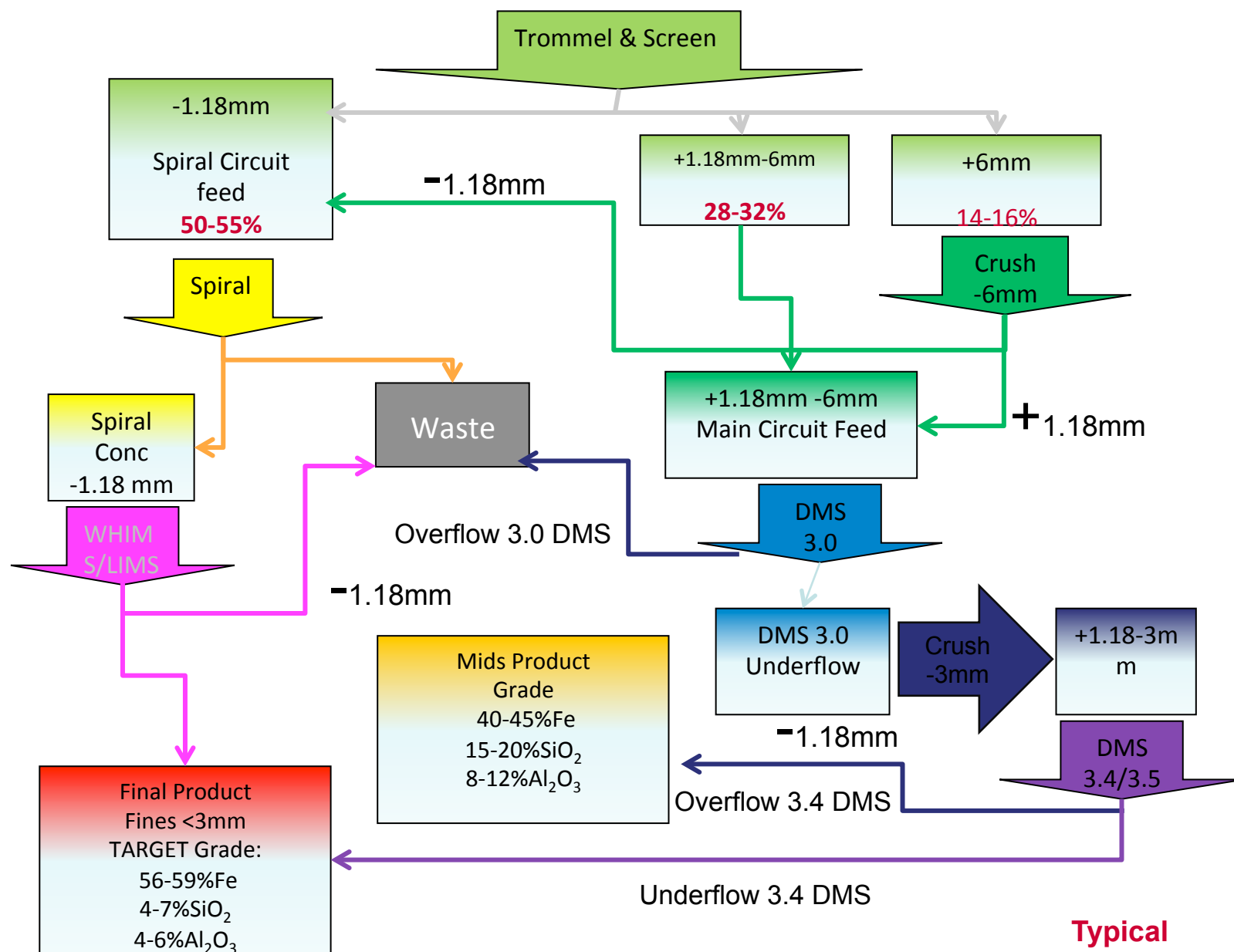
A2 – PDSN013



A3 – PDSN011



# Bulk Sample – Test Grades ~ 27%Fe

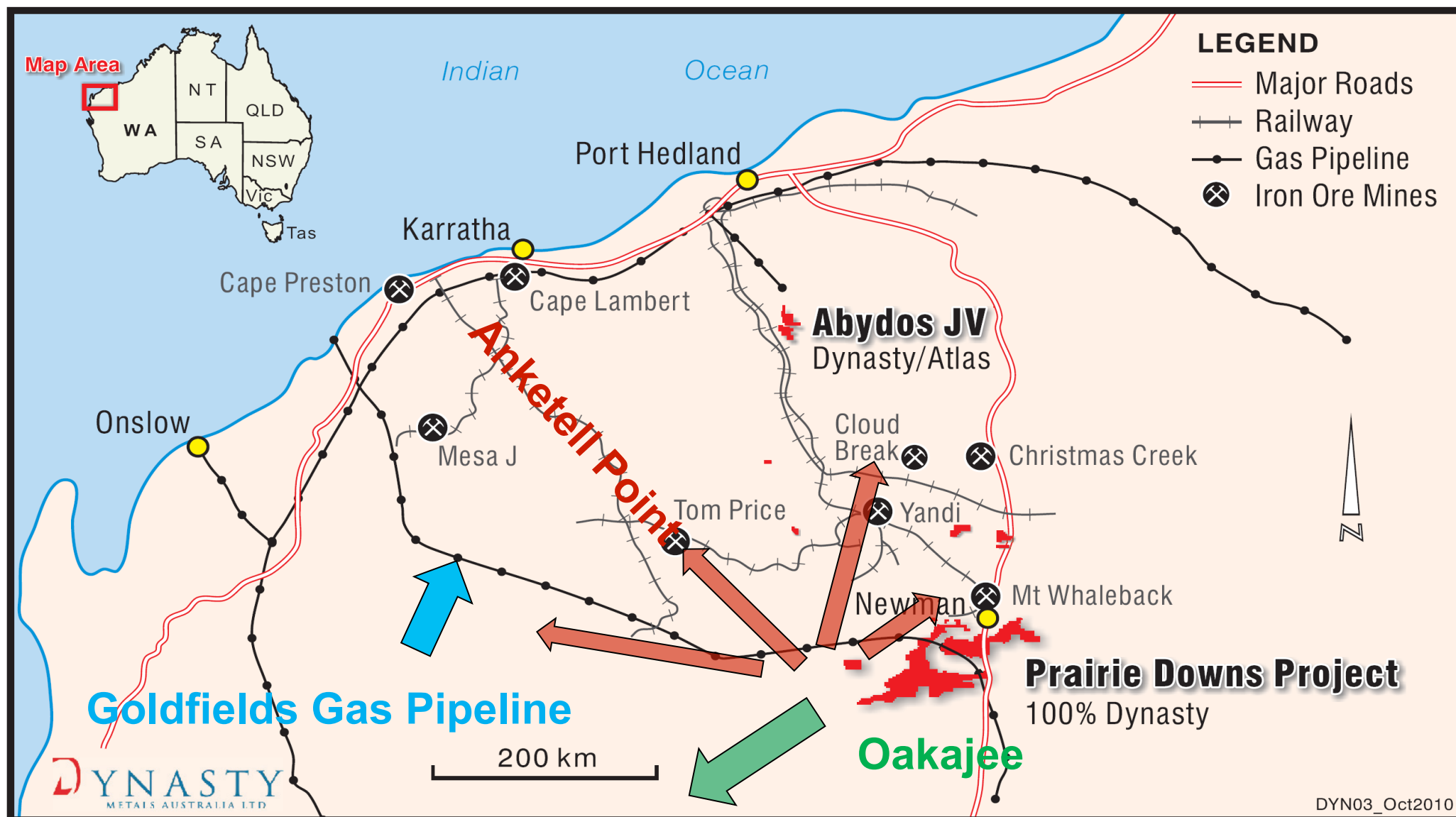


Typical  
Department

# INFRASTRUCTURE



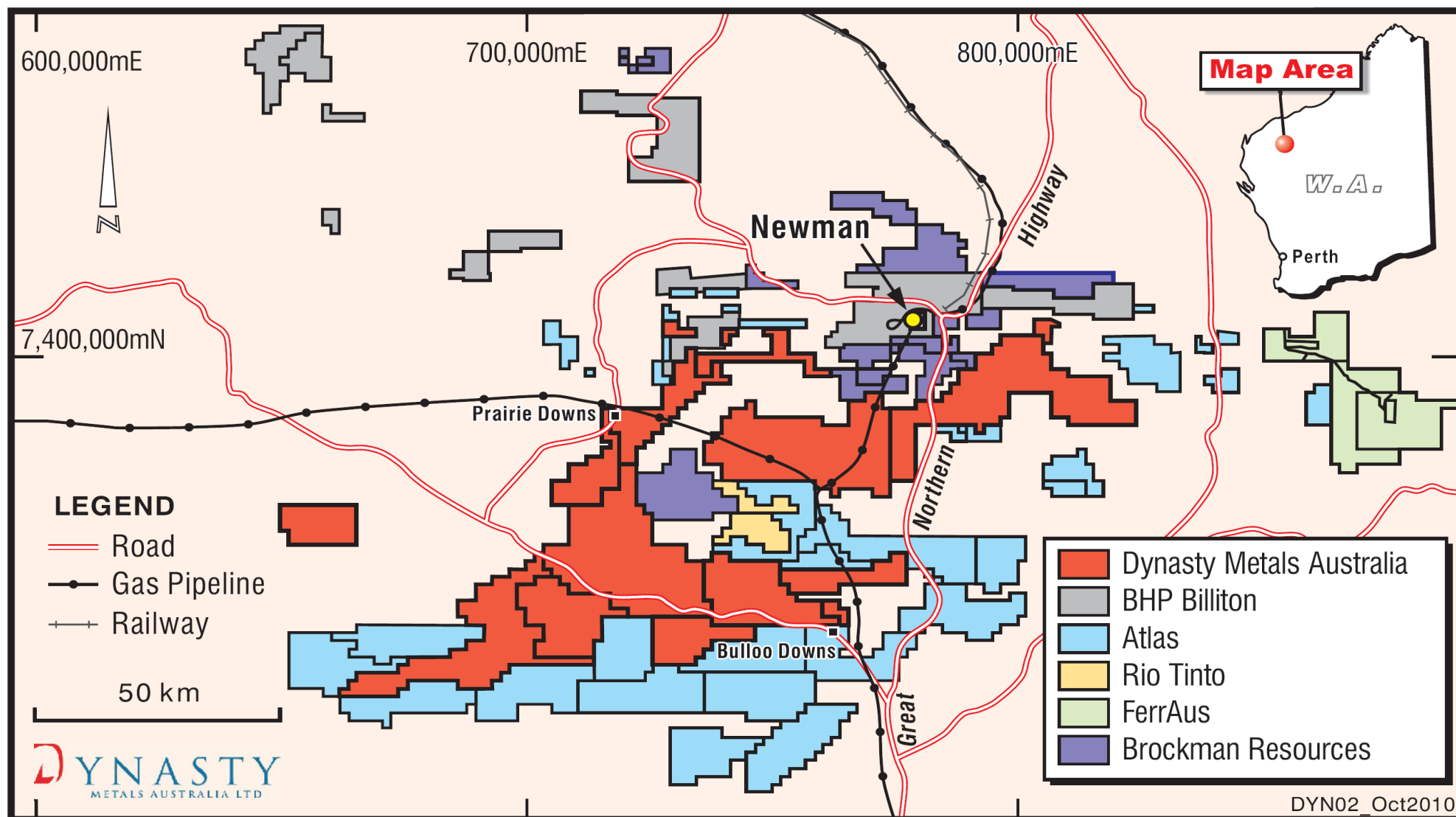
## Prairie Downs – Pilbara Iron Project Strategic Location



# PEER COMPARISON



## Prairie Downs tenements (100%) and the neighbours



# *Pilbara Iron Ore Explorers / Producers*

*As at 31<sup>st</sup> Oct 2011*



Company	Market Capitalisation	Share Price
Atlas Iron (AGO)	\$2840M	\$3.20
BC Iron (BCI)	\$240m	\$2.50
Red Hill Iron (RHI)	\$95M	\$2.15
FerrAus (FRS) – Merged with Atlas	NA	NA
Brockman Resources (BRM)	\$235M	\$1.70
Iron Ore Holdings (IOH)	\$225M	\$1.35
Giralia (GIR) – Merged with Atlas	NA	NA
<b>Dynasty Metals (DMA)</b>	<b>\$16M</b>	<b>\$0.16</b>

# Conclusion

- Current JORC compliant resources of more than 900Mt @ 27% Fe detrital iron deposits at Spearhole
- Preliminary beneficiation study showed 120-170 million tons of DSO grade ore may be produced, which could be worth more than \$10bn dollars.
- Non-Core tenements have been joint ventured with China Coal Geology and Engineering Corporation (subject to FIRB approval)
- New drilling programs commenced in Oct 2011, more aggressive exploration in 2012
- Scoping study for the Spearhole Detrital Iron Project has been commissioned
- Target to find DSO grade iron ores to compliment the current huge detrital iron deposits.



A dark industrial setting featuring a bright welding or cutting process in the center, which produces a large volume of sparks. The scene is framed by heavy machinery, including a large vertical pipe on the right and various structural beams.

**Thank You**

# 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](http://www.jorc.org))

**Hematite** - iron oxide mineral of the form  $\text{Fe}_2\text{O}_3$

**Magnetite** - iron oxide mineral of the form  $\text{Fe}_3\text{O}_4$

**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 concentrates (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).