

## QUARTERLY ACTIVITIES REPORT

### JUNE 2013

#### SUMMARY

- > Heritage clearance was completed for drilling on the highly prospective DSO targets within the Marandoo tenement E47/2396. All other approvals are in place and drilling should commence within the next quarter.
- > A review of tenement holdings was conducted to reduce holding costs and has resulted in a successful option agreement with Plasia Pty Ltd (Plasia) which consists of two base metal tenements from the Bulloo Downs area.
- > New applications have been submitted for several tenements prospective for gold. The company will continue to review opportunities in the current market to acquire projects with good potential to increase shareholder value.
- > Refinement of the beneficiation process for the Spearhole resource is ongoing. This will allow for the updating of the 2011 scoping study and planning of feasibility studies.

#### EXPLORATION ACTIVITIES

##### MARANDOO (E47/2396)

The tenement covers an area of 24.4km<sup>2</sup> and is within 7 kilometres of Rio Tinto's Marandoo Mine. A reverse circulation drilling campaign has been designed based on a detailed ground magnetics survey completed in the March quarter. **The magnetics show significant targets for both Marra Mamba formation bedded iron deposits (BID) and channel iron deposits (CID) shedding from the extensive ironstone ranges to the north of the tenement (Figure 1).**

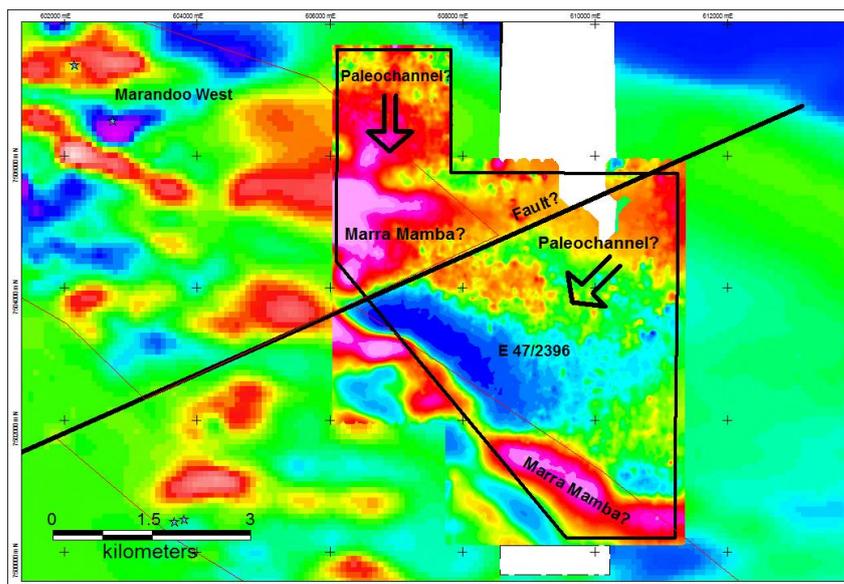


Figure 1, Marandoo project E47/2396 Ground magnetic Total Magnetic Intensity, regional magnetic with interpretation and potential targets

During the June quarter a Heritage survey was completed along with the required environmental approvals. No Heritage issues were encountered although some holes will not be drilled at this stage due to existing water infrastructure in the area. It is not anticipated that these restrictions will significantly hamper the early exploration effort in this area.

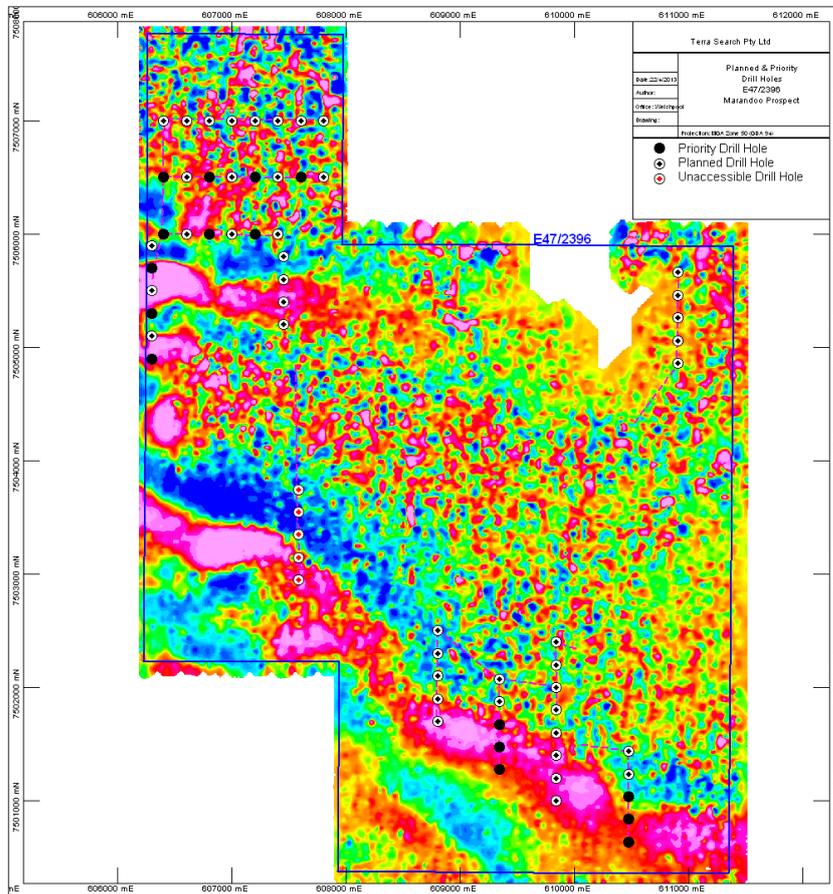


Figure 2 Proposed drill program Marandoo Project

## SPEARHOLE PROJECT BENEFICIATION

There is ongoing beneficiation testing on the Spearhole resource within the flagship Prairie Downs project. This resource is a unique style of mineralisation with high grade fragments of hematite rich material present within finer grained sand and clay. The source of the high grade material is the extensive outcropping Marra Mamba unit to the west of the tenement. The resource is unconsolidated and will be highly amenable to bulk mining and processing, more similar to a heavy mineral sand deposit than conventional iron ore mining operation. As such there are many aspects of the beneficiation process that need to be tested and defined and then retested. Current testing is concentrating on maximising the yield and grade and/or reducing the costs of this process. Once complete, the results of this testing can be used to update the positive scoping study completed in December 2011.

**BULLOO DOWNS BASE METAL PROJECT OPTION AGREEMENT**

Two tenements in the Bulloo Downs project area, E52/2024 and E52/2464 (fig3), have been the subject of an option agreement with Plasia Pty Ltd. Under the arrangement the tenements will be kept in good standing with all exploration and holding costs covered by Plasia, with Dynasty to benefit from any exploration success through cash payments and participation in the development of a resource.

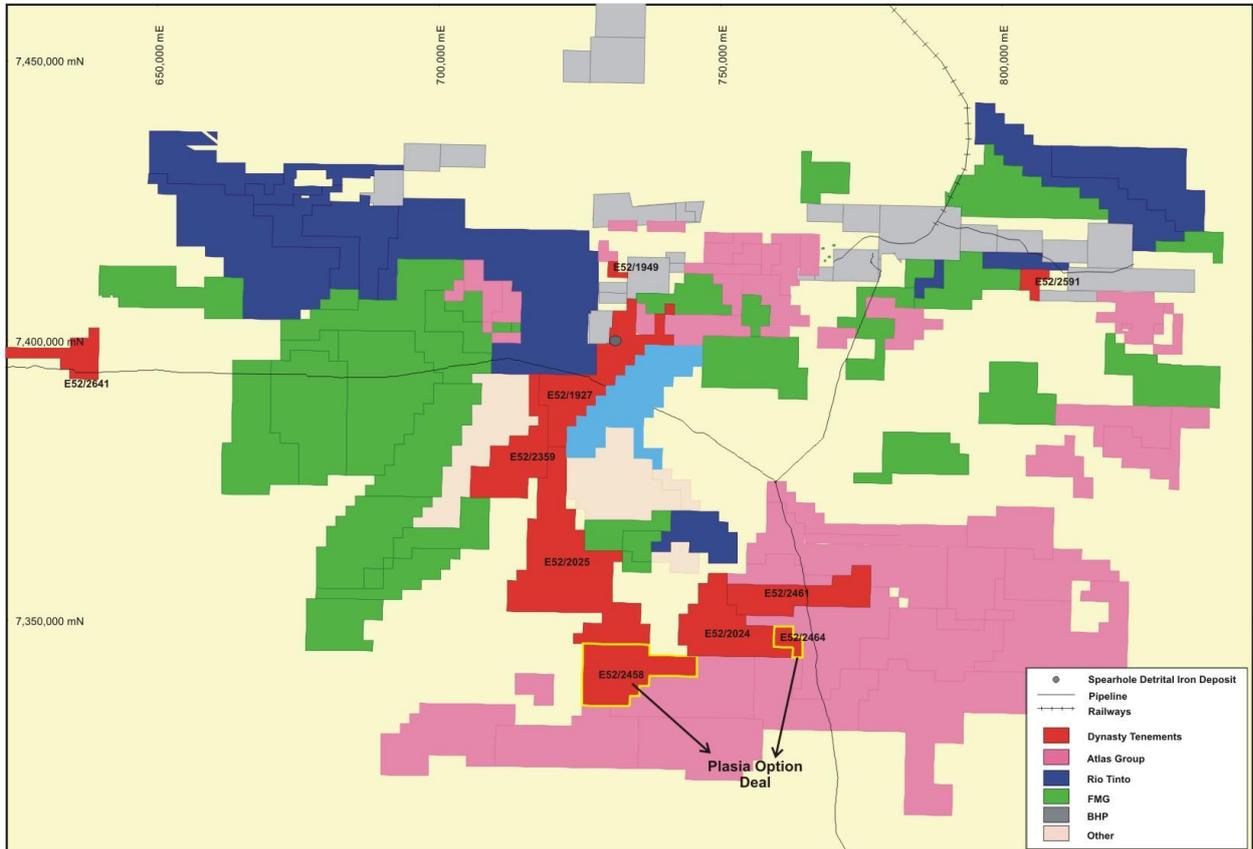


Figure 3 Prairie Downs tenement holdings showing the Bulloo Downs tenements that are subject to an options agreement with Plasia Pty Ltd.

**NEW APPLICATIONS**

During the March quarter Dynasty has been reviewing available ground in the Yilgarn craton areas with gold potential. This has resulted in the identification of several areas which have since been applied for. These include areas in the Tropicana, Laverton and Southern Cross regions. All of these tenements are within regions that contain one or more large gold deposits. Once granted, Dynasty will focus on rapidly evaluating the potential in these tenements and drilling any identified targets.

## **CORPORATE ACTIVITIES**

On a corporate level the Dynasty Board has been discussing various opportunities with respect to a potential farm-in or joint venture relationship for the Prairie West and Newman exploration leases. The Board is also in discussion with several groups regarding Dynasty's Irwin Petroleum leases where there is significant potential for Shale Gas.

In addition to the applications described above, several gold and base metal projects have also been offered to the Board during the period, the Board has examined each opportunity with the principle of identifying a project which offers the best prospectivity and commercial value. The Board will continue to seek quality mineral opportunities only to complement existing assets and deliver long-term growth to shareholders.

## **COMPETENT PERSONS 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 Australia Ltd. 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.*

## **CORPORATE PROFILE**

Dynasty Metals Australia Limited  
ABN 80 110 385 709

### **Directors Details**

Thomas Pickett	Independent Chairman
Lewis Tay	Managing Director
Bin Wang	Non-executive Director

### **Company Secretary**

Louise Edwards

### **Registered Office and Principal Place of Business**

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### **Share Details**

At 30 June 2013, there were 110,518,669 ordinary shares on issue.  
There were no other listed or unlisted securities on issue.