

QUARTERLY ACTIVITIES REPORT

SEPTEMBER 2013

SUMMARY

- > Drilling at Marandoo Project confirms extensive Marra Mamba Formation under cover. Hole MSRC003 intersected 20 metres of Marra Mamba formation with strong indications of secondary hematite enrichment.
- > Drilling and trenching program approved for the Hyden project within the Goldstone Joint Venture. Program is scheduled to be completed next quarter.
- > The Board is considering various transaction options with respect to the Irwin Petroleum projects with a view to enhancing value for shareholders.
- > The refinement of the beneficiation process for the Spearhole resource is continuing to enhance the yield and/or grade of the beneficiation products.

EXPLORATION ACTIVITIES

MARANDOO (E47/2396)

The tenement **covers an area of 24.4km²** and is within 7 kilometres of Rio Tinto's Marandoo Mine. A reverse circulation drilling of 6 holes has been completed during this quarter. The drilling was designed to test **for Marra Mamba formation interpreted from the ground magnetic anomalies** (Figure 1). The interpretation is that there is several kilometres strike length of Marra Mamba underlying alluvium and the Wittenoom Dolomite formation that sits above the Marra Mamba.

The 720 metre program was hampered by difficult drilling conditions through swelling clays in the overlying weathered dolomite. Hole MSRC003 finished in 20 metres of hematitic Marra Mamba within a 38 metre weathered intersection. Individual chips from the drilling were strongly hematitic within goethitic clays. The top of the Marra Mamba where intersected in adjacent holes indicate a shallow dip to the unit.

Despite the problems with reaching target depth, the program has shown there is extensive zones of Marra Mamba at depth in the tenement and potential for an enriched zone of the Marra Mamba to be present in the area.

The results are being carefully examined and further target drilling will be designed based on this hard won knowledge. The next phase of drilling will hopefully identify the shallowest sections of the Marra Mamba and test several areas for hematized zones.

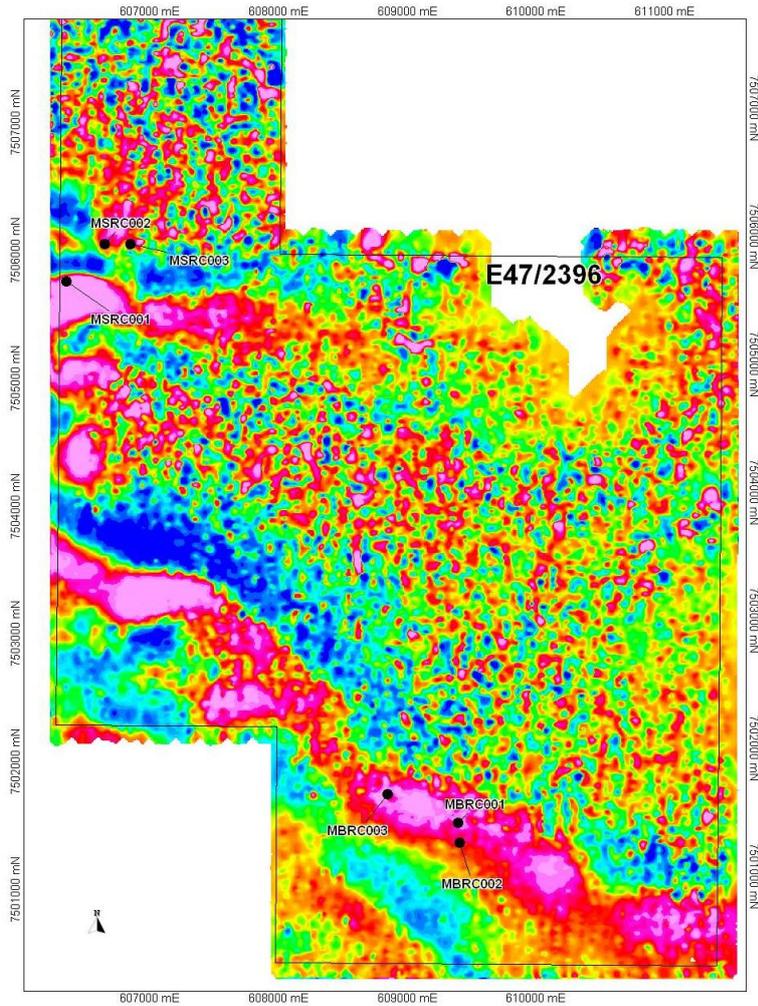


Figure 1 Location of drillholes on the ground magnetics

Image 1

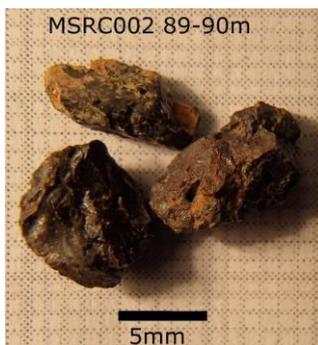


Image 2

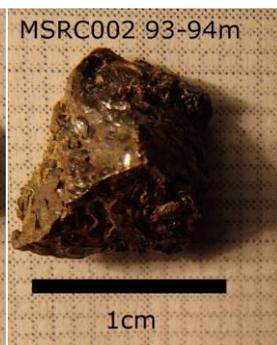


Image 3



Image 4



Figure 2 Rock Chips From MSRC002 Representing Different Weathering Zones. Image 1 and Image 2. Vitreous goethite ~50% Fe grade from handheld XRF. Relatively fresh with no limonite and little ocherous goethite. Image 3. Chip from the weathered ocherous goethite zone. Image 4. Chip from the hematite zone where goethite clays were present along with hematite and chert clasts. The individual rock chip returned a grade of 66% Fe using a Niton handheld XRF.

SPEARHOLE PROJECT BENEFICIATION

The Spearhole resource within the flagship Prairie Downs project is still undergoing beneficiation testing. This resource is a unique style of mineralisation with high grade fragments of hematite rich material present within finer grained sand and clay. Scoping studies have indicated that the project will benefit greatly from increases in yield and grade during beneficiation. The early testing indicated a yield of 12-18% with Fe content of greater than 57%.

Testing during the September quarter has been focusing on the upgrading of mid-grade products from this initial testing. Various methods are being examined and Dynasty is building a strong proprietary knowledge of the processing of this source of iron.

GOLDSTONE JOINT VENTURE

On the Hyden project, within the Forresteria area, work is commencing on a Diamond Drilling program targeting Nickel mineralisation and Trenching program targeting Gold mineralisation. Two diamond holes of 300 metres are targeting geophysical anomalies within a zone that may be an extension of the nearby greenstone belt that hosts the Flying Fox and Cosmic Boy nickel deposits.

Trenching over an area of anomalous soil sampling, within a broad zone of low magnetics, will also be completed to identify a potential hydrothermal mineralisation system in the area.

During the September 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.

The drilling program is scheduled to be completed during the December quarter.

CORPORATE ACTIVITIES

The Company has been continuing discussions with a number of parties in relation to a possible transaction regarding the Irwin Petroleum leases, which have significant potential for Shale Gas.

Several gold and base metal projects have also been offered to the Board during the period, however the Board are focussed on only assessing those quality mineral opportunities that complement existing assets and will deliver long-term value to shareholders.

During September 2013 the Company undertook a placement of securities, which raised \$480,000 via the issue of shares and unlisted options.

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

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Share Details

At 30 September 2013, there were 118,518,669 ordinary shares on issue and 8,000,000 unlisted options.