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Australian Stock Exchange Limited  
(By electronic lodgement)

### **IRON ORE AGREEMENT WITH ATLAS IRON LIMITED**

Dynasty Metals Australia Ltd (DMA) announced today that it has signed a letter of intent with Atlas Iron Limited (AGO) to explore for iron ore on Dynasty's North Shaw Project (E45/2728)

The North Shaw Project is situated approximately 100 km south of Port Hedland, WA. It adjoins Atlas Iron's Abydos Project (Atlas figure attached). The tenement is approximately 190 sq km and it surrounds ground held by BHP Billiton. Indications from government mapping and remote sensing data suggest that Dynasty's tenement in this agreement may host strike extensions to the iron mineralisation on the BHP Billiton ground.

Atlas has reported that it maintains a strategy to define and develop iron ore deposits in proven mineralized terrain within trucking distance to Port Hedland. Dynasty will retain the rights to explore for gold on the North Shaw project.

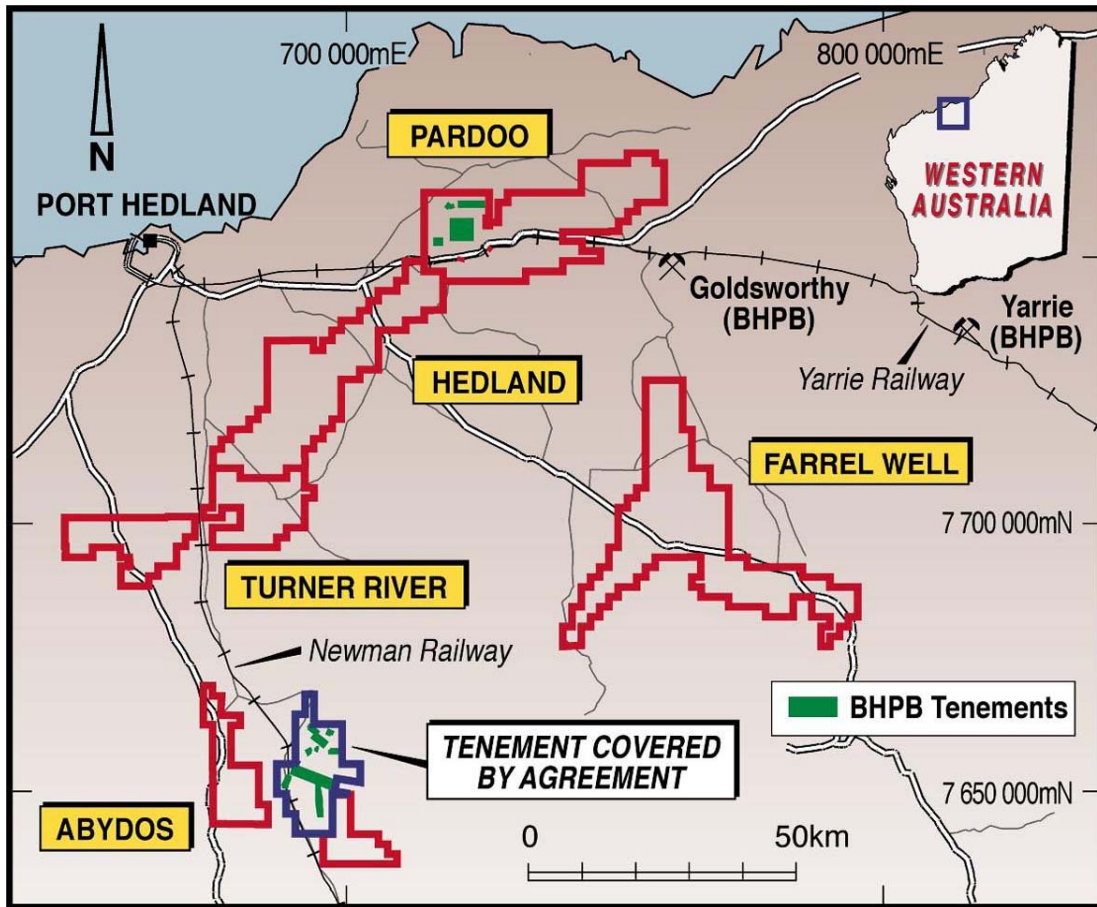
The key terms of the agreement are:

- Atlas Iron will issue Dynasty 500,000 shares to acquire the rights to the Iron Ore.
- Dynasty will retain a 2% gross royalty
- The tenement covered by this letter of Intent is E45/2728

For further enquiries, please contact:

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*The information in this report that relates to exploration results is based on information compiled by Mr David Flanagan who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Atlas Iron Limited. David Flanagan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results. David Flanagan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*