

31 October 2006

Australian Stock Exchange Limited

By electronic lodgment

Quarterly Activities Report

for the Quarter ended 30 September 2006

Highlights

- Bright Gold Project drilling commenced on the Victoria Reef (Vic)
- Nickel exploration at Laverton Project (WA)
- Irwin River Coal Seam Gas Project (WA)
- Stanley Uranium and Nickel Exploration Project acquired (WA)
- New Uranium Exploration Projects in Northern Territory



Dynasty Project Map of Australia

Corporate

- Dynasty Metals Australia Ltd (ASX code DMA) has appointed Mrs Rita Brooks as Managing Director.
- Mr Alan Svanosio is the Principal Exploration Consultant to the Company.
- Dr Christopher Clarke is consulting to the Company on the Stanley Uranium Project.
- Dr Guy Le Blanc Smith consults to the Company on the Irwin Coal Seam Gas Project.
- Mr Gaius King has resigned as a Consultant to the Company

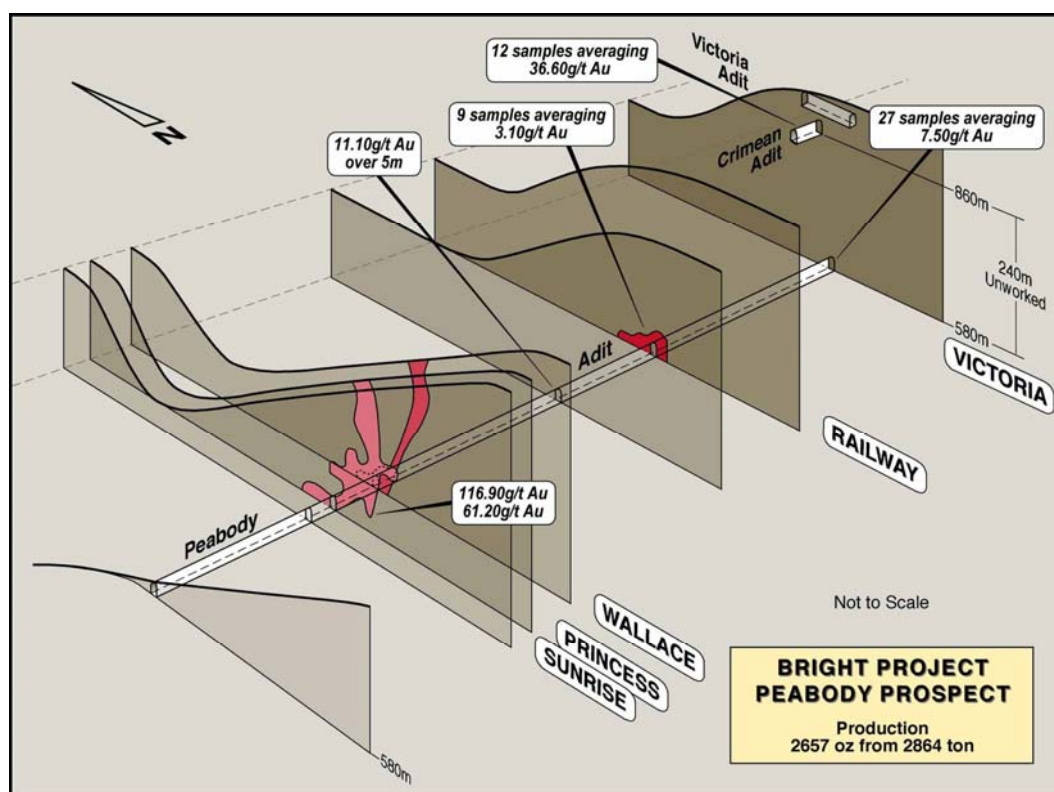
Gold, Victoria

Bright Gold Project

The Bright Gold Project is located 200km northeast of Melbourne. Historical production was 340,000 ounces of gold from a number of quartz reefs (1-40m in width) with an average recovered grade between 18-20g/t Au. The largest producers were the Rose Thistle and Shamrock (101,240t @ 21.4g/t) and the Oriental (127,571t @ 14g/t).

The Victoria Reef is the first in the Bright area to be drilled.

A reverse circulation/diamond drill program has commenced to test seven quartz reef zones (see ASX release 26 October 2006).



**BRIGHT GOLD PROJECT - PEABODY GOLD PROSPECT
& ASSOCIATED REEF LINES ISOMETRIC DIAGRAM**

Bendoc Gold Project

Dynasty's Bendoc Gold Project is located in the East Gippsland region, approximately 400km northeast of Melbourne.

Sixty historical mines and mineral prospects have been recorded in the project area, with a historical gold production of 40,000 ounces predominately from shallow alluvial deposits. Dynasty has identified 10 previously unrecorded sites of quartz reef gold mining.

The initial focus of exploration has been the Victoria Star mine (average grade 51g/t Au) where primary gold mineralisation extends over a 700m strike length co-incident with the old workings.

The additional core splits from the February Bendoc drilling program were submitted for assay. New results from this drill program include:

BB3 2m @2.3g/t Au from 115m .
BB4 1m @42g/t Ag from 57 to 58m.

The structural and mineralogical controls of the Victoria Star Prospect are still not fully understood. At this time several differing models could explain the deposit. Proposed work plan includes permission for additional RC drilling with 10 to 15 holes on the Victoria Star and three other prospects.

Uranium, Western Australia

Stanley Uranium and Nickel Project

The Stanley Project is located in the Nabberu Basin about 200km northeast of Wiluna, Western Australia.

Dynasty has applied for 13 exploration licences covering 3,691km² based on a review of available Government records and radiometric data.

Dr. Christopher Clarke has been engaged to work on this project.

Western Mining explored the area for Uranium in the 1970's. Jubilee Mines Ltd carried out exploration from 1994-1996. Several prospects were identified and drill tested for nickel and base metals by Jubilee Mines NL.

The Nabberu Basin has not been subjected to recent uranium exploration and Dynasty proposes to complete the data review and conduct ground radiometric traverses upon grant of the exploration licences.

Dynasty will review the potential of the area to host nickel sulphide mineralisation and seek a Joint Venture partner to work on this large project.

Yanrey Uranium Project

The Yanrey Uranium Project area is located approximately 95km south of Onslow. Exploration Licences at Yanrey E08/1538, E08/1539 & E08/1540 were granted in August. Initial field reconnaissance including radiometric surveys have been completed.

Proposed exploration efforts will concentrate on defining extensions of identified and new paleochannels. The paleochannel which hosts the Manyingee U deposit is interpreted to extend into EL 08/1538. The reconnaissance work in August included sampling of the project areas.

Hector Bore Uranium Project

Located approximately 250km east of Carnarvon, the Hector Bore project contains several uranium occurrences identified from previous exploration. Applications for Exploration Licenses north and south of Hector Bore have extended the project area.

Field reconnaissance was undertaken during the quarter and evidence of earlier exploration for uranium was noted in old sample pits.

Four rock chip samples (DUH1 to DUH4) were collected from locations of high c/s radiometric readings and previously excavated costeans. DUH3 returned a high of 108ppm U_3O_8 . Further work will include ground radiometric surveys and sampling based on a review of radiometric data.

Mt Phillips Uranium Project

Reconnaissance commenced and access proved difficult. Sampling programs are planned for the next field season.

Uranium Projects Northern Territory

Dynasty has applied for three exploration licenses in the Northern Territory. Located on the Napperby 250,000 Map sheet, the areas are;

- ELA 25627 Mt Weldon
- ELA 25628 Possum Creek
- ELA 25626 Peaked Hill

Peaked Hill and Mt Weldon are two new Northern Territory exploration licence applications made in areas of open ground where it is considered there may be uranium. Previous exploration data will be studied and radiometrics obtained prior to field reconnaissance. Mt Weldon adjoins an area with identified uranium occurrences.

Gold / Nickel, Western Australia

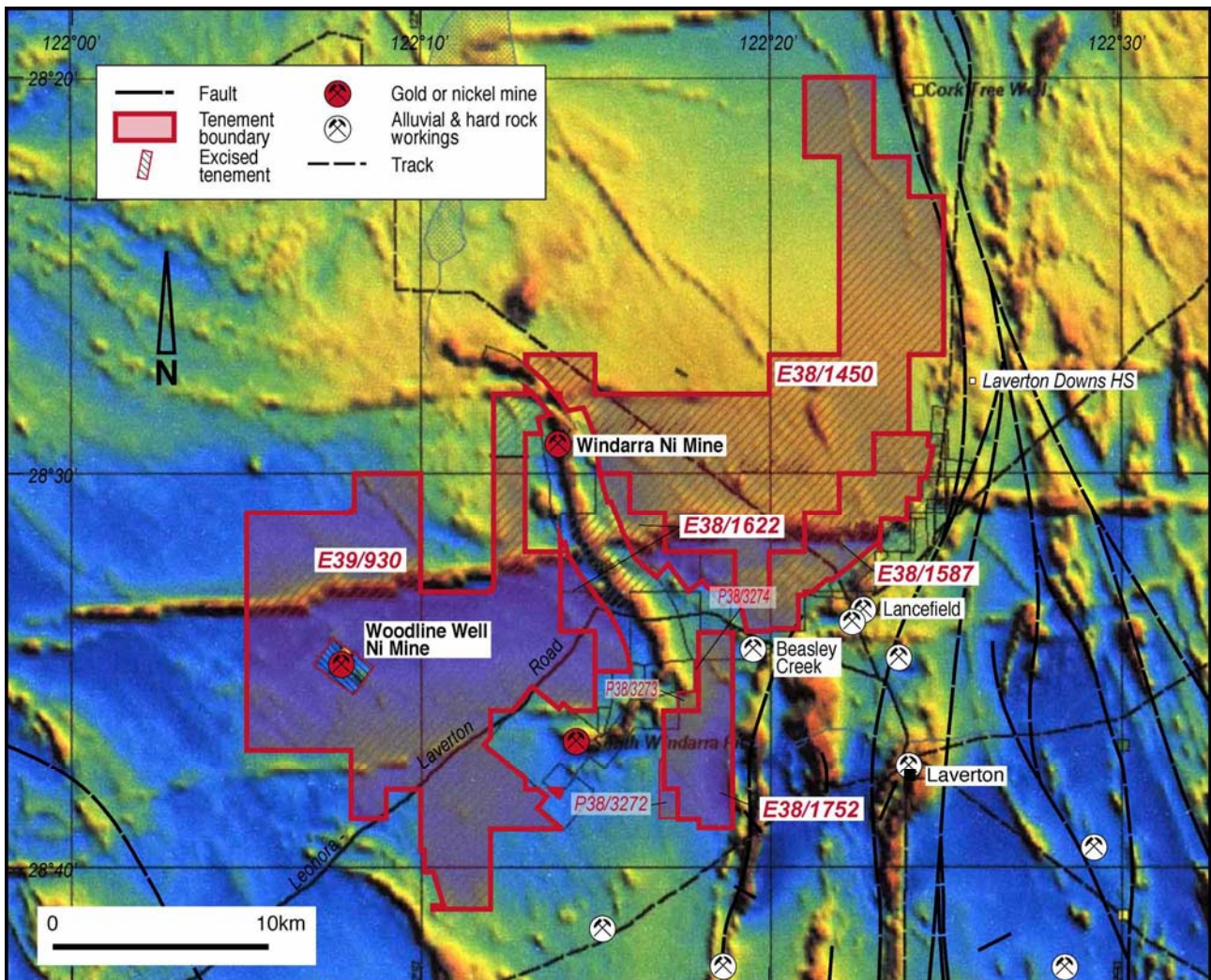
Laverton

The Laverton tenements are located north and west of Laverton. E38/1622 was granted on 3rd October. The areas adjoin the tenements containing the Mount Windarra and South Windarra nickel deposits.

Historically the region is one of high nickel and gold endowment and is still considered to be prospective for new discoveries. Exploration is being focused on under-explored areas of buried sediments and greentone sequences.

Reconnaissance magnetometer survey is being employed as the primary exploration tool with a grid survey being completed on the intersection of the Lancefield-BeasleyCreek-South Windarra and Mt Windarra alignments. Interpretation of results is being completed.

Radiometric surveys were unable to determine the contact between granites and mafic rocks. Further detailed ground magnetic surveys are planned to be followed by other geophysical methods and drilling if targets can be defined.



LAVERTON GOLD & NICKEL PROJECT - TENEMENTS OVER MAGNETIC IMAGE

Stella Range

The Stella Range Gold Project is located approximately 100km east-southeast of Laverton covering an area of 165km². There are significant mineralised resources adjacent to the tenement area, including the Fish and the Lord Byron gold resources.

Field work included soil sampling with best values up to 8ppb Au from limited sampling on E39/929. A further soil sampling program is proposed.

Hyden

Dynasty holds several tenement applications that are prospective for gold and nickel.

Iron, Western Australia

Prairie Downs

The tenements adjoin the Prairie Downs iron ore project and should be granted in the next quarter. Assessment of the project area will commence upon grant. Acquisition of aeromagnetic data will be used to outline possible channels associated with pisolitic iron outcrops.

North Shaw

Atlas Iron Limited are exploring for Iron on E45/2745. Dynasty will retain a 2% gross royalty. Dynasty also retains the rights to explore for gold within the project area.

Coal Seam Gas, Western Australia

Dynasty has an application for Coal Seam Gas (CSG) in the North Perth Basin in WA. SPA5/05-60A covers much of the Irwin River Coal Measures.

Irwin River Coal Seam Gas Project

The Perth Basin is a deep linear basin which contains the Lower Permian Irwin River Coal Measures up to 120m thick. The Coal seams at Irwin River have been identified as low rank black coal.

Dynasty was attracted to this area because of its proximity to the development in the region centred on the growing city of Geraldton. Exploration success could lead to options such as selling the CSG to a conventional supplier or developing gas-fired power. Dynasty has identified the Irwin River Coal Measures as a possible source of CSG that have not been evaluated for their CSG potential.

Dynasty is continually reviewing projects that would create potential wealth for shareholders.

Proposed Exploration for 2nd Quarter

- Dynasty will work on developing the Laverton Nickel Project with data acquisition and interpretation.
- Assess the Yanrey Uranium Project for potential new palaeochannels.
- Complete the gold drilling program at Bright Goldfield Project.
- Upon grant identify potential CID areas at Prairie Downs.
- Assessment report on the Stanley Uranium Project



Rita Brooks
Managing Director

The information in this report that relates to exploration results is based on information compiled by Alan Svanosio who is a member of the Australian Institute of Geoscientists. Alan Svanosio has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity he is undertaking to qualify as a Competent Persons as defined in the JORC Code. The Competent Person is not a full-time employee of Dynasty, however, he is engaged as its exploration consultant. He has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Online Share Register

Shareholders can access their share details at Security Transfer's website at www.securitytransfer.com.au

Shareholders can register to be notified by email. Please forward your details to: registrar@securitytransfer.com.au

Annual General Meeting

The Company's Annual General Meeting will be held at 11.00am on 28 November 2006 at 1st Floor 10 Stirling Highway, Nedlands, Western Australia.

Contact Us

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