



ASX Announcement

26 October 2007

DYNASTY PREPARES FOR AN ACTIVE QUARTER AHEAD

The Board of Dynasty Metals (ASX: DMA) is pleased to announce their quarterly report for the period ended 30 September 2007.

During the quarter, Dynasty continued to develop its highly promising gas resources at its mid-west Coal Seam Gas (CSG) project and lay the foundations for growth as an emerging Australian energy company.

Commenting on the quarter, Dynasty's Managing Director, Ms Rita Brooks said the past three months represent an important step for developing the Company's energy assets.

"We launched into exploration at our Irwin CSG project in Western Australia after receiving a Special Prospecting Authority in June and have completed the seismic survey," said Ms Brooks.

Located 65km east of Geraldton, the Irwin Coal Seam Gas project is close to existing gas pipelines in the Northern Perth Basin and well-positioned to service energy requirements of the expanding mid-west mining region. Western Australia is a historically coal-rich region and Dynasty is one of the first companies licensed to explore for coal seam gas in the State.

Ms Brooks went on to say that the Company has an exciting opportunity to uncover an economic CSG resource.

"The Irwin project represents a potential for early cash flow that will help add to shareholder value and improve our ability to fast track projects and return equity," she said.

On the uranium front, Dynasty completed the EM surveys at its Yanrey Uranium project in Western Australia to test for extensions of the Manyingee Uranium, Bennet Well and Main Road Bore palaeochannels.

"It's a hot-bed of activity with Paladin and Scimitar also working in this uranium-rich region area," said Ms Brooks. "We're fast tracking exploration based on our EM survey results and will drill test the interpreted targets in mid-November for approximately 12,000 metres."

The Company's earlier decision to focus on energy and uranium projects was further reinforced with the rationalisation of non-core gold and nickel assets. In July, Dynasty sold its interests in the Laverton Nickel Project to Poseidon Nickel Ltd (ASX: POS) for consideration of \$400,000 of fully paid shares in Poseidon.

"Dynasty shareholders will continue to participate in the nickel exploration through our shareholding in Poseidon while we are able to focus on our exciting in energy projects."

Dynasty's management team was strengthened during the quarter with the appointment of Dr Warick Brown as General Manager, Exploration. Dr Brown is a geologist with 29 years experience and is proving to be a valuable addition to the Dynasty team.

-ENDS-



For further information, please contact:

Rita Brooks
Managing Director
Dynasty Metals Australia Limited
08 9481 8668

Ann Nahajski
Porter Novelli
08 9386 1233

Or visit www.dynastymetals.com.au

About Dynasty

Since listing on the ASX in December 2005, Dynasty has laid the foundations for growth as an emerging Australian energy and uranium company. It has built its portfolio of uranium projects in Western Australia from five to 20, applied for exploration licenses over five areas prospective for uranium in Botswana, and has a SPA for Coal Seam Gas (CSG) exploration over the Irwin Coal Field. The Company also includes iron ore, nickel and gold among its exploration projects.

Dynasty has embarked upon the next phase of growth through exploration and is currently conducting an extensive seismic program to uncover CSG prospects over its Irwin Coal Bed Gas project in Western Australia.

Quarterly Activities Report
 For the quarter ended 30 September 2007

Issued Capital
 43.7M shares
 19.6M options

Cash
 at 25 October 2007
 A\$4.3M

Investments
 at 25 October 2007
 A\$1.3M

Board of Directors
 Graham Anderson
 Chairman and
 Company Secretary

Rita Brooks
 Managing Director

Andrew Stocks
 Director

Principal Office
 46 Ord Street
 West Perth 6005
 Western Australia

T +61 8 9481 8668
F +61 8 9481 8664

Highlights

- 100km seismic survey completed at Irwin coal seam gas project.
- Airborne electromagnetic survey completed at Yanrey Uranium project.
- Drilling program to commence at Yanrey in November.
- Four exploration licences for uranium and base metals granted in the Northern Territory.



1. Coal Seam Gas (DMA 100%)

Dynasty has completed a 100km geophysical survey at its 100% owned Special Prospecting Authority (SPA) Licence exploring for coal seam gas (CSG) in Western Australia's North Perth basin.

The survey is intended to define the extent and depth of the Irwin coal measures and it will assist the definition of drill targets once the seismic survey has been interpreted. The project is located 65km east of Geraldton in close proximity to existing pipelines and the expanding Mid-West iron ore mining region of Western Australia. Existing infrastructure, planned expansion and the demand for alternative power supplies encourages the company to develop this potential energy project.

The timeframe for development of this project is:

- 1) 2007 complete the SPA seismic interpretation and to complete the report to Department of Industry and Resources;
- 2) 2008 prepare a program to apply for an EP in order to drill the recommended targets and investigate the source of coal seam gas in the region.

The Directors have been working with energy consultants, Energy Advice, on a comprehensive review of the Australian energy market, with emphasis on coal seam gas and in particular the West Australia gas market. Energy Advice confirmed the existing tight supply conditions and as a result Dynasty is encouraged to pursue the development of this exciting project.



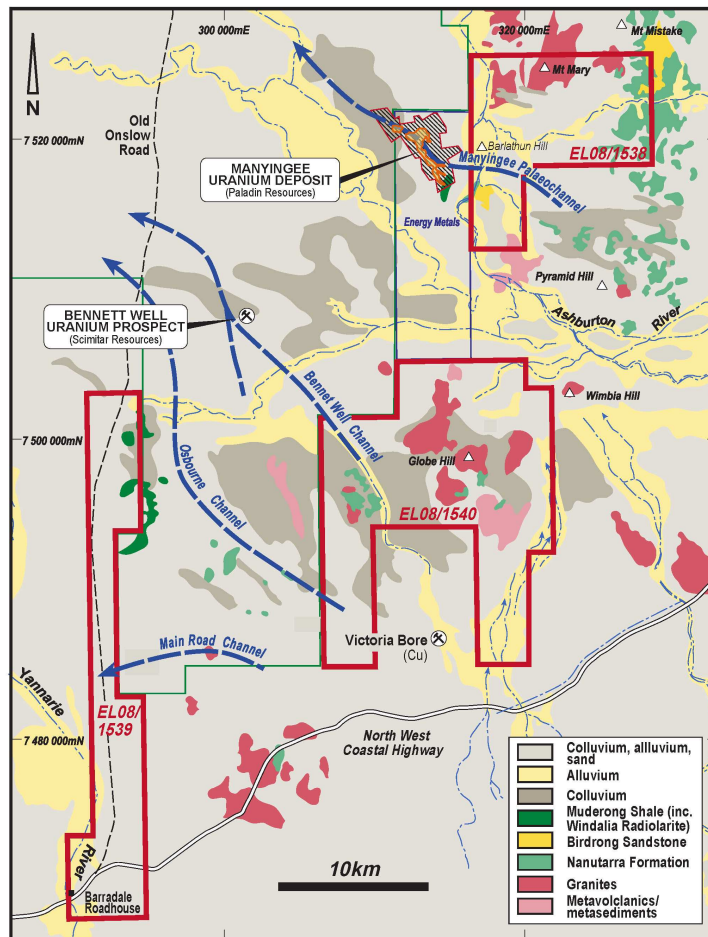
Irwin River seismic plan with existing gas and power network

2. Uranium

2.1 Yanrey Uranium Project (DMA 100%)

The Yanrey uranium project is located approximately 90 kilometres south east of Onslow. Dynasty has expanded the project area to a total of 528km² consisting of 6 exploration licences. The Peppingee prospect is situated 500m east of Paladin Resources' Manyingee uranium deposit which has an Inferred Resource of 12,078 tonnes at 0.08% U308.

GPX Airborne completed a 329 line kilometre airborne electromagnetic (RepTEM) survey over the Company's Yanrey tenements. A total of 177 line kilometres covering 33km² of the southern tenement was completed during the Quarter in conjunction with a 12 kilometre high definition ground survey at Main Road Bore prospect. Following interpretation of the EM Survey and permits the drill program will commence.



DMA Yanrey Uranium Exploration Projects

These programs are designed to locate new uranium palaeochannels and extensions of the palaeochannels that host the Manyingee uranium deposit and the Bennett Well uranium prospect. These palaeochannels run directly through Dynasty's exploration licences.

Scimitar Resources Limited recently announced an extended high grade zone of uranium mineralisation at the Bennett Well Prospect.

2.2 Mt Phillips (DMA 100%)

Geochemical sampling survey has been completed at Mount Phillips. The program aimed to target prospective shales where previous uranium mineralisation has been reported. Results are pending.

The field work identified previous unreported exploration pits and drill sites in three separate areas of the tenement. Ground spectrometer surveys have located several new areas of radiometric anomalies associated with calcretes and shearing. Follow up rock and soil sampling will be conducted this quarter.

2.3 Uranium Projects (100%)

Work on the data collection for Prairie Downs has commenced following the grant of EL52/1927, the Project area containing the extensions of the Prairie Downs Fault, which hosts the Prairie Downs Metals zinc deposit. The project is prospective for gold, uranium and base metals.

Dynasty has commenced data compilation and project review of the area. The Stanley-Nabberu project area is prospective for uranium, base metals, gold and nickel-copper-PGE sulphides. The applications are progressing.

Field reconnaissance work was conducted this quarter at Glen Florrie and Warrambo. Dynasty will conduct further field work to explore for uranium, base metals and CID's in these project areas.

The Company is pleased to report the grant of 4 exploration licences now in the Northern Territory. Data compilation is underway and field reconnaissance is scheduled to commence in November 2007.

Several uranium, tantalum, tungsten and base metal occurrences have been identified in the area.

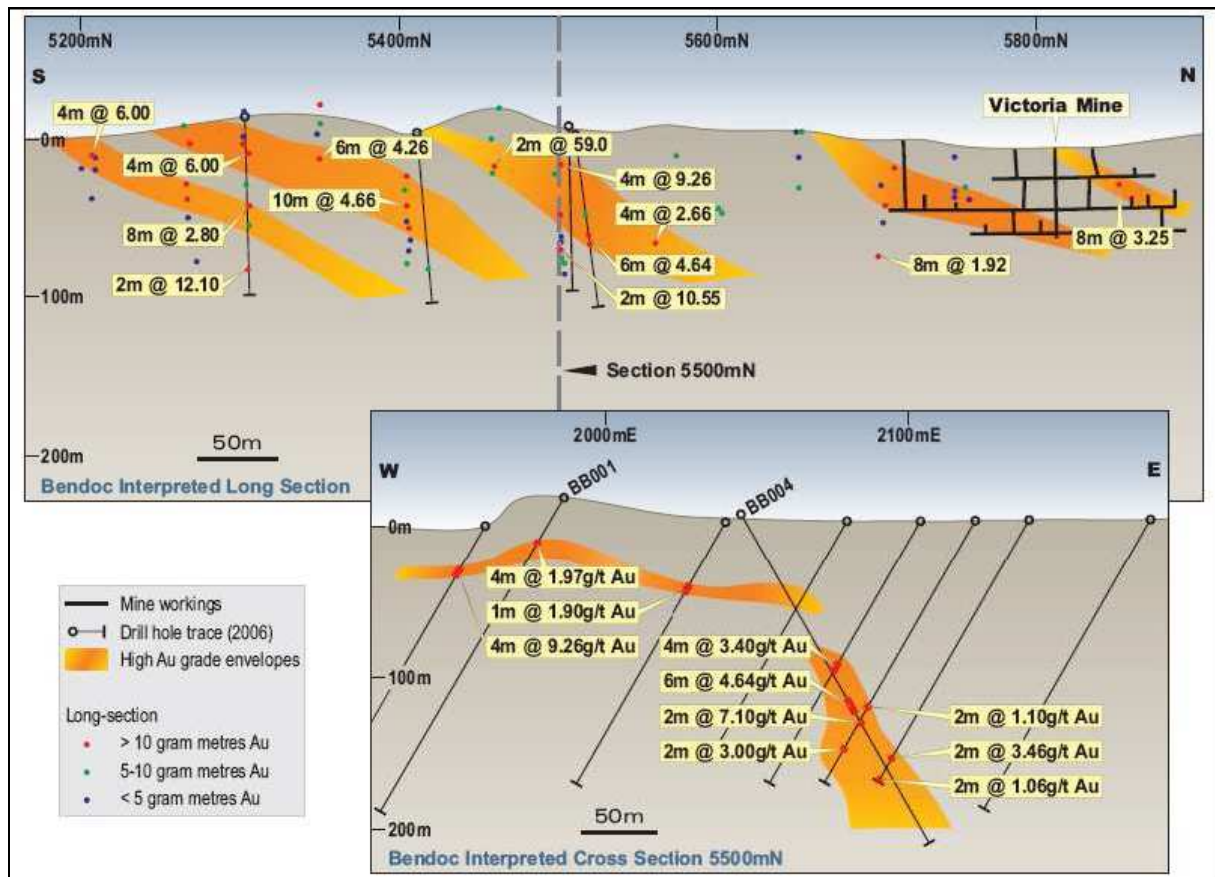
The projects are approximately 140 kilometres north-east and north-west of Alice Springs.

3. Botswana (DMA 100%)

Dynasty has five uranium exploration prospective licence applications in Botswana. Data compilation and field assessment of the project areas has commenced. Uranium exploration in Botswana represents a very good opportunity for new project development for Dynasty. A number of Australian uranium companies are situated in Botswana including A-Cap Resources Ltd, AE Resources Limited and Bannerman Resources Limited. Botswana has an established mining, gold and nickel mining industry and the Company's projects are situated in close proximity to Francistown and Gaborone, the capital city of Botswana.

4. Bendoc, Victoria Gold (DMA 100%)

A work program for 24 drill holes at the Victoria Star and two other gold prospects in the Bendoc project (EL4799) has been approved by the Department of Industry and Planning. Statewide Drilling Pty Ltd has been engaged to carry out the program and drilling is expected to commence in December 2007.



VICTORIA : Bendoc Gold Project Interpreted Cross Section

5. Corporate

Dr Warick Brown was appointed as General Manager Exploration on 1 September 2007.

The sale of the Laverton project to Poseidon Nickel Limited for \$400,000 payable in shares in Poseidon Nickel has been completed.

Sulphide Resources Ltd has purchased the Stella Range project for \$82,500.

The Company has approximately \$4.3M in cash and \$940,000 securities as at 30 September 2007. The shareholding in Atlas Iron is 500,000 shares at \$2.60 per share and was valued at \$1.3M as of 30 September 2007.



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 is appears.