



31 July 2008

Manager of Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000
By E-Lodgement

QUARTERLY ACTIVITIES REPORT FOR THE
QUARTER ENDING 30th June 2008

The Directors are pleased to submit the following Activities and Cash Flow Report.

Summary

This quarter has seen a significant reappraisal of the company's tenement portfolio resulting in a shift of emphasis away from uranium to coal and coal seam gas. Applications for additional ground adjacent to existing coal tenements in the Irwin River Basin have been submitted.

Irwin Coal Seam Gas (DMA 100%)

The Irwin coal seam gas project is located 65 kilometres east of Geraldton in close proximity to existing pipelines and the developing mid-west iron ore mining region.

Applications for two additional coal exploration tenements were submitted in May 2008. The Company believes the coal measures offer a valid exploration target for coal seam methane exploration

As a result of the seismic survey completed in November 2007, applications for two Exploration Permits (EPs) were submitted within the Special Prospecting Authority in April this year. Following approval, agreements will be sought from the relevant Native Title Groups prior to the commencement of exploration. The applications comprise eleven 5 minute graticular blocks in the southern part of the original SPA (SPA05/05-6) and six blocks in the northern part. The Petroleum Exploration Permit is exclusive and covers all hydrocarbons.

An additional 70 kilometres of seismic survey will be recorded in the Exploration Permit areas in the first year to augment data previously obtained by the company in the area of a number of logged bores in the area. From the results of the seismic survey, a core-drilling program will be initiated with targets approximately 350 metres into the lower

zones of the Irwin River Coal. The cores will be captured and degassed to accurately measure the amount of methane contained in the coals.

The total cost of the six year programme for the northern and southern EP areas is estimated as \$4.5 M with approximately \$680,000 to be spent in the first year.

Tiaro Coal Joint Venture

On 27 June 2008, Dynasty has executed an Off-Shoot Farm-In Agreement with Tiaro Coal which provides Dynasty the right to acquire up to 51% of Tiaro Energy Corporation Pty Ltd's (TEC) interest in each of EPC 956 and EPC 957 through progressive payments of up to \$5m.

TCJV has approved an exploration strategy to discover new coal deposits and identify a JORC compliant coal resource to take advantage of good outlook for substantially higher coking and thermal coal prices and TEC as project manager for tenements in TCJV is investigating opportunities for coal exploration in new areas.

Bendoc, Victoria, Gold (DMA 100%)

The adjoining Bendoc (EL4799) and Bonang (EL4824) tenements are located 100 km north of Orbost in eastern Victoria on the NSW border and cover a combined area of approximately 475 km². Gold has been extracted from both primary quartz reefs and alluvial deposits in the historic Bendoc, Bonang and Clarkeville goldfields which are completely included within these tenements. Over 40,000 ounces of gold are reported to have been produced from the Bendoc and Bonang mineral fields. The average grade for quartz reefs is reported as 57 g/t gold.

A collation and analysis of all available recent and historic exploration activity was undertaken. A non-JORC resource of approximately 60,000 oz Au has been calculated based on 6000m of RC drilling by Zephyr Minerals and four diamond drill holes completed by Dynasty Metals Australia Ltd (992,000 t @ 1.9 g/t, using a 1 g/t Au cut-off grade, cell size of 20m x 2m x 4m, specific gravity of 2.1). Most of the holes drilled by Zephyr Minerals were based on a 50 x 50 m spaced grid focussing on the central region of the Bendoc tenement (EL4799).

Significant base metal anomalism in the region is also worth noting, particularly surrounding the Victoria Star mine.

Botswana (uranium)

As noted in the previous quarterly report (period ending 31 March 2008), licences applied in Botswana have been approved. During this reporting period, DMA engaged the services of NGIS, Geographic Information Systems and remote sensing consultants, to compile all available open-file data (geology and airborne magnetic and radiometric surveys). This has been completed. An analysis of this database has commenced with a view to defining areas for follow-up ground-based work as well as acquisition of additional ground. In some cases applications to revise the exploration licences to include gold and base metals are being considered.

Tenement Review

A major review of all tenements will result in Dynasty taking the following actions to:

- divest all Uranium tenements by Joint Venture;
- explore the Warramboos tenements for channel iron deposits; and
- continue to explore the extensive tenements holdings at Prairie Downs for iron and gold and base metals and those in the Stanley-Nabberu group for gold and base metals with a Joint Venture Partner.

Annual technical reports for Poly Well, (E09_1310), Glen Florrie (E08/1621), Hector Bore (E09/1204), Prairie Downs (E52/1927, E52/1938, E52/1949), Warramboos (E08/1620), Yanrey (E08/1699), and Hyden (E77/1326) were submitted to the DOIR during the reporting period ending 30 June.

By order of the board

For further information:

Dr Warick Brown

(08) 9481 8668

Qualifying statement

Dr. Warick Brown has compiled the information in this report. Dr. Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Dr. Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.