

ASX Code: DMA



ASX Announcement  
16<sup>th</sup> April 2010

**DYNASTY ANNOUNCES  
BOARD APPROVAL EXPLORATION PROGRAM  
RATIONALISATION OF NON-CORE TENEMENTS**

**Dynasty Metals Australia Limited (ASX:DMA) ("Dynasty")** is pleased to announce that since the successful conclusion of the recent placement by Patersons Securities, the Board of Directors has now approved Phase 1 of the 2010 Exploration Expenditure Program of approximately \$2.5M for the Prairie Downs Project.

The Board also, as a result of the outstanding success of its 2009 Exploration Program at Prairie Downs which defined 476mt of inferred JORC compliant iron resources, has decided to transfer all non-iron tenements into wholly owned subsidiaries so as the company may focus solely on its flagship project in Prairie Downs and so that value in these tenements may be unlocked for shareholders.

2010 Exploration Phase 1, Program

The aim of the program is to advance the understanding of the iron mineralisation present in the Prairie Downs tenements and to carry out beneficiation studies of the large detrital deposits in this area.

The program is designed to:

- Complete infill drilling of the 453M tonne Spearhole Deposit
- Define high grade Fe zones in Spearhole
- Complete bulk testing of the Spearhole Deposit and undertake beneficiation tests
- Evaluate the continuation of the Spearhole Deposit to the south and south east
- Identify possible extensions to the Marra Mamba Formation and drill those targets
- Explore for hidden Brockman Iron Formation which overlies the Marra Mamba Formation
- Drill the Homestead iron rich basal conglomerate

The results of the Phase 1 program will be used to define the Phase 2 program. Work will also commence during Phase 1 on investigations into infrastructure options and the early preparations for environmental and native title clearances required to support any future project development.

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### Rationalisation of Non-Core Tenements

To ensure the Company remains focussed on its Pilbara iron ore projects, the Board has decided to transfer all its non-iron tenements to the following three new wholly owned subsidiaries:

1. Scorpion Resources Limited – Stanley Nabberu Tenements (base metals, gold and uranium)
2. Irwin Energy Limited – Irwin River Coal and Petroleum Exploration Licenses (coal and coal seam gas)
3. Taurus Resources Limited – W.A. and N.T. uranium, Victorian gold projects.

The Board has been in advanced discussion with various brokers which have expressed interest in supporting the spin-off of the above three subsidiaries. It is also the Board's intention to seek additional projects to be injected into the three subsidiaries, and wherever possible and viable to advance each entity to public listing.

On completion of the tenement transfer and securing further tenements as may be appropriate, the Board intends to provide a priority-offer and/or in-specie distribution of the shares in the subsidiaries to Dynasty shareholders at that time, so as to unlock value in these areas for the benefit of shareholders.

**For further information please contact either Messrs:**

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