

ASX Code: DMA



8 October 2010

Company Announcements Office
ASX Limited

HEBEI XING HUA IRON AND STEEL CO. LTD

Emerging Iron Ore explorer, **Dynasty Metals Australia Limited (ASX:DMA, "Dynasty")** is pleased to announce that Xing Hua Iron and Steel Co., Ltd (Xing Hua) has accepted an offer to take a 15% placement in Dynasty at \$0.18/share. The placement comprises the issue of 11,652,197 fully paid ordinary shares in the Company to Xing Hua or its nominee, for a total capital injection of \$2,097,035. The shares are voluntary escrowed for 12 months from the date of issue.

The placement will enable Dynasty to accelerate the exploration program on its Prairie Downs Iron Ore Project.

Dynasty's Directors have also unanimously agreed to the appointment of a Xing Hua nominee to the board of the Company.

Directors are pleased with Xing Hua's commitment to growing Dynasty's asset base, including ongoing investment in the Company and commercial and technical management support, in the evaluation and development of its iron ore project in the Pilbara region of Western Australia, at Prairie Downs.

Xing Hua also provides the scope to secure long term iron ore off-take arrangements into the Hebei steel making province of China and with technical and financial assistance.

"We look forward to working closely with Xing Hua and its representatives in successfully developing for Dynasty's iron ore mining and export business in Australia," Dynasty's Chairman, Ian Levy said.

IAN LEVY
Chairman
Dynasty Metals Australia Limited

About Xing Hua:

Xing Hua Industries was founded in 1985 by Mr Maochun Chen, a former Army Cadre, with its headquarters located in the town of Fuzhou City, Fujian Province near China's South East coast.

After 25 years of development, the Xing Hua Industrial Company's subsidiary company Xing Hua Iron and Steel Co. Ltd has total assets of more than 2.6 billion Yuan (~AUD\$440 million) and more than 4,000 employees. Xing Hua Industrial Company ranks as number 308 of China's top 500 manufacturing companies. Xing Hua Industrial Company combines five core operating divisions – iron and steel smelting, steel rolling, real estate development, environmentally friendly materials handling and international trade has made the group highly competitive as a vertically integrated and diversified regional industrial group with total assets of more than 8 billion Yuan (~AUD\$1.4 billion) and more than 5,000 employees.

With an annual value exceeding tens of billions of Yuan, the Company is a modern private enterprise including a complete organisation of party and political entities and a labour union. Xing Hua Iron and Steel has an annual demand for approximately 3 million tonnes of iron ore and is currently being supplied from Australia, India and internal Chinese sources.

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