

# DYNASTY

METALS AUSTRALIA LTD

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10 January 2006

Dear Shareholder

## OPTION ISSUE

Dynasty Metals Australia Ltd (Dynasty) successfully listed on ASX on 6 December 2005. Dynasty has commenced exploring its gold, uranium, nickel and iron projects (as described in the IPO Prospectus). Drilling will start in January at Dynasty's Bendoc Gold Project in Victoria and field work has already commenced at our Bright Gold Project. For further details of these and Dynasty's other exploration projects please visit the website at [www.dynastymetals.com.au](http://www.dynastymetals.com.au).

On 6 January 2006, Dynasty lodged a Prospectus with ASIC and ASX for a non-renounceable Options Issue to all shareholders registered on 17 January 2006. Each Option will cost one cent (\$0.01) and will be exercisable at 20 cents each on or before 29 February 2008. Application has been made to ASX to have these Options quoted.

The Option Issue has been fully underwritten by Cube Financial Group Pty Limited who was the Lead Manager to Dynasty's successful IPO in December 2005. The Option Issue will raise an additional \$258,500 working capital, less the costs of the issue estimated at \$25,000. When the Option Issue has been completed, Dynasty will have on issue 25,850,000 Shares (ASX Code: DMA) and 25,850,000 Options, of which 16,275,002 are quoted and the remainder are restricted until 6 December 2007.

As a shareholder on 17 January 2006, you will be entitled to subscribe for one (1) Option for every one (1) Share you hold. Soon after 17 January 2006 you will be sent the Option Prospectus with a personalised Entitlement and Acceptance Application Form for your attention. The Option Prospectus is also available on the ASX website and Dynasty's website.

**Important dates** that affect you as a shareholder regarding the Option Issue are:

|                         |  |
|-------------------------|--|
| <b>11 January 2006</b>  | Shares quoted by ASX on an "ex" entitlement basis  |
| <b>17 January 2006</b>  | Record Date to determine entitlements of shareholders for the Option issue   |
| <b>19 January 2006</b>  | Expected date of dispatch of the Option Prospectus with a personalised Entitlement and Acceptance Application Form to each shareholder |
| <b>16 February 2006</b> | Closing Date of the Option Issue by which all completed Forms and cheques should be sent directly to Dynasty's Share Registry          |
| <b>17 February 2006</b> | Options quoted on a Deferred Settlement Basis  |
| <b>24 February 2006</b> | Despatch Date of shareholder statements.<br>Deferred Settlement trading of Options ends  |

We look forward to your participation in the Option Issue and your continuing support for Dynasty as it explores for gold, uranium, nickel and iron.

Regards



Peter Andrews  
Chairman