

21 February 2006

The Manager  
Australian Stock Exchange Limited  
Level 8 Exchange Plaza  
2 The Esplanade  
Perth WA 6000

Dear Sir / Madam

**OPTION ENTITLEMENT ISSUE 17 JANUARY 2006**

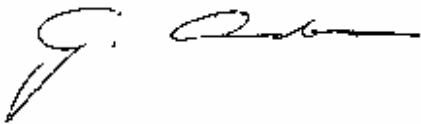
The Directors of Dynasty Metals Australia Ltd ("Dynasty") are pleased to announce that the option entitlement, being 1 Dynasty option issued at an issue price of 1 cent each per Dynasty fully paid ordinary share held at record date 17 January 2006 has been formally closed.

All Options have been allocated as per the subscriptions received and we formally notify you as to the allotment and shortfall as detailed below:

Number of Dynasty Fully paid ordinary shares on issue	-	25,850,000
Options to be allocated as per prospectus	-	25,850,000
Working capital to be raised (before costs associated with issue)	-	\$258,500
Working capital raised via shareholder allotment	-	\$158,435
Working capital raised via Underwriting Agreement	-	\$100,065
Number of options comprising shortfall	-	10,006,482

Yours sincerely

**DYNASTY METALS AUSTRALIA LTD**



**GRAHAM ANDERSON**  
Company Secretary