

26 October 2007

Dear Shareholders

Please find enclosed the Notice of Meeting and Proxy Form in relation to a General Meeting of the Company to be held in Perth on 29 October 2007. Your Directors were required to call this meeting because of a requisition notice received on 21 August 2007 from Mr Lewis Tay and Mr Ting Lam under Section 249D of the Corporations Act 2001. Dynasty will have to meet the cost of calling and holding this meeting.

The resolutions proposed by Mr Tay and Mr Lam are the appointment of three new Board members and the removal of the current Dynasty Board of Directors, which would mean a complete change of control of the Company.

Mr Tay and Mr Lam and their three nominees have not offered the Company any opportunity for discussions prior to the requisition. The requisition was not accompanied by an explanation for the advancement of the Company, nor do the proposed Directors have any experience in coal seam gas exploration.

Your Dynasty Directors have unanimously decided **not to support the resolutions** and on behalf of the current board, I therefore urge you to:

**Reject each and every proposed resolution and to vote against them by attending the meeting or completing the Proxy Form (see attached Proxy Form details)**

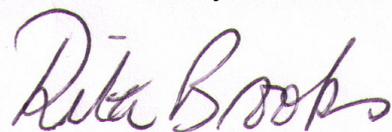
Your elected Board has a positive plan for the future of Dynasty and the necessary experience to take your Company to the next growth phase.

Your vote is important and you are being asked to vote against the removal of the Board. Please carefully read the Directors' statement and the statement in support of the resolutions before deciding how to vote.

We believe you will come to the conclusion that your current Board is the right team to seek solutions for our future energy demands in developing coal seam gas projects and uranium exploration.

Please do not hesitate to contact me on (08) 9481 8668 should you have any queries on these matters.

Yours sincerely



Rita Brooks  
Managing Director

**DYNASTY METALS AUSTRALIA LTD**

ABN 80 110 385 709

**NOTICE OF GENERAL MEETING**  
**and**  
**EXPLANATORY MEMORANDUM TO**  
**SHAREHOLDERS**

**For a General Meeting to be held on**  
**29 October 2007 at 11.00 am (WST) at**  
**The Celtic Club, 48 Ord Street,**  
**West Perth, Western Australia**

## **NOTICE OF GENERAL MEETING**

### **DYNASTY METALS AUSTRALIA LTD ABN 80 110 385 709**

Notice is hereby given that a General Meeting of Dynasty Metals Australia Ltd will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 29 October 2007 at 11.00 am (WST).

#### **AGENDA**

##### **SPECIAL BUSINESS**

###### **Resolution 1 – Appointment of Mr Garry Robert Hemming**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Garry Hemming, having consented to act and having signalled his candidature for the office in accordance with clause 13.4 of the Company's Constitution, be and hereby is appointed as a Director of the Company."*

###### **Resolution 2 –Appointment of Mr Malcolm Carson**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Malcolm Carson, having consented to act and having signalled his candidature for the office in accordance with clause 13.4 of the Company's Constitution, be and hereby is appointed as a Director of the Company."*

###### **Resolution 3 –Appointment of Mr Richard Oh**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Richard Oh, having consented to act and having signalled his candidature for the office in accordance with clause 13.4 of the Company's Constitution, be and hereby is appointed as a Director of the Company."*

###### **Resolution 4 –Removal of Ms Rita M Brooks**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That in accordance with Section 203D of the Corporations Act and clause 13.6 of the Company's Constitution, Ms Rita Brooks be removed as a Director of the Company with immediate effect."*

###### **Resolution 5 –Removal of Mr Graham Anderson**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That in accordance with Section 203D of the Corporations Act and clause 13.6 of the Company's Constitution, Mr Graham Anderson be removed as a Director of the Company with immediate effect."*

## **Resolution 6 –Removal of Mr Andrew J Stocks**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That in accordance with Section 203D of the Corporations Act and clause 13.6 of the Company's Constitution, Mr Andrew J Stocks be removed as a Director of the Company with immediate effect.”*

## **Resolution 7 –Removal of other Directors**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That in accordance with clause 13.6 of the Company's Constitution, any person appointed as a Director of the Company between 21 August 2007 and the date of the meeting other than Mr Garry Hemming, Mr Richard Oh and Mr Malcolm Carson be removed as a Director of the Company.”*

## **EXPLANATORY MEMORANDUM**

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of General Meeting.

## **PROXIES**

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## **“SNAP-SHOT” TIME**

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company's directors have determined that all shares of the Company that are quoted on ASX as at 11.00am (WST) on 27 October 2007 shall, for the purposes of determining voting entitlements at the General Meeting, shall be taken to be held by the persons registered as holding the shares at that time.

## **By Order of the Board of Directors**

Graham Anderson  
Director and Company Secretary  
Dynasty Metals Australia Ltd  
Date: 25 September 2007

**DYNASTY METALS AUSTRALIA LTD  
ABN 80 110 385 709**

**EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**This Explanatory Memorandum has been prepared to assist Shareholders in understanding the business to be put to Shareholders for their consideration at the forthcoming General Meeting of the Company.**

**The Directors recommend that you read this Explanatory Memorandum and attend the General Meeting.**

**BACKGROUND**

The Company has received a notice pursuant to section 249D of the Corporations Act (the "Notice") to convene a general meeting for purpose of seeking the approval of members to replace Ms Rita Brooks, Mr Graham Anderson and Mr Andrew Stocks as directors of the company with Mr Garry Hemming, Mr Malcolm Carson and Mr Richard Oh.

The Notice was submitted by Mr Lewis Tay and Mr Ting Lam.

**STATEMENT BY MR LEWIS TAY AND MR TING LAM.**

**Dear Fellow Dynasty Metals Shareholder**

As significant shareholders we are writing to you to express our desires and request your assistance and support of our proposed resolutions.

Our objective in our actions to change the board of Dynasty Metals is in an effort to improve the performance of our company. Specifically, we are focusing on the following:

- Developing a strong professional board and exploration team.
- Undertaking more aggressive exploration activities.
- Reviewing and prioritising existing projects.
- Actively evaluating new projects including acquisitions and joint venture opportunities.
- Improving shareholder communications.
- Avoiding any director personal conflicts with those of the companies.
- Improving share price and liquidity.

To advance these objectives we have put forward three independent highly qualified professionals whom have agreed to serve as your Directors to achieve these goals as above for all shareholders.

**Garry Robert Hemming** B.App.Sc.App.Geol., M.Aus.I.M.M, M.A.I.G.

Mr Hemming is a consulting geologist with over 30 years experience in all aspects of the mining industry and has 20 years executive Director experience in a number of listed companies operating in Australia, South East Asia, Spain and Africa.

His experience includes exploration in gold, platinum, base metals, uranium, mineral sands, diamonds and rare earths and has been personally responsible for a number of new mineral discoveries.

Expertise includes; Corporate Management; Corporate Promotion; Team Building and Leadership; Mediation and Negotiation; Strategic Planning; Project Generation Project Logistics; Project Assessment, Ore Body Discovery, Exploration and Resource Delineation; Feasibility Studies; Due Diligence and Expert's Reporting. He has been responsible for signing off numerous public reports as an AusIMM competent person.

**Malcolm Carson** B.Sc Geol. (Econs), M.Sc. (Resource Management)

Mr Carson has over 35 years experience in all aspects of the resources sector ranging from field exploration geologist to investment banking (project finance, royalty finance, corporate finance and treasury), state public service, mining equipment manufacture and hire, asset acquisition, corporate restructuring and business development. He has worked principally with gold, copper, coal and iron ore resource projects.

Mr Carson is currently the Chief Geologist, Exploration and Project Manager of Cudoco Limited (ASX Code: CDU) – responsible for the project management, resource definition and development of Cudoco's Rocklands Copper Project. Cudoco is one of Australia's most successful exploration companies.

**Richard Oh** CA, A.I.C.D

Richard has been a Chartered Accountant with 35 years experience including being a stock broker principal for more than 12 years. He was a founding shareholder and director of two boutique stock broking firms in Perth and held positions of executive director and managing director in these firms. As a stockbroker he was instrumental in the listing of numerous companies including resources exploration companies. He has also previously held positions of chairman, director and company secretary at various times in resources, property and industrial list and unlisted public companies.

Richard is currently the non executive Chairman of Accent Resources NL, an ASX listed company and Chairman of Asia Resources 168 Ltd, an unlisted public company. He is also a Founding Director of Capital & Corporate Advisors Pty Ltd, a licensed securities dealer company that he established with a firm of Chartered Accountants. He is also a member of the Australian Institute of Company Directors and a foundation member of the West Australian Chinese Chamber of Commerce.

We urge you to consider these nominations and vote in favor either at the general meeting or via your proxy vote. If you have any questions or would like further information in relation to any of the nominees please contact Mr. Mark Foster at Steinepreis Paganin.

Level 4, Next Building, 16 Milligan Street, Perth WA 6000,  
Telephone 08 9321 4000 Facsimile 08 9321 4333

Yours sincerely



Lewis Tay



Ting Lam

## STATEMENT BY DIRECTORS

**The Board is currently comprised of Mr Graham Anderson, Ms Rita Brooks and Mr Andrew Stocks.**

Your Board is extremely disappointed that Mr Tay and Mr Lam (collectively owning 6.8% of the issued capital in Dynasty) have exercised their rights under the Corporations Act to see fit to convene this meeting. We consider their actions are an unnecessary and unwarranted distraction which is extremely prejudicial to the interests of your Company.

The Board is also disappointed that despite calling for the replacement of the current Directors, no explanation, strategy or plan has been put forward for inclusion in this Explanatory Memorandum.

However, addressing the general points of focus raised in the requisition by Mr Tay and Mr Lam, the Board comments as follows:

### **1. *Developing a strong professional Board and exploration team.***

Your Company has a strong and professional team. Founding Directors, Graham Anderson and Rita Brooks have been instrumental in the exciting growth of projects, both in Australia and Botswana. Andrew Stocks joined the Board early this year and brings substantial operational and management experience to the Company. The exploration team is headed by Dr Warick Brown, a geologist with specialist and internationally recognised ore body identification skills. Director and management profiles are attached to this Notice.

The current Board has served shareholders diligently and is fully aware of the direction and corporate intent of the Company.

Mr Tay and Mr Lam's nominees as Directors have very limited knowledge of Dynasty's current activities, its projects, its shareholders, or the transactions that have forged exciting opportunities of coal seam gas in the North Perth Basin and uranium project development in Botswana.

We are not aware of any additional skills that Mr Hemming, Mr Carson or Mr Oh bring to the Board and exploration team over and above the current skill base. Neither Mr Tay, Mr Lam nor the nominated Directors provide any indication as to how they plan to increase shareholder value or fast track project development.

### **2. *Undertaking more aggressive exploration activities.***

The current Board has demonstrated its commitment to deliver shareholder value through consistent communication which outlines the exploration strategy, significant milestones and updates. Shareholders can be assured that the Board is actively pursuing its growth opportunities and advancing the approval process as fast as possible.

Exploration activities across Western Australia are regulated by the Native Title and Mining Acts and various State Government approval processes. Your Company's Board is committed to responsible exploration and maintaining good relations with all stakeholders.

As part of Dynasty's Special Prospecting Authority over its Irwin coal seam gas project, the Company is conducting a non-ground disturbing geophysical survey and negotiating Native Title issues prior to drilling test wells. The leases were granted in April and a fulltime geophysical survey commenced work in May. The survey is due for completion shortly.

For more information, we ask that shareholders review the latest Quarterly Report and Corporate presentation available on the Company's webpage and on the ASX webpage. To be notified of press releases electronically, please register your email address on the Company's webpage at [www.dynastymetals.com.au](http://www.dynastymetals.com.au).

### **3. Reviewing and prioritising existing projects.**

Dynasty has openly reviewed its projects, publicly stated that significant potential lies in its energy projects and is pursuing that strength. Dynasty has commenced activities on the energy projects and made prudent commercial decisions on its non-energy assets.

### **4. Actively evaluating new projects including acquisitions and joint venture opportunities.**

Dynasty commenced public life almost two years ago with three uranium projects. Today the Company boasts twenty uranium projects in Australia, applications over a further eight uranium projects areas in Botswana and a promising gas project in the energy hungry North Perth Basin. The extensive knowledge of the current Board has enabled the identification of these additional projects, creating significant shareholder value.

### **5. Improving shareholder communications.**

Dynasty's communications with shareholders takes many forms, including activity updates through Quarterly and Annual Reports as well as through the webpage and mail-outs. The Company also welcomes telephone calls from shareholders and endeavours to answer any questions in a frank, friendly and open manner.

The Company is wary of bombarding shareholders with interminable notifications however.

### **6. Avoiding any Director personal conflicts with those of the company.**

The Company has a clear Corporate Governance Policy and believes that potential conflicts are managed in a manner similar to the majority of Australian public companies.

### **7. Improving share price and liquidity.**

The Board believes in building true shareholder value through:

- Identifying and acquiring quality projects;
- Exploring those projects for economic resources;
- Communicating its investment value proposition to shareholders, investors and brokers.

Investor and broker presentations have been given this year in Brisbane, Sydney and Perth. The Board believes that consistently communicating the Company's exploration focus and investment upside will ultimately build a stronger and **sustainable** share price as results are delivered.

**Shareholders should consider that Mr Tay and Mr Lam have provided no proposal for the advancement of your Company on which you may make an informed decision.**

Exploration success is the result of hard work, dedication and experience. Your Company has established the foundations for success and is now in an enviable position with a pipeline of exploration projects moving through the approvals, planning and activity processes. This foundation should see an exciting and sustainable future for Dynasty Metals Australia Ltd.

## **ENQUIRIES**

Shareholders can contact the Company on (61 8) 9481 8668 if they have any queries in respect of the matters set out in these documents.

## DEFINITIONS

Throughout the Notice of Meeting and Explanatory Memorandum, the following definitions are used:

**ASX** means Australian Stock Exchange Limited ACN 008 624 691;

**Board** means the board of directors of the Company;

**Company** or **Dynasty** means Dynasty Metals Australia Ltd ABN 80 110 385 709;

**Corporations Act** means the Corporations Act 2001;

**Director** means each of the current directors of the Company;

**Listing Rules** means the official listing rules of ASX;

**Meeting** or **General Meeting** means the meeting of Shareholders convened by this Notice of General Meeting;

**Shareholder** means a holder of Shares;

**Shares** means fully paid ordinary shares in the capital of the Company; and

**WST** means Western Australian standard time.

# PROXY FORM

## DYNASTY METALS AUSTRALIA LTD ABN 80 110 385 709

### Shareholder Details

Name: .....

Address: .....

Contact Telephone No: .....

Contact Email Address: .....

Contact Name (if different from above): .....

### Appointment of Proxy

I/We being a shareholder/s of Dynasty Metals Australia Ltd and entitled to attend and vote hereby appoint

The Chairman  
of the meeting

OR

Write here the name of the person you  
are appointing if this person is someone  
other than the Chairman of the Meeting.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Dynasty Metals Australia Ltd to be held at The Celtic Club, 48 Ord Street, West Perth, WA, 6005 on 29 October 2007 at 11:00am WST and at any adjournment of that meeting.

### Voting directions to your proxy – please mark to indicate your directions

#### Special Business

	For	Against	Abstain*
Resolution 1 Appointment of Garry Hemming as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Appointment of Richard Oh as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Appointment of Malcolm Carson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Removal of Rita Brooks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Removal of Graham Anderson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Removal of Andrew Stocks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Removal as a Director of any other Director appointed after 21 August 2007	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>OR</b> If you do NOT wish to direct your Proxy how to vote			<input type="checkbox"/>

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

\*Appointment of a second proxy (see instructions overleaf).

\*If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

**PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented**

Individual or Shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## How to complete this Proxy Form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on 08 9481 8668 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of General Meeting or may be obtained from the company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 11:00am (WST) on 27 October 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the company's registered office at Ground Floor, 46 Ord Street West Perth WA 6005 (P O Box 531, West Perth WA 6872) or sent by facsimile to the registered office on 08 9481 8664.

## DIRECTOR AND MANAGEMENT PROFILES

**Mr Graham Anderson** BBus, DipFP, CA

**Chairman and Company Secretary**

Mr Anderson is a Chartered Accountant with 25 years commercial experience who operates his own specialist accounting and management consultancy practice. From 1990 to 1997 he was an audit partner of Duesburys and from 1997 to 1999 he was an audit partner at Horwath Perth. He is currently a Director of four ASX listed companies and Company Secretary of three others.

Graham has previously held positions of Chairman, Director or Officer of over a dozen public companies and has extensive knowledge of corporate governance. He is responsible for Dynasty's corporate governance compliance.

**Ms Rita Brooks** BEd

**Managing Director**

Ms Brooks is a founding director of Dynasty Metals Australia Ltd, having acquired the projects and listed the Company on the ASX in 2005. She has been instrumental in growing the Company's portfolio of uranium projects from five in Australia to 20 in Australia and eight in Botswana, in addition to the Irwin coal seam gas project. She was a founding director of Berkeley Resources Ltd a uranium exploration company which listed on the ASX in 2003. She is a director of several private companies and has acquired and explored projects for uranium, gold, nickel, and other commodities throughout Australia and Africa.

Rita has been involved in several listed companies and has over 20 years experience developing new businesses in the resources and exploration industries.

**Mr Andrew J Stocks** BE, Grad Dip Bus, JP, FAusIMM, MAICD

**Director**

Mr Stocks is a Mining Engineer with 20 years experience in mining operations. He has been particularly active in the areas of business optimisation, cost and production efficiency improvements, project evaluation and strategic development of mining projects in Australia and overseas.

Andrew was previously Managing Director and Chief Executive Officer of Siberia Mining Corporation, an ASX listed gold miner and explorer until its merger with Monarch Gold. Prior to Siberia, he was Vice President, Operations of Crew Gold Corporation, a London based mining and exploration company with operations in Europe.

**Dr Warick Brown** PhD, MSc, BSc, Dip Comp Sc, MAusIMM, MAIG

**General Manager, Exploration**

Dr Brown brings specialist and internationally recognised ore body targeting skills to Dynasty as General Manager, Exploration. His prior role was at the Minerals Council of Australia and University of Western Australia, Perth as Lecturer and MSc coordinator in the Centre for Exploration Targeting.

Warick also worked at WMC Resources as Project Geologist in the areas of surface exploration, prospect evaluation and underground mine work at Olympic Dam, Kambalda and Bendigo. He completed his PhD in 2002 with his Thesis "Artificial neural networks: A new method for mineral-prospectivity mapping".

**Mr Alan Svanosio** BSc, Dip App Sc, MAIG

**Senior Geologist**

Mr Svanosio has over 30 years experience in mineral exploration and management, specialising in base metals and gold. Past significant positions include Exploration Geologist for Carpentaria Exploration Pty Ltd (MIM Holdings), Senior Exploration Geologist for Sons of Gwalia, Project Geologist at the Desoza Mine for Kinglake Resources Pty Ltd and Project Geologist for Pacific Magnesium Limited.

Alan has worked in all states of Australia, the Northern Territory, PNG and USA.