

DYNASTY METALS AUSTRALIA LIMITED

ACN 110 385 709

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

EXPLANATORY MEMORANDUM

Date of Meeting

24 November 2009

Time of Meeting

11.00AM (EDST)

Place of Meeting

Level 6
175 Macquarie Street
Sydney NSW 2000

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DYNASTY METALS AUSTRALIA LIMITED ACN 110 385 709 ("Dynasty/the Company") WILL BE HELD AT LEVEL 6, 175 MACQUARIE STREET, SYDNEY NSW 2000 ON 24 NOVEMBER 2009, AT 11.00 AM (EDST).

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the Directors and the Auditors for the financial year ended 30 June 2009.

To consider and if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:-

1. Resolution 1 - Adoption of Remuneration Report

"That the remuneration report forming part of the Company's 2009 Annual Report, which accompanied the notice convening this meeting, be adopted."

2. Resolution 2 - Re-election of Graham Anderson as a Director

"That, Graham Anderson, being a Director of the Company, retires by rotation in accordance with clause 13.2 of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a Director of the Company."

3. Resolution 3 - Re-election of Ian Levy as a Director

"That, Ian Levy, being a Director of the Company, who retires in accordance with clause 13.5 of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a Director of the Company."

4. Resolution 4 - Ratification of Previous Securities Issue

"That, for all purposes, Shareholders approve and ratify the allotment and issue of 8,300,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement."

5. Resolution 5 - Approval for the Issue of Options to Lewis Tay

"That the issue of 5,000,000 Options to Lewis Tay, and the issue of Shares following exercise of such Options to Lewis Tay be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement"

6. Resolution 6 - Approval for the Issue of Options to Ian Levy

"That the issue of 1,000,000 Options to Ian Levy, and the issue of Shares following exercise of such Options to Ian Levy be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement"

7. Resolution 7 - Approval for the Issue of Options to Malcolm Carson

"That the issue of 2,500,000 Options to Malcolm Carson, and the issue of Shares following exercise of such Options to Malcolm Carson be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement"

8. Resolution 8 - Approval for the Issue of Options to Graham Anderson

"That the issue of 1,000,000 Options to Graham Anderson, and the issue of Shares following exercise of such Options to Graham Anderson be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement"

9. Resolution 9 - Approval for the Issue of Options to Richard Oh

“That the issue of 2,000,000 Options to Richard Oh, and the issue of Shares following exercise of such Options to Richard Oh be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement”.

10. Resolution 10 - Approval for the Issue of Options to Consultants

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 6,500,000 Options on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusions

For the purposes of:

- (a) (resolution 4): Listing Rule 7.5, the Company will disregard any votes cast on resolution 1 by any person who participated in the issue and any of their associates;
- (b) (resolutions 5-9): Listing Rule 10.11, and section 224 of the Corporations Act, the Company will disregard any votes cast on these Resolutions by any director of the Company and any of their associates;
- (c) (resolution 10): Listing Rule 7.1, the Company will disregard any votes cast on this Resolution by any person who may participate in the issue and any of their associates,

unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Explanatory Statement

The Explanatory Statement accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of General Meeting and Explanatory Statement.

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 at 11:00pm EDST on 22 November 2009 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'G. Anderson', written over a horizontal line.

Graham Anderson
Director
Dynasty Metals Australia Ltd

13 October 2009

NOTES TO THE PROXY FORM

Pursuant to the Company's Constitution and the Corporations Act 2001, any person registered in the Register of Shareholders as a holder of one or more shares 48 hours prior to the time of commencement of the Meeting is entitled to attend and vote at the Meeting.

Members are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

The Proxy Form and the Power of Attorney (if any) or the instrument appointing the proxy and power of attorney (if any) under which it is signed (or an office copy or notarially certified copy thereof) must be deposited at the Registered Office of the Company at Suite 2, 35 Havelock Street, West Perth, WA 6005 at least 48 hours prior to the time of holding of the Meeting (and at any adjournment thereof), at which the individual named in the Proxy Form proposes to vote.

A proxy must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, under its common seal or under the hand of an authorised officer or attorney.

A person authorised (pursuant to the provisions of the Corporations Act 2001) by a corporation which is a member of the Company to act as its representative at the Meeting is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.

A legible facsimile transmission copy of the instrument and the power of attorney or other authority is acceptable. The facsimile number to which a Proxy Form may be sent is (08) 9322 7211.

The proxy may, but need not be, a member of the Company.

Corporate Representation

A company may only vote by proxy, power of attorney or by appointment of a corporate representative. The instrument appointing a proxy is not valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed (duly stamped where necessary) or a copy or facsimile which appears on its face to be an authentic copy of that proxy, or power of attorney is submitted to the Registered Office within the time set out herein. A company must sign a proxy under common seal in accordance with its Constitution or otherwise in accordance with the Corporations Act 2001 or under power of attorney which must be produced with the Proxy Form.

If the shares are registered in the name of more than one person, all such holders must sign the Proxy Form.

To be valid a Proxy Form and the Power of Attorney under which it is signed or proof thereof must be to the satisfaction of the Directors.

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

EXPLANATORY STATEMENT

This Explanatory Statement is for the information of members of Dynasty Metals Australia Limited (Dynasty) in connection with Resolutions to be considered at the Annual General Meeting of Dynasty to be held at Level 6, 175 Macquarie Street, Sydney NSW 2000, on 24 November 2009 at 11.00am (EDST). If members are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

Ordinary Business

Annual Financial Report

The Annual Report 2009 (including the financial statement, Directors' report and Auditor's report for the financial year ended 30 June 2009) has been sent to all members and will be tabled at the meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made for members to question the Directors and the Auditor should they wish to do so.

Resolution 1 – Adoption of Remuneration Report

Section 250R of the Corporations Act requires a listed company to put to its members at each Annual General Meeting a resolution adopting the report on the remuneration of the Company's Directors, Executives and Senior Managers included in the Company's annual report. The above resolution is being proposed to comply with this requirement. The vote on this resolution is advisory only and does not bind the Company's Directors.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Resolution 2 – To Re-elect Graham Anderson as a Director

The Constitution of the Company requires that at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Board of Directors, with Graham Anderson abstaining, recommends that members vote to approve this Resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

The Constitution of the Company requires that any Director appointed since the last Annual General Meeting must retire at the next Annual General Meeting of the Company.

Resolution 3 – To Re-elect Ian Levy as a Director

The Constitution of the Company requires that any Director appointed since the last Annual General Meeting must retire at the next Annual General Meeting of the Company.

Ian Levy therefore retires at the forthcoming Annual General Meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the Meeting.

The Board of Directors, with Ian Levy abstaining, recommends that members vote to approve this Resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

Resolution 4 – Ratification of Previous Securities Issue

In the previous 12 months, the Company has issued equity securities to the parties detailed below.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under this resolution, the Company seeks from Shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

Details of the Shares issued are set out in the table below. They comprise 9.85% of the Company's share capital.

Listing Rule 7.5 requires the following information to be given to Shareholders:

Date of Issue	Allottee	Issue Price	Number of Shares
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			Issued
13 July 2009	Wen Chao Hu & Min Zhu	10 cents	1,000,000
13 July 2009	Er Qiang Xiao	10 cents	1,000,000
13 July 2009	Qing Hua Zhang	10 cents	1,700,000
13 July 2009	Zhi Fang Zhang	10 cents	2,000,000
13 July 2009	Wayne Michael McCrae & Cheryl Ann McCrae	10 cents	500,000
13 July 2009	Shane Ian McCrae	10 cents	100,000
13 July 2009	Miniava Investments Limited	10 cents	2,000,000

The Shares were issued on the terms set out in Annexure A to this Explanatory Statement.

The Company has used the funds raised for the purposes of additional working capital.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 5 as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

The Chairman intends to vote undirected proxies in favour of this resolution.

Resolutions 5 to 9 – Approval for the issue of Securities to Directors

(a) General Background

As advised to shareholders in the ASX release titled "Shareholder Update" dated 19 August 2009, approval would be sought from shareholders at a general meeting originally proposed to have been held in late September 2009 for an issue of options to Directors on the terms set out in Resolutions 5 to 9. At the date of this announcement the Company's share price was 17 cents.

Shareholders are being asked to approve Resolutions 5 to 9 in connection with the issue of options to Mr Lewis Tay ("LT"), Mr Ian Levy ("IL"), Mr Malcolm Carson ("MC"), Mr Richard Oh ("RO") and Mr Graham Anderson ("GA") as Directors of the Company. A total of 11,500,000 options to subscribe for shares at \$0.20 each on or before 30 September 2011 will be issued collectively to LT, IL, MC, RO and GA.

LT, IL, MC, RO and GA are related parties for the purposes of the Corporations Act. Resolutions 5 to 9 are therefore required to be passed before the issues can proceed.

(b) Approval of the Issue of Securities (Resolutions 5 to 9)

The Resolutions seek shareholder approval in order to comply with the requirements of ASX Listing Rule 10.13 and section 208 of the Corporations Act. If approval is given by shareholders under Listing Rule 10.13 (as an exception to Listing Rule 10.11), separate shareholder approval is not required under Listing Rule 7.1.

Each of these requirements is addressed below.

(c) ASX Listing Rule 10.11

Under Resolutions 5 to 9, the Company seeks approval from Shareholders for the issue of a total of 11,500,000 Options collectively to LT, IL, MC, RO and GA who by virtue of their positions as Directors of the Company are therefore regarded as related parties of the Company.

Listing Rule 10.11 provides that a company must not issue equity securities (including options to acquire shares) to a director of the company unless the issue has been approved by shareholders by ordinary resolution.

The Options will be granted for nil consideration, exercisable at \$0.20 each on or before 2 years from date of issue. A total of 11,500,000 Options may be issued if Resolutions 5 to 9 are approved. The Options will provide an incentive to LT, IL, MC, RO and GA to enhance the future value of the Shares, for the benefit of all Shareholders. The Company will issue the Options under Resolution 5 to 9 within one month after Shareholder approval.

The Company will raise a total of \$2,300,000 if all the Options are exercised and Shares are subscribed for during the exercise period on or before 2 years from date of issue. These funds will be used to fund the evaluation, acquisition and

exploration of existing and additional projects and general working capital requirements. There is no guarantee that the Options will be exercised at any time.

The Company intends to issue the Director Options the subject of these Resolutions as soon as practicable following the General Meeting, and in any event, no later than 1 month after the general meeting.

The Options will be issued on the terms and conditions set out in Annexure B to this Explanatory Statement. The Company will not apply to ASX for Official Quotation of the Options.

(d) Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Director Options contemplated by Resolutions 5 to 9 constitutes the provision of a financial benefit to related parties. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

A "related party" is widely defined under the Corporations Act, and includes Directors of the Company. LT, IL, MC, RO and GA are related parties of the Company for the purposes of section 229 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

1. the giving of the financial benefit falls within one of the exceptions to the provision;
- or
2. prior shareholder approval is obtained to the giving of the financial benefit.

(e) Information Requirements

For the purposes of Chapter 2E, LT, IL, MC, RO and GA are each related parties of the Company.

For the purposes of section 219 of the Corporations Act the following information is provided to shareholders to enable them to assess the merits of the resolutions.

(f) The Related Party to Whom the Proposed Resolutions Would Permit the Benefit to be Given

Lewis Tay, Ian Levy, Malcolm Carson, Richard Oh and Graham Anderson ("Related Parties").

(g) The Nature of the Financial Benefit

The proposed financial benefit to be given is the issue of a total of 11,500,000 Options to the Related Parties as specified in the table below. Options will be issued on the terms set out in Annexure B to this Explanatory Statement.

The Company currently has on issue 63,941,312 Shares, nil listed Options and 27,057,029 unlisted Options. On the assumption that all of the existing options (unless otherwise specified) are not exercised, the Relevant Interests of the Related Parties is set out in the table below. Using the same assumption and further assuming:

- (a) the Related Parties exercise their existing options;
- (b) the Related Parties exercise the options to be issued under Resolutions 5 to 9; and
- (c) no more Shares or options are issued exercised by the Company,

("Assumptions"), the Relevant Interests of the Related Parties in Shares before and after the transactions described in this Notice of Meeting is set out in the Relevant Interests Table below:

RELEVANT PARTY WITH RELEVANT INTERESTS	NUMBER OF SHARES HELD AS AT THE DATE OF NOTICE OF MEETING	SHARES HELD AS AT THE DATE OF NOTICE OF MEETING %	NUMBER OF OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING	OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING %	NUMBER OF OPTIONS TO BE ISSUED	OPTIONS TO BE ISSUED %	NUMBER OF SHARES ON ISSUE (BASED ON ASSUMPTIONS)	SHARES ON ISSUE (BASED ON ASSUMPTIONS) %
LEWIS TAY	3,088,409	4.83	2,211,820	8.17	5,000,000	43.48	10,300,229	13.10
IAN LEVY	NIL	0.00	NIL	0.00	1,000,000	8.70	1,000,000	1.27
MALCOLM CARSON	21,686	0.03	500,000	1.85	2,500,000	21.74	3,021,686	3.84
RICHARD OH	NIL	0.00	NIL	0.00	2,000,000	17.39	2,000,000	2.54
GRAHAM ANDERSON	1,000,000	1.56	500,000	1.85	1,000,000	8.70	2,500,000	3.18

If the options to be issued under Resolutions 5 to 9 are exercised (but assuming that existing options held by the Related Parties are not exercised), the Company's issued share capital will increase by 11,500,000 Shares representing 15.24% of the issued share capital of the Company on a fully diluted basis, diluting the shareholders by a corresponding amount.

(h) Directors' Recommendations

Mr Levy, Mr Carson, Mr Oh and Mr Anderson do not have a material personal interest in Resolution 5 and recommend that the non-associated Shareholders vote in favour of this Resolution 5 because they believe that the issue of the Options to Mr Tay is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Tay declines to make a recommendation to Shareholders in relation to Resolution 5 because he has a material personal interest in the outcome of Resolution 6.

Mr Tay, Mr Carson, Mr Oh and Mr Anderson do not have a material personal interest in Resolution 6 and recommend that the non-associated Shareholders vote in favour of Resolution 6 because they believe that the issue of the Options to Mr Levy is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Levy declines to make a recommendation to Shareholders in relation to Resolution 6 because he has a material personal interest in the outcome of this Resolution.

Mr Tay, Mr Levy, Mr Oh and Mr Anderson do not have a material personal interest in Resolution 7 and recommend that the non-associated Shareholders vote in favour of Resolution 7 because they believe that the issue of the Options to Mr Carson is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Carson declines to make a recommendation to Shareholders in relation to Resolution 7 because he has a material personal interest in the outcome of this Resolution.

Mr Tay, Mr Levy, Mr Oh and Mr Carson do not have a material personal interest in Resolution 8 and recommend that the non-associated Shareholders vote in favour of Resolution 8 because they believe that the issue of the Options to Mr Anderson is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Anderson declines to make a recommendation to Shareholders in relation to Resolution 8 because he has a material personal interest in the outcome of this Resolution.

Mr Tay, Mr Levy, Mr Anderson and Mr Carson do not have a material personal interest in Resolution 9 and recommend that the non-associated Shareholders vote in favour of Resolution 9 because they believe that the issue of the Options to Mr Oh is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Oh declines to make a recommendation to Shareholders in relation to Resolution 9 because he has a material personal interest in the outcome of this Resolution.

(i) Other Information that is Reasonably Required by Members to Make a Decision and that is Known to the Company or any of its Directors

It is a requirement of ASIC that a dollar value be placed on the Options to be issued to the Related Parties.

The Black-Scholes option price calculation method is regarded as acceptable by ASIC as a valuation model where the Placement Options cannot be readily valued by some other means.

In determining the dollar value for the Options, the Company is required to disclose the following assumptions made:

- a) the Options are to be exercisable at 20 cents each;
- b) the Options are to be exercised on or before 2 years from date of issue;
- c) price volatility of the Shares is approximately 70%;
- d) no discount has been allowed notwithstanding their unlisted status;
- e) the Share price at issue will be 30 cents per Share; and
- f) the average current risk free interest rate is 3.25%.

On this basis, the implied "value" being received by each Related Party is 16.08 cents per Option. The implied "value" being received by each Related Party for the Options is as follows:

Related Party	Value
Lewis Tay	\$804,000
Ian Levy	\$160,800
Malcolm Carson	\$402,000
Graham Anderson	\$160,800
Richard Oh	\$321,600

If the Options the subject of resolutions 5 to 9 are all exercised, the Company will receive \$2,300,000.

The Related Parties who are Directors make the following additional disclosure.

The relevant Directors' base salaries per annum (including superannuation), or consulting fees and the total financial benefit to be received by them to 30 June 2010, when added to the implied "value" to be received by each of the following directors as a result of the issue of options the subject of resolutions 5 to 9 are as follows:

Director	Description	(\$ p.a.	Value of Options to be Issued (\$)	Total Financial Benefit (\$)
Lewis Tay	Executive Director's fee	120,000	804,000	924,000
Ian Levy	Non executive Chairman's fee	60,000	160,800	220,800
Malcolm Carson	Technical Director's fees	216,000	402,000	618,000
Graham Anderson	Director's and Company Secretarial fees	102,000	160,800	262,800
Richard Oh	Non executive Director's fee	36,000	321,600	357,600

(j) Trading History

Over the last 12 months the Shares have traded between 4.5 cents per Share (lowest) and 35.5 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 30 cents per Share.

There is a potential benefit that accrues to each of LT, IL, MC, RO and GA if the market trading price of the Shares issued following exercise of the Options exceeds the exercise price. This benefit would accrue on the sale of the Shares for an amount in excess of the exercise price.

Resolution 10 – Approval for the issue of Securities

(a) General Background

As advised to shareholders in the ASX release titled “Shareholder Update” dated 19 August 2009, approval would be sought from shareholders at a general meeting originally proposed to have been held in late September 2009 for an issue of options to Consultants on the terms set out in Resolution 10. At the date of this announcement the Company’s share price was 17 cents.

The Company has agreed, subject to Shareholder approval, to issue up to a total of 6,500,000 options to Consultants (“Consultant Options”) as follows:

Allottee	Number of Options
Brockwell Asia Ltd	1,800,000
Wilkinson Capital Ltd	2,500,000
Anything Communication Pty Ltd	2,200,000

Resolution 10 seeks Shareholder approval for the allotment and issue of 6,500,000 Options (“Option Placement”). A summary of ASX Listing Rule 7.1 is set out in the background to Resolution 5 above.

The effect of Resolution 10 will be to allow the Directors to issue the Options pursuant to the Options Placement during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company’s 15% annual placement capacity.

(b) Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Consultant Options to be granted is 6,500,000;
- (b) the Consultant Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Consultant Options will be issued for nil cash consideration;
- (d) the Consultant Options will be allotted and issued to nominees of Brockwell Asia Ltd, Wilkinson Capital Ltd and Anything Communication Pty who are not related parties of the Company;
- (e) the Consultant Options will be issued on the terms and conditions set out in Annexure C.

ANNEXURE “A”

Terms of Shares

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to the shares of the Company. Full details are contained in the Constitution, available for inspection at the Company's registered office.

(a) Share Capital

All issued ordinary shares rank equally in all respects.

(b) Voting Rights

At a general meeting of the Company, every holder of shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every fully paid share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share.

(c) Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the shares.

(d) Rights on Winding-Up

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the share.

(e) Transfer of Shares

Shares in the Company may be transferred by instrument in any form which complies with the Constitution, the Corporations Act, Listing Rules and SCH Business Rules.

Shares may be transferred by such means in accordance with Listing Rules and the SCH Business Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by Listing Rules and SCH Business Rules.

(f) Calls on Shares

Shares issued as fully paid are not subject to any calls for payment by the Company and will not therefore become liable for forfeiture.

(g) Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

(h) Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the shares of a class can thereafter only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

(i) General Meeting

Each shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and Listing Rules.

ANNEXURE “B”

DIRECTORS’ OPTIONS

Terms and Conditions of Options

The following is a summary of terms and conditions of options:

1. The Options shall be issued for nil consideration.
2. The Options shall expire 2 years from date of issue (“Expiry Date”).
3. Each Option shall confer the right to subscribe for one fully paid ordinary share, ranking pari passu with the fully paid ordinary Shares of the Company on issue at the date of allotment of such Shares.
4. The exercise price for each Option shall be 20 cents.
5. The Options will not be listed for Official Quotation on ASX Limited and may be transferred to a related entity at any time in whole or part.
6. A certificate will be issued for the Options (“Option Certificate”). On the reverse side of the Option Certificate there will be endorsed a statement of the rights of the optionholder and a notice that is to be completed when exercising the Options (“Exercise Notice”). If there is more than one Option comprised in this certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
7. The Options shall be exercisable by completing and lodging the Exercise Notice set out in the Option Certificate at any time on or before the Expiry Date.
8. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may in its absolute discretion impose other conditions on the exercise of an option.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company’s Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
11. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (“**Bonus Issue**”), each optionholder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue (“**Bonus Shares**”) to a person registered as holding the same number of Shares as that number of Shares to which the optionholder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
12. In the event that the Director no longer remains as the Director of the Company, the Director retains the right to the options and the right to exercise the options at any time on or before they lapse.
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each optionholder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

ANNEXURE “C”

CONSULTANTS’ OPTIONS

Terms and Conditions of Options

1. The Options shall be issued for nil consideration.
2. The Options shall expire 2 years from the date of issue (“Expiry Date”).
3. Each Option shall confer the right to subscribe for one fully paid ordinary share, ranking pari passu with the fully paid ordinary shares of the Company on issue at the date of allotment of such shares.
4. The exercise price for each Option shall be 20 cents.
5. The Options will not be listed for Official Quotation on Australian Stock Exchange Limited and may be transferred to related entity at any time in whole or part.
6. A certificate will be issued for the Options (“Option Certificate”). On the reverse side of the Option Certificate there will be endorsed a statement of the rights of the optionholder and a notice that is to be completed when exercising the Options (“Exercise Notice”). If there is more than one Option comprised in this certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
7. The Options shall be exercisable by completing and lodging the Exercise Notice set out in the Option Certificate at any time on or before the Expiry Date.
8. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may in its absolute discretion impose other conditions on the exercise of an option.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company’s Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
11. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (“**Bonus Issue**”), each optionholder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue (“**Bonus Shares**”) to a person registered as holding the same number of Shares as that number of Shares to which the optionholder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
12. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each optionholder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709
 Suite 2, 35 Havelock Street, West Perth, WA, 6005

PROXY FORM

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 Limited and entitled to attend and vote hereby appoint

The Chairman
of the meeting
(mark with an 'X')

OR

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

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 Limited to be held at Level 6, 175 Macquarie Street, Sydney NSW 2000 on 24 November 2009 at 11:00am EDST and at any adjournment of that meeting.

IMPORTANT

If the Chairman of the General Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the General Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the General Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the General Meeting intends to vote undirected proxies in favour of each resolution.



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

Special Business

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Graham Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Ian Levy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Previous Shares Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Lewis Tay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to Ian Levy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options to Malcolm Carson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Options to Graham Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Options to Richard Oh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Options to Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR If you do NOT wish to direct your Proxy how to vote

*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 attached).

*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 attached 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