

# **DYNASTY METALS AUSTRALIA LTD**

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**ABN 80 110 385 709**

## **Notice of General Meeting and Explanatory Statement**

**General Meeting to be held at  
Level 6, 175 Macquarie Street, Sydney NSW  
on Friday 25 June 2010 commencing at 10.00am**

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

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# Notice of General Meeting

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A General Meeting of Dynasty Metals Australia Ltd will be held at Level 6, 175 Macquarie Street, Sydney NSW on Friday, 25 June 2010 commencing at 10.00am EST.

## Special Business

### 1 Approval to Renew the 15% Placement Power

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

“That, for all purposes, Shareholders approves to renew the 15% placement power following the issue of 10,000,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement”.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the party who participated in the share issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by 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.

### 2 Approval of issue of Placement Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the Directors be authorized to issue, not later than three (3) months after the date of this General Meeting, up to 50,000,000 additional fully paid ordinary shares in the company, at a price of not less than eighty per cent (80%) of the average market price on the ASX calculated over the last five (5) days on which sales in the company’s ordinary shares were recorded before the day on which the issue is made, to qualified clients of member firms of the ASX or other investors. The allotment of these shares may occur progressively.”

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the Share Placement issue, and a person who may obtain a benefit from the issue, or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by 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.

## 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 48 hours before the meeting 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', with a long horizontal flourish extending to the right.

**Mr Graham Anderson**  
Director/Company Secretary  
Dynasty Metals Australia Ltd

25 May 2010

## Explanatory Statement

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at a General Meeting of the Company.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

### 1 Resolution 1 - Approval to Renew the 15% Placement Power

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 12.87% of the Company's share capital. The shares had the same terms and conditions and ranked pari passu with existing shares on issue.

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

Date of Issue	Allottee	Issue Price	Number of Shares Issued
9 April 2010	Various sophisticated investor clients of Patersons Securities Limited	21 cents	10,000,000

The Company has used the funds raised for the purposes of accelerating the further evaluation of Dynasty's Prairie Downs Iron Ore Project in the Pilbara Region of Western Australia.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 1 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.

### 2 Resolution 2 - Approval of issue of Placement Shares

The Board seeks shareholder approval to, if necessary, raise further funds within the three months from the date of this General Meeting, by the issue of up to 50,000,000 additional ordinary shares by placement to member firms of the ASX and other investors, at a price per share to be determined by negotiation but not less than eighty percent (80%) of the average market price for the company's ordinary shares on the ASX for the last five (5) days on which sales in those shares were recorded prior to the date of the issue.

This is the placement set out in Resolution 2. If approved by shareholders, this would provide the company with the flexibility to make a further placement or placements to investors, without requiring a prospectus, if the Board considers that it is in the interests of the company to do so. The Directors would propose to issue

these shares to qualified clients of member firms of the ASX or other investors pursuant to an offer that does not need disclosure under the Corporations Act 2001.

When issued the shares will have the same terms and conditions as those attaching to all other issued ordinary shares and will rank pari passu with them. The company will make application for the shares to be quoted within the period required by the Listing Rules.

The company intends to use all funds raised by the issue of new ordinary shares of the company for completion of an extensive exploration program at Prairie Downs and completion of a pre-feasibility study.

The Board seeks shareholder approval to raise funds, if appropriate, by way of a placement to qualified clients of member firms of the ASX, i.e. brokers, or other private investors. Your Directors seek shareholder approval to do so, as they consider that this provides the most efficient, cost-effective and fastest way of raising additional funds.

Under the ASX Listing Rules the company may not issue shares or options over unissued shares, comprising more than 15% of its issued share capital, in any 12 month period without shareholder approval. This is subject to limited exceptions. For this reason shareholder approval is sought for the proposed issue of shares under the placements.

No allotment date has been fixed for the shares the subject of Ordinary Resolution 2 and the allotment of these shares may occur progressively. All of the shares must be issued not later than three (3) months after the date of this General Meeting.

The Directors unanimously recommend that members approve Resolution 2 for the granting of authority to issue additional ordinary shares as outlined above.

**Shareholder Details**

Name: .....

Address: .....

Contact Telephone No: .....

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 Level 6, 175 Macquarie Street, Sydney NSW on 25 June 2010 at 10.00am EST and at any adjournment of that meeting.

**IMPORTANT**




If the Chairman of the 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 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 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 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	Approval of renewing the 15% Placement Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<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**  
**implemented**

**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 Secretary on 08 94322 2700 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 48 hours before the commencement of the meeting. ie. no later than 12:00pm on 23 June 2010. 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 Level M, Suite 2, 35-37 Havelock Street, West Perth 6005 or sent by facsimile to the registered office on 08 9322 7211.