



8th April 2011

Dear Shareholder,

Shareholder circular

It has been several weeks since the EGM of the 21st of March 2011 and the will of the majority of shareholders has been expressed notwithstanding this was in controversial circumstances. Even now there is a writ against the Company challenging the validity of the results of the EGM, which is in the hands of solicitors who are dealing with the matter appropriately.

Your new board as a result of the EGM are:

- 1) Mr Richard Oh (Executive Chairman)
- 2) Mr Nick Revell (Non Executive Technical Director)
- 3) Mr Lewis Tay (Non Executive Director)
- 4) Ms Sun Xiaodong (Non Executive Director), Mr Terry Gygar (Ms Sun's Alternate)

Your Board is supported by a new Company Secretary and CFO: Mr Michael van Uffelen.

For the record let me state that I did not seek the position of Executive Chairman and I have assumed this role and responsibility by default. It is also a temporary role as it would be in the better and longer term interests of the Company and its shareholders to have a Managing Director with appropriate mining background and experience to lead the Company to the next level. To select the right candidate for such a vital role, the process must be conducted professionally and impartially.

I also wish to state for the record Messrs Nick Revell and Michael van Uffelen joined the Company at my invitation but are independent professionals who will make their own judgements without fear or favour.

Moving forward it is my intention with the support of management and the Board to focus the Company back to business. Regardless of past events, issues and factions, **we represent the interest of all shareholders** and will endeavour to carry out our duties and responsibilities diligently and judiciously to the best of our belief, knowledge and available resources.

We have inherited a lot of baggage which the CFO and I are going through systematically. The transition process always takes longer than expected due to a variety of reasons, and this process is not being helped by the controversial circumstances of the changes resulting in various outstanding issues still



requiring attention, including the writ which is diverting the Company's limited financial and human resources. We are however making progress in introducing more accountable and transparent management practices. To begin with we have already identified monthly overhead cost savings of \$25k+ and expect more savings to come. Dynasty like other junior exploration companies has limited financial and human resources and these should be focused efficiently on the exploitation of the Company's mineral resources.

The success of companies is rarely due to one person but requires a team effort from people with complementary skills. In the case of exploration companies where major activities require expenditure of limited financial resources, this must be balanced by fiscal discipline.

The Company's exploration program and activities continues to be steered by our consultant Mr Dave Jenkins from Tara Search. Mr Nick Newell, as the new Technical Director, has familiarised himself and reviewed the program with Mr Jenkins. All is on course except to ensure necessary funding is available, although recent events and writ is counterproductive to this task. Notwithstanding this, we are resolved to the task despite difficulties.

I hope to keep shareholders regularly updated and my mission with the assistance of the Board, management and consultants, is to position the Company in good order to enable the focus to be on the exploitation of the Company's Pilbara iron ore assets. We hope to achieve this sooner rather than later so the Company may attract the right MD to advance the Company to the next level to enhance shareholders' value and attract further investment in the Company.

Your support and forbearance will be much appreciated.

Richard Oh CA MAICD
Executive Chairman



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