

DYNASTY

METALS AUSTRALIA LTD

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1 December 2005

Nicholas Ong
 Adviser, Issuers (Perth)
 Australian Stock Exchange Limited
 Level 8, Exchange Plaza
 2 The Esplanade
 Perth WA 6000

Dear Nicholas

CORPORATE GOVERNANCE DISCLOSURES

Dynasty Metals Australia Limited complies with all best practice recommendations set out by the ASX Corporate Governance Council with the exception of the following recommendations:

ASX RECOMMENDATIONS	COMMENT/RESPONSE BY COMPANY
2.1 A majority of Board members should be independent directors	Only one of the four directors is considered to be independent in accordance to the ASX definition. In view of the size of the company and the nature of its activities the Board considers that the current Board is a cost effective and practical method of directing and managing the company.
4.3 Structure the audit committee so that it consists of: <ul style="list-style-type: none"> - Only non-executive directors - A majority of independent directors - An independent chairperson who is not the chairperson of the Board - At least three members 	The company has established an audit committee, however whilst the committee has three members it does not comprise only non-executive directors, does not have a majority of independent directors and does not have an independent chairperson. As indicated in 2.1 the Board considers that the composition of the audit committee is a cost effective and practical method of safeguarding the integrity of the Company's financial reporting.
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Due to its size and structure the Board is able to meet on a regular basis for both management and board meetings to ensure compliance with ASX Listing Rule disclosure requirements. The full Board is accountable for ASX compliance.
7.1 The Board or appropriate board committee should establish policies on risk oversight and management	Risk oversight and management issues and policies are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest).

Yours Sincerely



Graham Anderson
 Director & Company Secretary