

20 December 2005

Company Announcements Office
Australian Stock Exchange Ltd

1 page

ENTITLEMENT ISSUE OF OPTIONS

Dynasty Metals Australia Limited advises that it intends to issue a prospectus for a non-renounceable entitlement issue of Options, on or about 9 January 2006.

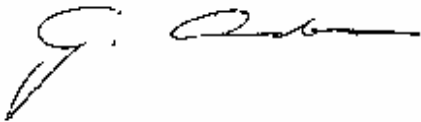
The Record Date will be Tuesday 17 January 2006. All Dynasty shareholders on the register at 5.00pm on the Record Date will be entitled to participate in the issue of Options, on the basis of 1 Option for every 1 share held.

The Options will be issued at a price of 1 cent each and will be exercisable at 20 cents each on or before 29 February 2008. The Company will apply to have the Options quoted on the ASX.

It is expected that shareholders entitled to the Options will be sent a copy of the Option prospectus with their personalised application form soon after the Record Date.

Yours faithfully

DYNASTY METALS AUSTRALIA LIMITED



GRAHAM ANDERSON

Company Secretary