

DYNASTY

METALS AUSTRALIA LTD

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13 April 2006

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

Dear Nicholas

RE: PRICE QUERY

We refer to your letter to Graham Anderson, Dynasty's Director/Company Secretary this morning regarding a price and volume rise earlier today.

In response to your questions, we reply as follows:

1. No
2. We refer to an announcement made by Atlas Iron Limited later this morning and a subsequent announcement by Dynasty repeating the parts of the former announcement that relate only to Dynasty. We do not believe that the announcements have the same significance for each company that made them. The Atlas announcement also refers to iron mineralisation on another Atlas project. This project is not relevant to the Dynasty announcement which merely relates to a letter of intent for Atlas to explore for iron ore on one of Dynasty's several exploration projects in WA.
3. No
4. We confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1

Regards



Peter Andrews
Chairman

**ASX**

AUSTRALIAN STOCK EXCHANGE

13 April 2006

Graham Anderson
Company Secretary
Dynasty Metals Limited
PO Box 389
West Perth WA 6872

By Facsimile: 9389 1284

Dear Graham

Dynasty Metals Limited (the "Company")**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.22 to \$0.33 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at nicholas.ong@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 1.00 p.m. W.S.T. today.**

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Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure; listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

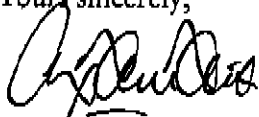
If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,



Nicholas Ong
Adviser, Issuers (Perth)