



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

Annual General Meeting to be held at
Level 1, 10 Stirling Highway, Nedlands, Western Australia
on
Tuesday 28 November 2006
commencing at 11.00am

Level 1, 10 Stirling Highway, Nedlands WA 6009

Telephone: (08) 9389 1884

Facsimile: (08) 9389 1284

This Notice of Annual 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.



Notice of Annual General Meeting

The 2006 Annual General Meeting of Dynasty Metals Australia Ltd will be held at Level 1, 10 Stirling Highway, Nedlands, Western Australia on Tuesday 28 November 2006 commencing at 11.00am WST.

Ordinary Business

Financial Statements and Reports

Period 1 July 2005 to 30 June 2006

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ending 30 June 2006.

1 Adoption of Remuneration Report

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

"That, for all purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ending 30 June 2006".

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

2 Election of Directors

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

"That, for all purposes, Mr Graham Anderson, who retires and offers himself for re-election, is re-elected as a Director".

Special Business

3 Approval of Securities Issue

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

"That, for all purposes, Shareholders approve the issue of up to 5,000,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement".

4 Ratification of Previous Securities Issue

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

"That, for all purposes, Shareholders approve and ratify the allotment and issue of 3,614,283 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement".

5 Employee Share Option Plan

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

"That for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes approval is given for the establishment of the Employee Share Plan No.2 on the terms and conditions summarised in the Explanatory Statement and the grant of options from time to time under the Plan as an exception to Listing Rule 7.1".

6 Approval for the Issue of Options to Rita Brooks

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

"That the issue of 1,000,000 Options to Rita Brooks, and the issue of Shares following exercise of such Options to Rita Brooks be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement".

7 Approval for the Issue of Options to Peter Andrews

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

"That the issue of 500,000 Options to Peter Andrews, and the issue of Shares following exercise of such Options to Peter Andrews be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement".

8 Approval for the Issue of Options to Graham Anderson

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

"That the issue of 500,000 Options to Graham Anderson, and the issue of Shares following exercise of such Options to Graham Anderson be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement".

Voting Exclusions

For the purposes of:

- (a) (resolution 3): Listing Rule 7.3, the Company will disregard any votes cast on resolution 3 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates;
- (b) (resolution 4): Listing Rule 7.5, the Company will disregard any votes cast on resolution 4 by any person who participated in the issue and any of their associates;
- (c) (resolution 5): The Company will disregard any votes cast on this Resolution by a director of the Company who is eligible to participate in the Company's Employee Share Plan and any of their associates; and
- (d) (resolutions 6-8): Listing Rule 10.11, and section 224 of the Corporations Act, the Company will disregard any votes cast on these Resolutions by any Director of the Company and any of their associates,

unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or 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 Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual 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 at 5:00pm WST on 26 November 2006 shall, for the purposes of determining voting entitlements at the Annual 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



Mr Graham Anderson
Company Secretary
Dynasty Metals Australia Ltd

25 October 2006



Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2006 Annual General Meeting.

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 resolutions in the accompanying Notice of Annual General Meeting.

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

Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2006 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit, may be submitted no later than Tuesday 21 November 2006 to:

Stantons International
Level 1
1 Havelock Street
West Perth, WA 6005

1 Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ending 30 June 2006 is set out in the Director's Report section of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

2 Resolution 2: Election of Directors

In accordance with Listing Rule 14.4 and clause 14.9 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

The Directors (other than Mr Graham Anderson who abstained because of his interest in the resolution) have resolved to recommend that Shareholders vote in favour of the re-election of Mr Graham Anderson. The Chairman intends to vote undirected proxies in favour of this resolution.

3 Resolution 3: Approval of Securities Issue

The Company proposes to issue up to 5,000,000 Shares at an issue price of not less than 80% of the weighted average market price of the shares calculated over the last 5 days before issue on which the sales were recorded. The issue of these Shares will be equal to approximately 16.94% of the Company's fully-diluted share capital assuming no further issues of securities by the Company.

The purpose of the issue is to raise additional funds. The intended use of the funds raised under the issue is additional working capital.



Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 3 seeks this approval.

The Shares will be allotted and issued on or not later than 3 months after the date of Shareholder approval to institutional or sophisticated investors. It is anticipated that they will be allotted progressively. However, the exact dates of allotment are unknown at this stage.

The Shares will be issued on terms and conditions set out in Annexure A. The Company will apply to ASX for Official Quotation of the Shares.

The Board believes that the proposed issue is beneficial for the Company and recommends Shareholders vote in favour of the resolution. It will allow the Company to 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.

4 Resolution 4: Ratification of Previous Securities Issue

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 12.24% of the Company's share capital.

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

Date of Issue	Allottee	Issue Price	Number of Shares Issued
9 June 2006	Various sophisticated investors and clients of Cube Financial Group Pty Ltd	28 cents	3,614,283

The Company has used the funds raised for the purposes of additional working capital.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 4 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.

5 Resolution 5 - Employee Share Option Plan

This Resolution seeks Shareholder approval to establish and maintain an executive and employee share option plan (Option Plan No. 2) to provide ongoing incentives to executives and key employees of the Company.

If the Resolution is passed, the Option Plan No. 2 will enable the Company to issue options to executives and employees of the Company (Employee Options) and to issue Shares to those executives and employees if they choose to exercise their Employee Options. In the case of an Executive Director, no Employee Options may be issued to the Executive Director without express Shareholder approval of the number and terms of the Employee Options.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 limits the number of equity securities, which a listed company may issue in any 12-month period without shareholder approval. This limit is, generally speaking, no more than 15% of the total number of equity securities on issue at the date of issue.

An exception to Listing Rule 7.1 is Listing Rule 7.2 - Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.



Shareholder approval is sought to establish the Option Plan No. 2 and to enable the Company to subsequently grant the Employee Options under the Option Plan No. 2, without having to obtain Shareholder approval each time the Company wishes to issue securities which exceed the 15% limit contained in Listing Rule 7.1 and do not otherwise fall within one of the nominated Listing Rule exemptions.

No securities have been issued under the Option Plan No. 2 as at the date of this Explanatory Statement.

A summary of the terms of the Employee Share Option Plan No. 2 is set out in Annexure A.

6 Resolutions 6 to 8

Approval for the issue of Securities to Directors

(a) General Background

Shareholders are being asked to approve Resolutions 6, 7 and 8 in connection with the issue of options to Mrs Rita Brooks ("RB"), Mr Peter Andrews ("PA") and Mr Graham Anderson ("GA") as Directors of the Company. 2,000,000 options exercisable at \$0.30 each on or before 30 November 2009 will be issued to each of RB, PA and GA.

RB, PA and GA are related parties for the purposes of the Corporations Act. Resolutions 6, 7 and 8 are therefore required to be passed before the issues can proceed.

(b) Approval of the Issue of Securities (Resolutions 6, 7 and 8)

The Resolutions seek shareholder approval in order to comply with the requirements of ASX Listing Rule 10.13 and section 208 of the Corporations Act. If approval is given by shareholders under Listing Rule 10.13 (as an exception to Listing Rule 10.11), separate shareholder approval is not required under Listing Rule 7.1.

Each of these requirements is addressed below.

(c) ASX Listing Rule 10.13

Under Resolutions 6, 7 and 8, the Company seeks approval from Shareholders for the issue of 2,000,000 Options to RB, PA and GA who by virtue of their positions as Directors of the Company are therefore regarded as related parties of the Company.

Listing Rule 10.11 provides that a company must not issue equity securities (including options to acquire shares) to a Director of the Company unless the issue has been approved by shareholders by ordinary resolution.

The Options will be granted for nil consideration, exercisable at \$0.30 each on or before 30 November 2009. A total of 2,000,000 Options may be issued if Resolutions 6, 7 and 8 are approved. The Options will provide an incentive to RB, PA and GA to enhance the future value of the Shares, for the benefit of all Shareholders. The Company will issue the Options under Resolution 6, 7 and 8 within one month after Shareholder approval.

The Company will raise a total of \$600,000 if all the Options are exercised and Shares are subscribed for during the exercise period to 30 November 2009. These funds will be used to fund the evaluation, acquisition and exploration additional projects and general working capital requirements. There is no guarantee that the Options will be exercised at any time.

The Options will be issued on the terms and conditions set out in Annexure B to this Explanatory Statement. The Company will not apply to ASX for Official Quotation of the Options.

(d) Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Options contemplated by Resolutions 6, 7 and 8 constitutes the provision of a financial benefit to related parties. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

A "related party" is widely defined under the Corporations Act, and includes Directors of the Company. RB, PA and GA are related parties of the Company for the purposes of section 229 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

1. the giving of the financial benefit falls within one of the exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit.

(e) Information Requirements

For the purposes of Chapter 2E, RB, PA and GA are each related parties of the Company.

For the purposes of section 219 of the Corporations Act the following information is provided to shareholders to enable them to assess the merits of the resolutions.

(f) The Related Party to Whom the Proposed Resolutions Would Permit the Benefit to be Given

Rita Brooks, Peter Andrews, and Graham Anderson (“Related Parties”).

(g) The Nature of the Financial Benefit

The proposed financial benefit to be given is the issue of 2,000,000 Options to the Related Parties as specified in the table below. Options will be issued on the terms set out in Annexure C to this Explanatory Statement.

The Company currently has on issue 29,522,583 Shares, 25,791,700 listed Options and nil unlisted Options. On the assumption that all of the existing options (unless otherwise specified) are not exercised, the Relevant Interests of the Related Parties is set out in the table below. Using the same assumption and further assuming:

- (i) the Related Parties exercise their existing options;
- (ii) the Related Parties exercise the options to be issued under Resolutions 6, 7 and 8; and
- (iii) no more Shares or options are issued exercised by the Company,

(“Assumptions”), the Relevant Interests of the Related Parties in Shares before and after the transactions described in this Notice of Meeting is set out in the Relevant Interests Table below:

RELEVANT PARTY WITH RELEVANT INTERESTS	NUMBER OF SHARES HELD AS AT THE DATE OF NOTICE OF MEETING	% OF SHARES HELD AS AT THE DATE OF NOTICE OF MEETING	NUMBER OF OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING	% OF OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING	NUMBER OF OPTIONS TO BE ISSUED	% OF OPTIONS TO BE ISSUED	NUMBER OF SHARES ON ISSUE (BASED ON ASSUMPTIONS)	% OF SHARES ON ISSUE (BASED ON ASSUMPTIONS)
Rita Brooks	8,824,705	29.89	2,261,749	8.77	1,000,000	50.00	12,086,454	34.25
Peter Andrews	1,000,000	3.39	1,000,000	3.88	500,000	25.00	1,500,000	7.09
Graham Anderson	500,000	1.69	500,000	1.94	500,000	25.00	1,000,000	4.25

If the options to be issued under Resolutions 6, 7 and 8 are exercised (but assuming that existing options held by the Related Parties are not exercised), the Company’s issued share capital will increase by 2,000,000 Shares representing 6.77% of the issued share capital of the Company on a fully diluted basis, diluting the shareholders by a corresponding amount.

(h) Directors’ Recommendations

Mr Andrews and Mr Anderson do not have a material personal interest in Resolution 6 and recommend that the non-associated Shareholders vote in favour of this Resolution 6 because they believe that the issue of the Options to Mrs Brooks is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mrs Brooks declines to make a recommendation to Shareholders in relation to Resolution 6 because she has a material personal interest in the outcome of Resolution 6.

Mrs Brooks and Mr Anderson do not have a material personal interest in Resolution 7 and recommend that the non-associated Shareholders vote in favour of Resolution 7 because they believe that the issue of the Options to Mr Andrews is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Andrews declines to make a recommendation to Shareholders in relation to Resolution 7 because he has a material personal interest in the outcome of this Resolution.

Mrs Brooks and Mr Andrews do not have a material personal interest in Resolution 8 and recommend that the non-associated Shareholders vote in favour of Resolution 8 because they believe that the issue of the Options to Mr Anderson is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Anderson declines to make a recommendation to Shareholders in relation to Resolution 8 because he has a material personal interest in the outcome of Resolution 8.

- (i) Other Information that is Reasonably Required by Members to Make a Decision and that is Known to the Company or any of its Directors
It is a requirement of ASIC that a dollar value be placed on the Options to be issued to the Related Parties.

The Black-Scholes option price calculation method is regarded as acceptable by ASIC as a valuation model where the Placement Options cannot be readily valued by some other means.

In determining the dollar value for the Placement Options, the Company is required to disclose the following assumptions made:

- (i) the Placement Options are to be exercisable at \$0.30each;
- (ii) the Placement Options are to be exercised on or before 30 November 2009;
- (iii) price volatility of the Shares is approximately 50%;
- (iv) no discount has been allowed notwithstanding their unlisted status;
- (v) the Share price at issue will be 15 cents per Share; and
- (vi) the average current risk free interest rate is 5.6%.

On this basis, the implied "value" being received by each Related Party is 2.7 cents per Option. The implied "value" being received by each Related Party for the Options is as follows:

Related Party	Value
Rita Marian Brooks	\$27,000
Peter Andrews	\$13,500
Graham Anderson	\$13,500

If the Options the subject of resolutions 6, 7 and 8 are all exercised, the Company will receive \$600,000.

The Related Parties who are Directors make the following additional disclosure.

The relevant Directors' base salaries per annum (including superannuation), or consulting fees and the total financial benefit to be received by them to 30 June 2007, when added to the implied "value" to be received by each of the following directors as a result of the issue of options the subject of resolutions 6, 7 and 8 are as follows:

Director	Description	(\$ p.a.	Value of Options to be Issued (\$)	Total Financial Benefit (\$)
Rita Brooks	Managing Director's fee	120,000	27,000	147,000
Peter Andrews	Non executive Chairman's fee	50,000	13,500	63,500
Graham Anderson	Director's and Company Secretarial fees	60,000	13,500	73,500

- (j) Trading History

Over the last 12 months the Shares have traded between 12 cents per Share (lowest) and 42 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 15 cents per Share.

There is a potential benefit that accrues to each of RB, PA and GA if the market trading price of the Shares issued following exercise of the Options exceeds the exercise price. This benefit would accrue on the sale of the Shares for an amount in excess of the exercise price.



Annexure A

Employee Share Option Plan Summary

Terms of options issued under the Employee Share Option Plan

The options are issued under the terms of the Dynasty Metals Australia Ltd Employee Option Plan ("Plan"). The full terms of the options are set out in the Plan a copy of which may be obtained from the Company. The following is a summary of those terms. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. Each option entitles the holder, on exercise, to one fully paid ordinary share in the Company ("Share").
2. The exercise price and expiry date for the options will be as determined by the Board (in its discretion) on or before the date of issue.
3. Shares issued on exercise of options will rank equally with other fully paid ordinary shares of the Company.
4. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may in its absolute discretion impose other conditions on the exercise of an option.
5. An option will lapse upon the first to occur of its expiry date; the holder acting fraudulently or dishonestly in relation to the Company; the employee ceasing to be employed by the Company; or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
6. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
7. Options may not be transferred other than to a nominee of the holder. Quotation of options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of options.
8. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
9. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each optionholder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the optionholder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
10. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each optionholder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.



Annexure B

Directors' Options

Terms and Conditions of Option

The options are issued under the terms of the Dynasty Metals Australia Ltd Directors' Option Plan ("Plan"). The full terms of the options are set out in the Plan a copy of which may be obtained from the Company. The following is a summary of those terms. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The Options shall be issued for nil consideration.
2. The Options shall expire 3 years from the date of issue ("Expiry Date").
3. Each Option shall confer the right to subscribe for one fully paid ordinary share, ranking pari passu with the fully paid ordinary shares of the Company on issue at the date of allotment of such shares.
4. The exercise price for each Option shall be 30 cents.
5. The Options will not be listed for Official Quotation on Australian Stock Exchange Limited and may be transferred to related entity at any time in whole or part.
6. A certificate will be issued for the Options ("Option Certificate"). On the reverse side of the Option Certificate there will be endorsed a statement of the rights of the optionholder and a notice that is to be completed when exercising the Options ("Exercise Notice"). If there is more than one Option comprised in this certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
7. The Options shall be exercisable by completing and lodging the Exercise Notice set out in the Option Certificate at any time on or before the Expiry Date.
8. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. The Board may determine the vesting period (if any). On the grant of an option the Board may in its absolute discretion impose other conditions on the exercise of an option.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
11. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each optionholder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the optionholder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
12. In the event that the Director no longer remains as the Director of the Company, the Director retains the right to the options and the right to exercise the options at any time on or before they lapse.
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each optionholder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

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
(mark with an 'X') OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

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 Annual General Meeting of Dynasty Metals Australia Ltd to be held at Level 1, 10 Stirling Hwy, Nedlands WA 6009 on 28 November 2006 at 11.00am WST 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

Ordinary Business	For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Re-election of Graham Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Ratification of Previous Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6. Approval of Securities Issue to Rita Brooks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7. Approval of Securities Issue to Peter Andrews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8. Approval of Securities Issue to Graham Anderson	<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 This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and
Sole Company Secretary

Director

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 Graham Anderson on 08 9389 1884 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 Annual 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 11:00am on 26 November 2006. 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 1, 10 Stirling Hwy Nedlands WA 6009 or sent by facsimile to the registered office on 08 9389 1284.