



1 February 2008

ASX Announcement

### **Options Holders Notice**

Dynasty Metals Australia Ltd wishes to advise that the following information attached herewith will be mailed to the Option Holders today.

The purpose of this information is to provide option holders with:

- Statutory details in relation to the expiration of options, and
- An application form for the exercise of the options and the terms and conditions for exercising the options.

Yours faithfully

**Dynasty Metals Australia Ltd**

A handwritten signature in black ink, appearing to read 'G. Anderson', written over a horizontal line.

**Graham Anderson**  
Director/Company Secretary

# DYNASTY METALS AUSTRALIA LTD

ABN 80 110 385 709

## REGISTERED OFFICE

DYNASTY METALS AUSTRALIA LTD  
Suite 2, 35-37 Havelock Street  
WEST PERTH WA 6005  
Tel: 08 9481 8668 Fax: 08 9322 7211

## SHARE REGISTRY

Security Transfer Registrars Pty Ltd  
All Correspondence to: **PO BOX 535, APPLECROSS WA 6953**  
Tel (08) 9315 2333 Fax (08) 9315 2233  
EMAIL: registrar@securitytransfer.com.au

1 February 2008

«NAME»  
«ADD\_1»  
«ADD\_2»  
«ADD\_3»  
«ADD\_4»  
«ADD\_5»

Holder No: «HOLDER\_NO»  
No of Options Held: «OPTIONS»  
Amount to Pay: «AMOUNT»

Dear Option Holder

### **YOUR OPTIONS TO ACQUIRE DYNASTY METALS AUSTRALIA LTD SHARES AT 20 CENTS PER SHARE EXPIRE ON 29 FEBRUARY 2008**

We are writing to you as a registered holder of 29 February 2008 options in DYNASTY METALS AUSTRALIA LTD to remind you that the options will expire at 5:00pm (WST) on 29 February 2008.

Your option holding may be exercised in whole or in part by payment of 20 cents for each option by no later than 29 February 2008. If payment is not received by 5:00pm (WST) on 29 February 2008 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 29 February 2008.
- b) Sell your options. Quotation of the options will cease at the close of trading on 22 February 2008.
- c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 29 February 2008 and your right to subscribe for ordinary shares in Dynasty Metals Australia Ltd at 20 cents per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Stock Exchange (ASX) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in Dynasty Metals Australia Ltd on ASX was 16 cents on 31 January 2008, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 28 cents on 5 November 2007; and
- the lowest market sale price of ordinary shares on ASX was 10.5 cents on 22 January 2008.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form included with this notice and forward it together with payment of 20 cents per option exercised to be received no later than 5:00pm (WST) on **29 February 2008** to the Company's share registry, being:

**Security Transfer Registrars Pty Ltd**  
**PO Box 535**  
**APPLECROSS WA 6953**

OR 770 Canning Highway  
APPLECROSS WA 6953

Cheques should be made payable to "DYNASTY METALS AUSTRALIA LTD" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail registrar@securitytransfer.com.au.

Yours faithfully

**Graham Anderson**  
**COMPANY SECRETARY**

**DYNASTY METALS AUSTRALIA LTD**

ACN 110 385 709  
(DMAO)

**TERMS AND CONDITIONS OF OPTIONS EXPIRING 29 FEBRUARY 2008 AT \$0.20**

1. Each Option entitles the holder to subscribe for one Share.
2. The Options are exercisable at any time on or prior to 29 February 2008 (the "Expiry Date")
3. The amount payable on exercise of each Option is 20 cents
4. Subject to the Corporations Act and the ASX Listing Rules, the Options are transferable
5. All Shares issued upon exercise of the Options will rank pari passu in all respect with the Company's then existing fully paid shares
6. Exercise of the Options is effected by completing the Notice of Exercise of Options and forwarding it to the Company together with the requisite application monies
7. There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issued of capital offered to shareholders during the currency of the Options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books close date will be at least seven Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date of determining entitlements to participate in and such issue
8. In the event of any reconstruction (including consolidated, sub-division, reduction or return) of issued capital of the Company, the terms of the Options will be varied in a manner consistent with the ASX Listing Rules
9. In the event that the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in the ASX Listing Rules, if applicable, and
10. Options not exercised by 5.00 pm WST on 29 February 2008 will automatically expire.

NOTICE OF EXERCISE OF OPTIONS

To  
The Directors  
Dynasty Metals Australia Ltd  
Suite 2  
35-37 Havelock Street  
West Perth WA 6005

Share Registry:  
Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
Ph: (618) 9315 2333 Fax: (618) 9315 2233

I/We ..... Shareholder Number: .....

Of.....  
.....  
.....

Being the registered holder of Options hereby exercise such Options to subscribe for ..... Ordinary fully paid shares at \$0.20 per share. I/We enclose application money of \$ ..... And authorise you to register me/us as the holder of the shares to be allotted to me/us and /we agree to accept such shares subject to the Rules of the Constitution of the Company

Individual or Holder 1  
  
Director

Securityholder 2  
  
Director/Secretary

Securityholder 3  
  
Sole Director/Secretary

Date:  
  
Day / Month / Year

Contact Name

Contact Telephone Number

This application, with application money in Australian Currency, should be lodged at the Company's Share Registry on or before the Expiry Date.  
**NOTE:** Cheque should be made payable to **Dynasty Metals Australia Limited** and forwarded to Security Transfer Registrars Pty Ltd.