



29 February 2008

Company Announcement Office
ASX Limited

UNDERWRITING AGREEMENT

The Directors of Dynasty Metals Australia Limited are pleased to announce that Cachel Limited Partnership ("Cachel") has agreed to underwrite a minimum of 8,000,000 and a maximum of 16,000,000 of the company's 29 February 2008 options which remain unexercised as of today's date ("the Underwritten Options").

The options expire on 29 February 2008 and are exercisable at 20 cents.

Cachel will be paid a fee of 6% of the underwritten amount. The amount which will be raised following the exercise of these options will be \$3,200,000.

In addition the company will be seeking shareholder approval for the issue of one free attaching option exercisable at 35 cents with an expiry date of 28 February 2010 for each share issued pursuant to the underwriting agreement.

Yours sincerely,

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

GRAHAM ANDERSON
Director/Company Secretary