

DYNASTY METALS AUSTRALIA LIMITED

ACN 110 385 709

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

EXPLANATORY MEMORANDUM

Date of Meeting

25 November 2010

Time of Meeting

9.00AM (WST)

Place of Meeting

CWA House
Board Room
1176 Hay Street
West Perth WA 6005

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DYNASTY METALS AUSTRALIA LIMITED ACN 110 385 709 (“Dynasty/the Company”) WILL BE HELD AT CWA HOUSE BOARD ROOM, 1176 HAY STREET, WEST PERTH WA 6005 ON 25 NOVEMBER 2010, AT 9.00 AM (WST).

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the reports of the Directors and the Auditors for the financial year ended 30 June 2010.

To consider and if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:-

1. **Resolution 1 - Adoption of Remuneration Report**

“That the remuneration report forming part of the Company’s 2010 Annual Report be adopted.”

2. **Resolution 2 - Ratification of Previous Securities Issue**

“That, for all purposes, Shareholders approve and ratify the allotment and issue of 11,652,197 shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.”

3. **Resolution 3 - Change of Auditors**

“That Deloitte Touche Tohmatsu of Level 14, Woodside Plaza, 240 St Georges Terrace, Perth, WA 6000, having been nominated for appointment as auditor and having consented in writing to so act, be appointed as auditor of Dynasty Metals Australia Limited with such appointment to take effect from the later of the passing of this resolution and the time at which the resignation of PKF as auditor take effect.”

4. **Resolution 4 - Re-election of Lewis Tay as a Director**

“That, Lewis Tay, being a Director of the Company, retires by rotation in accordance with clause 13.2 of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a Director of the Company.”

5. **Resolution 5 - Re-election of Malcolm Carson as a Director**

“That, Malcolm Carson, being a Director of the Company, retires by rotation in accordance with clause 13.2 of the Constitution of the Company and being eligible for re-election, be hereby re-elected as a Director of the Company.”

6. **Resolution 6 - Approval for the Issue of Options to Consultants**

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 1,000,000 Options on the terms and conditions set out in the Explanatory Statement”.

7. **Resolution 7 – Approval of Placement Facility**

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the placement of 25,000,000 shares at an issue price of at least 80% of the average market price of shares calculated over the last 5 days on which sales in shares were recorded prior to the issue, to sophisticated and professional investors, on the terms and conditions set out in the Explanatory Statement.”

Short explanation: Shareholder approval is sought for the placement of 25,000,000 shares at an issue price of at least 80% of the average market price of shares calculated over the last 5 days on which sales in shares were recorded prior to the issue, to sophisticated and professional investors.

Voting Exclusions

For the purposes of:

Resolution 2 – Listing Rule 7.5, the Company will disregard any votes cast on resolution 2 by any person who participated in the issue and any of their associates;

Resolution 6 – Listing Rule 7.5, the Company will disregard any votes cast on resolution 6 by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolutions is passed;

Resolution 7 – Listing Rule 7.5, the Company will disregard any votes from a 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 holder of ordinary securities, if the resolution is passed;

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 General Meeting is incorporated in and comprises part of this Notice of General Meeting.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the 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.

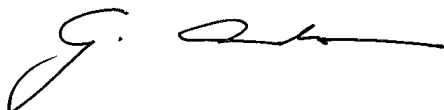
The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

“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 9:00pm WST on 23 November 2010 shall, for the purposes of determining voting entitlements at the 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
Director/Secretary
Dynasty Metals Australia Ltd

22 October 2010

NOTES TO THE PROXY FORM

Pursuant to the Company's Constitution and the Corporations Act 2001, any person registered in the Register of Shareholders as a holder of one or more shares 48 hours prior to the time of commencement of the Meeting is entitled to attend and vote at the Meeting.

Members are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

The Proxy Form and the Power of Attorney (if any) or the instrument appointing the proxy and power of attorney (if any) under which it is signed (or an office copy or notarially certified copy thereof) must be deposited at the Registered Office of the Company at PO Box 389, West Perth, WA 6872 at least 48 hours prior to the time of holding of the Meeting (and at any adjournment thereof), at which the individual named in the Proxy Form proposes to vote.

A proxy must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, under its common seal or under the hand of an authorised officer or attorney.

A person authorised (pursuant to the provisions of the Corporations Act 2001) by a corporation which is a member of the Company to act as its representative at the Meeting is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.

A legible facsimile transmission copy of the instrument and the power of attorney or other authority is acceptable. The facsimile number to which a Proxy Form may be sent is (08) 9322 7211.

The proxy may, but need not be, a member of the Company.

Corporate Representation

A company may only vote by proxy, power of attorney or by appointment of a corporate representative. The instrument appointing a proxy is not valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed (duly stamped where necessary) or a copy or facsimile which appears on its face to be an authentic copy of that proxy, or power of attorney is submitted to the Registered Office within the time set out herein. A company must sign a proxy under common seal in accordance with its Constitution or otherwise in accordance with the Corporations Act 2001 or under power of attorney which must be produced with the Proxy Form.

If the shares are registered in the name of more than one person, all such holders must sign the Proxy Form.

To be valid a Proxy Form and the Power of Attorney under which it is signed or proof thereof must be to the satisfaction of the Directors.

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

EXPLANATORY STATEMENT

This Explanatory Statement is for the information of members of Dynasty Metals Australia Limited (Dynasty) in connection with Resolutions to be considered at the Annual General Meeting of Dynasty to be held at CWA House Board Room, 1176 Hay Street, West Perth WA 6005 on 25 November 2010, at 9.00 am (WST). If members are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

Ordinary Business

Annual Financial Report

The Annual Financial Report 2010 (including the financial statement, Directors' report and Auditor's report for the financial year ended 30 June 2010) has been sent to all members and will be tabled at the meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made for members to question the Directors and the Auditor should they wish to do so.

Resolution 1 – Adoption of Remuneration Report

Section 250R of the Corporations Act requires a listed company to put to its members at each Annual General Meeting a resolution adopting the report on the remuneration of the Company's Directors, Executives and Senior Managers included in the Company's annual report. The above resolution is being proposed to comply with this requirement. The vote on this resolution is advisory only and does not bind the Company's Directors.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Resolution 2 – Ratification of Previous Securities Issue

In the previous 12 months, the Company has issued equity securities to the parties detailed below. These shares rank pari passu with existing shares on issue.

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.

As stated under Listing Rule 7.1, the allottees or nominees of the allottees are not related parties of the Company.

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 15% of the Company's share capital. The shares will be voluntarily escrowed for 12 months from the date of issue.

Allottee	Issue Price	Number of Shares Issued
Hebei Xinghua Iron & Steel Australia	18 cents	11,652,197

The Company intends to use all funds raised by the issue of new ordinary shares for completion of an extensive exploration program at Prairie Downs and completion of a pre-feasibility study.

The Board believes that the ratification of this issue is beneficial for the Company.

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of Shares.

The Chairman intends to vote undirected proxies in favour of this resolution.

Resolution 3 – Change of Auditors

The Company's existing auditors, PKF Australia Ltd, Chartered Accountants and Business Advisers (**PKF**), have applied to the Australian Securities and Investment Commission for consent to resign as auditors of the Company with effect from the date of the Annual General Meeting.

Pursuant to section 328(1) of the Corporations Act, a Member, Graham Anderson, has nominated Deloitte Touche Tohmatsu Australia (**Deloitte**) as the new auditor of the Company. A copy of the notice of nomination is set out in the Annexure to this Explanatory Memorandum. The Directors have invited Deloitte to act as the new auditors of the Company. Deloitte has consented to act as auditors of the Company.

In accordance with section 327B(1)(b) of the Corporation Act, the appointment of Deloitte as auditors of the Company, subject to the resignation of PKF Australia Ltd taking effect, is put to Members for approval.

Resolutions 4 – Re-election of Lewis Tay as a Director

The Constitution of the Company requires that 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 Board of Directors, with Lewis Tay abstaining, recommends that members vote to approve this Resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

Resolutions 5 – Re-election of Malcolm Carson as a Director

The Constitution of the Company requires that 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 Board of Directors, with Malcolm Carson abstaining, recommends that members vote to approve this Resolution. The Chairman intends to vote undirected proxies in favour of this resolution.

Resolution 6 – Approval for the issue of Options to Consultants

(a) General Background

Resolution 10 seeks Shareholder approval for the allotment and issue of 1,000,000 Options to Patersons Securities for their involvement in the share placement referred to in Resolution 2.

The Company has agreed, subject to Shareholder approval, to issue a total of 1,000,000 options to Consultants ("Consultant Options") as follows:

Allottee	Number of Options
Patersons Securities	1,000,000

The effect of Resolution 10 will be to allow the Directors to issue the Options during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

(b) Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Consultant Options to be granted is 1,000,000;
- (b) the Consultant Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Consultant Options will be issued for nil cash consideration;
- (d) the Consultant Options will be allotted and issued to nominees of Patersons Securities;
- (e) the Consultant Options will be issued on the terms and conditions set out in Annexure C.

Resolution 7 – Approval of Placement Facility

Introduction

Resolution 7 seeks Shareholder approval for the issue of up to 25,000,000 shares at an issue price of at least 80% of the average market price of shares calculated over the last 5 days on which sales in Shares were recorded prior to the issue, to sophisticated and professional investors.

None of the subscribers under the Share Placement will be related parties of the Company.

Under the ASX Listing Rules the company may not issue shares or options over unissued shares, comprising more than 15% of its issued share capital, in any 12 month period without shareholder approval. This is subject to limited exceptions. For this reason shareholder approval is sought for the proposed issue of shares under the placements.

Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3 the following information is provided:

- (a) the maximum number of shares to be issued under Resolution 7 is 25,000,000;
- (b) the shares to be issued under Resolution 7 will be issued to a small number of investors, mainly fund managers and institutional investors, who are not related parties of the Company, however the Directors will make that determination based on market conditions and investor appetite);
- (c) the shares will be issued at a price of at least 80% of the average market price of shares calculated over the last 5 days on which sales in shares were recorded before the issue was made;
- (d) the shares are fully paid ordinary shares and will rank equally with all existing shares on issue;
- (e) The funds will be used on further exploration programs at Prairie Downs and completion of a pre-feasibility study, as well as to cover tenement management and administration costs; and
- (f) No allotment date has been fixed for the shares and the allotment of these shares may occur progressively. All of the shares must be issued not later than three (3) months after the date of this Annual General Meeting.

ANNEXURE “A”

Terms of Shares

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to the shares of the Company. Full details are contained in the Constitution, available for inspection at the Company's registered office.

(a) Share Capital

All issued ordinary shares rank equally in all respects.

(b) Voting Rights

At a general meeting of the Company, every holder of shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every fully paid share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share.

(c) Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the shares.

(d) Rights on Winding-Up

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the share.

(e) Transfer of Shares

Shares in the Company may be transferred by instrument in any form which complies with the Constitution, the Corporations Act, Listing Rules and SCH Business Rules.

Shares may be transferred by such means in accordance with Listing Rules and the SCH Business Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by Listing Rules and SCH Business Rules.

(f) Calls on Shares

Shares issued as fully paid are not subject to any calls for payment by the Company and will not therefore become liable for forfeiture.

(g) Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

(h) Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the shares of a class can thereafter only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

(i) General Meeting

Each shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and Listing Rules.

ANNEXURE "B"

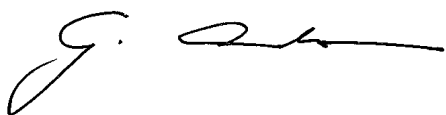
22 October 2010

Dynasty Metals Australia Limited
Suite 2, Level M, 35 Havelock St
West Perth, WA 6005

To whom it may concern,

I, Graham Anderson, being a member of **Dynasty Metals Australia Limited** ACN 110 385 709, hereby nominate Deloitte Touche Tohmatsu Australia for appointment as auditor of the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Anderson', with a long horizontal flourish extending to the right.

Graham Anderson

ANNEXURE “C”
CONSULTANTS’ OPTIONS
Terms and Conditions of Options

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 20 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 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.

DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

Suite 2, 35 Havelock Street, West Perth, WA, 6005

PROXY FORM

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Email Address:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Dynasty Metals Australia Limited 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 General Meeting of Dynasty Metals Australia Limited to be held at CWA House, Board Room, 1176 Hay Street, West Perth on 25 November 2010 at 9:00am WST and at any adjournment of that meeting.

Voting directions to your proxy – please mark to indicate your directions

Special Business

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Previous Securities Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Change of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Lewis Tay as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Malcolm Carson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for the issue of Options to Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR If you do NOT wish to direct your Proxy how to vote

*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 attached).

*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 attached to enable your directions to be implemented

Individual or Shareholder 1
Sole Director and
Sole Company Secretary

Shareholder 2
Director

Shareholder 3
Director/Company Secretary