

DYNASTY

METALS AUSTRALIA LTD

29 October 2010

Wade Baggot
Adviser, Issuers (Perth)
Australian Securities Exchange
2 The Esplanade
Perth WA 6000
Via Facsimile 9221 2020

Dear Wade,

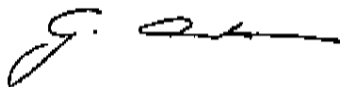
We have received your letter dated 27 October 2010 concerning the late lodgement of the Appendix 3Y – Director Interest Notice.

We are aware of the timing deadlines set out in the Listing Rules and the Corporations Act and every endeavour is made to comply with these Rules. However, on this occasion, the notification was not made due to an oversight by the Company Secretary.

Our procedures in ensuring compliance with the disclosure obligations are adequate. The Company has ensured that the Directors are aware of their responsibility in respect of providing correct and timely information.

Please do not hesitate to contact me if I can provide any further information.

Yours faithfully,



Graham Anderson
Company Secretary

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

ASX Markets Supervision Pty Ltd
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2 the Esplanade
Perth WA 6000

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Perth WA 6840

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27 October 2010

Graham Anderson
Company Secretary
Dynasty Metals Australia Limited
Suite 2, Mezzanine Level, 35-37 Havelock Street
WEST PERTH WA 6005

By email

Dear Graham

Dynasty Metals Australia Limited (the "Company")
Appendix 3Y – Director's Interest Notice.

We refer to the following:

The Appendix 3Y lodged by the Company with ASX Limited ("ASX") on 27 October 2010 for Malcolm Carson and

1. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

2. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

3. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Y indicate changes in Director's interests for Mr Carson on 1 September 2010 it appears as though that the Appendix 3Y should have been lodged with ASX by 8 September 2010.

As a result of these matters, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions .

1. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
2. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

We note the Company's explanation for the Appendix 3Y being lodged late.

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than 5:00pm on Friday, 29 October 2010.

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 form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Wade Baggott
Senior Adviser, Issuers (Perth)