

27 February 2015

Ms Sandra Wutete
Senior Adviser Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

By Email: Sandra.Wutete@asx.com.au

Dear Ms Wutete

DYNASTY RESOURCES LIMITED (DMA OR COMPANY)

We refer to your letter dated 23 February 2015 regarding the Company's Appendix 5B for the period ended 31 December 2014, released to ASX Limited (ASX) on 30 January 2015, (the Appendix 5B), and provide the following responses to the questions raised:

1. Subsequent to the end of the period that the Appendix 5B relates to, the Company completed a placement of shares raising \$150,000 (refer to the Company's announcement dated 30 January 2015). The funds raised ensure the Company has sufficient funds to meet its forecast outflows for the next quarter.

We also note that the Company has residual securities placement capacity under Listing Rule 7.1 and 7.1A and the Company is currently considering the most suitable method for raising further capital.

2. The Company is an exploration company and does not have a source of operating cashflow. Therefore the Company does expect to have negative operating cash flows in the future, which is typical of junior exploration companies. The Company is reliant on capital raising activities to fund its ongoing activities.

The Company currently expects that, in the foreseeable future, the quantum of negative operating cashflow will be broadly similar to that reported for the most recent quarter, however expenditure will be matched with the quantum of funds raised.

3. The Company refers to earlier responses and confirms it has received a number of funding approaches. The Company continues to maintain its exploration assets and to review opportunities for direct and indirect investment in its projects.
4. The Company confirms that it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.
5. With regard to Listing Rule 12.2, the Directors confirm that the Company is of a financial condition to warrant continued quotation of its securities and its continued listing.

Yours sincerely



Louise Edwards
Company Secretary



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23 February 2015

Ms Louise Edwards
Company Secretary
Dynasty Resources Limited
83 Brisbane Street
PERTH WA 6000

By email: Louise.edwards@dynastymetals.com.au

Dear Louise

Dynasty Resources Limited (the "Company")

I refer to the Company's Quarterly Cash Flow Report in the form of Appendix 5B for the period ended 31 December 2014 released to ASX Limited ("ASX") on 30 January 2015 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and debtors of \$nil.
2. Payments for exploration, evaluation, development and production of \$3,000.
3. Net negative operating cash flows for the quarter of \$79,000.
4. Cash at end of quarter of \$109,000.
5. Estimated cash outflows for the next quarter of \$153,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to expend cash as indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me via email **Sandra.Wutete@asx.com.au**. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4:00 pm (WST) on Friday 27 February 2015**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

[sent electronically without signature]

Sandra Wutete
Senior Adviser, Listings Compliance (Perth)