

9 March 2011

Company Announcement Office
ASX Limited

SHAREHOLDER CIRCULAR

Letter from Mr Tay to the Company's shareholders

Yesterday the Company became aware that Mr Lewis Tay, a director of the Company, had sent the attached letter to the Company's shareholders. The Company subsequently received a request from Mr Tay's lawyers that the letter is announced to ASX.

The Independent Board Committee established to act on the Company's behalf with respect to the forthcoming extra-ordinary meeting of the Company's shareholders to be held on 21 March 2011 notes the following with respect to Mr Tay's letter:

1. The Company considers the circular to shareholders dated 1 March 2011 to be accurate and disputes that it was either misleading or defamatory.
2. Mr Tay refers to three steps to (in his words) ensure optimum returns to shareholders. In the interests of ensuring that all shareholders are fully informed for the EGM, the Company notes that each of these steps is already under way:
 - (a) On 20 December 2010 the Company's board unanimously approved an exploration program to continue exploration on its Prairie Downs tenements to identify high grade DSO targets to complement its 1b tonne detrital project. See announcements to ASX on 16 November 2010, 27 and 31 January 2011. The work commenced as planned in January 2011 and field work is, due to seasonal climatic conditions in the Pilbara region, due to commence in May 2011.
 - (b) The Company has for some time examined the infrastructure solutions best suited for its projects and various options have been identified for further consideration as part of its pre-feasibility study. Again this was the subject of board deliberations at a board meeting on 20 December 2010, as well as several other board and management meetings in 2010.
 - (c) As announced to ASX on 27 January 2011, the work program unanimously approved by the Company's board will provide a systematic basis for many components of a pre-feasibility study, which will be commenced once the existing work programs have been finalised.
3. Mr Tay states that the Company was at all times aware of his share trading. At a board meeting immediately following shareholders' rejection of the placement to Hebei Xinghua Iron and Steel Co on 27 September 2010, Mr Tay was asked to detail the Company's holdings in securities. Mr Tay advised that, contrary to earlier directives of the board, he had not sold down the Company's holdings in various speculative stocks but rather had continued active trading. The Company's Chairman demanded that Mr Tay immediately cease all share trading activities by the Company, in response to which Mr Tay said that he would.

On 27 October 2010 and in response to a request from the Company's chairman that Mr Tay confirm that he had ceased trading shares on behalf of the Company, Mr Tay advised that he had continued trading. On 28 October 2010 the Company's chairman confronted Mr Tay, and demanded that Mr Tay immediately cease all trading using the Company's name and funds. Mr Tay agreed to do so. The Company did not become aware that Mr Tay was continuing his share trading activities until early January 2011 following an internal investigation.

Mr Tay's share trading activities during these periods were as follows:

28 September 2010 to 27 October 2010	7 buy trades with a total value of \$176,998.40
28 October 2010 onwards	4 buy trades (including an application under a placement) with a total value of \$150,352.48

The board only became aware of the trades between 27 September 2010 and 27 October 2010 following a request of Mr Tay, and subsequent trades following an internal investigation. At no stage did Mr Tay, of his own volition, advise the board of his share trading activities using the Company's funds and name. Rather, Mr Tay advised the Company's chairman twice during this period that his trading activities had ceased.

The Company maintains that Mr Tay's actions were a direct and persistent defiance of a board directive and that the Board (Mr Richard Oh dissenting) had no option other than to immediately terminate his executive powers.

Letter from Messrs Levy, Carson and Anderson to the Company's shareholders

Attached is a statement the Company has received from Messrs Ian Levy, Malcolm Carson and Graham Anderson in response to the resolutions seeking their removal as directors of the Company, and which the Company will circulate to all shareholders in accordance with section 203D of the Corporations Act.

Messrs Levy, Carson and Anderson have warranted to the Company that all the matters stated in their statement to be facts are in fact true and correct in every particular.

Authorised by the Independent Board Committee

For further information or enquiries please contact:

Fergus Ross at Six Degrees Investor Communication on 02 9230 0661

7th March 2011

Dear Shareholders

I would like to comment on the recent Circular the Independent Board Committee (IBC) circulated to Dynasty's shareholders. **I have taken legal advice on the misleading and incorrect comments in the Circular and have been advised that some of these comments are also defamatory. As such I am considering bringing legal action against the IBC and Terry Gygar for these comments.**

Before commenting on the Circular, I would like to bring the focus back to the reasons for calling the EGM, which is strictly driven by my concerns for the future of Dynasty. I also believe that shareholders (of which I am large one myself) deserve a Board where all Board members have the necessary mutual confidence and trust in each other to operate harmoniously and effectively to increase shareholders' value.

Changes in the Dynasty Board

The Circular made no mention of the pressing issues facing Dynasty, it is simply a smear campaign against me, intended to take the focus off the main issue, i.e. future of Dynasty and the best way to ensure optimum returns to shareholders.

As I stated in the Notice of Meeting, Dynasty urgently needs to have a WA based exploration team and experts in metallurgy and mine geology to take the Spear Hole deposits to the next stage.

I propose that Dynasty:

- 1. Fast-tracks the exploration to identify the high grade DSO targets to compliment our billion ton detrital project;**
- 2. Examines the infrastructure solutions best suited to the project; and**
- 3. Undertakes a pre-feasibility study in relation to the project.**

I have extensive contacts in China and South East Asia, which I am confident will be useful to Dynasty to secure any major future funding that maybe required and I believe that with the proposed Board changes, we can transform Dynasty into the company we all hope it to be.

If you support my view for the future of Dynasty, I would appreciate your support by voting for the resolutions that I have put forward in the Notice of Meeting. I firmly and sincerely believe that this is the best way forward for Dynasty.

I have acted and will continue to act at all times in the best interests of Dynasty and the shareholders. Whilst I view the comments in the Circular as secondary to the main issues, to ensure that shareholders are fully informed I comment on them below.

Share trading

The shares in Atlas Iron (500,000) and Poseidon Nickel (227,978) were allocated to Dynasty as consideration for the sale of some exploration tenements to these two companies, which occurred

before I was appointed to the Dynasty Board; Dynasty also subscribed a further 1,800 Atlas shares by participating the Shareholder Purchase Plan.

The Dynasty Board unanimously approved the investment of \$300,000 in Fairstar Resources in 2009. **These transactions were recorded on page 57 of the 2009 Annual Report.**

In 2009, the Board instructed me to orderly cash in Poseidon Nickel, Atlas Iron and Fairstar Resources, **By 23 February 2010, the time of the mentioned Board meeting, I had sold out 501,800 Atlas Iron shares, with the remaining portfolio worth around \$245,000.**

I note that my trading of the remaining shares, without any additional capital injection, **returned a \$72,343 profit to Dynasty plus a net holding of 2,546,099 Argonaut Resources shares.** These Argonaut Resources shares were valued at around \$250,000 at this date. Please note that **Dynasty has not at anytime ever owned 4 million Argonaut shares as stated by IBC.**

Use of my personal PO Box

Dynasty has at all times been kept aware of the Share transactions, with the share trade statements / ledgers being forwarded to the Company Secretary at his business office for the preparation of the Quarterly reports, which had been the practise for the previous 12 months .

Dynasty was and is still temporarily sub-leasing office space in Sydney , the use of my personal PO Box is therefore nothing more than a temporary measure until a permanent office address could be provided, or a Perth office has been set up.

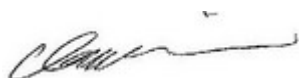
My qualifications

Kin Yu Cheng is the Cantonese spelling of my Chinese name when I lived in Hong Kong, while Kian Loo Tay is the spelling of my name in Hokkian. I have always been known as Lewis, and in 2002 I formally changed my name at the Australian registry to be known as Lewis Tay, to be consistent with my Singapore family, a practice consistent with many people of Chinese descent.

Due to the length of time that has passed since I obtained my university qualifications, I incorrectly listed my qualifications as a "Bachelor of Science" rather than a "Bachelor of *Applied Science*" and inadvertently did not inform the Board that the degree would be listed under my previous Cantonese spelling.

I shall be pleased to answer any queries or provide any clarification required on 0433 166 818. I respectfully remind shareholders to remain mindful of the reasons given in the EGM notice and not to be unduly distracted.

Sincerely Yours



Lewis Tay

PROXY FORM

**APPOINTMENT OF PROXY
DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709**

GENERAL MEETING

I/We

of

being a member of Dynasty Metals Australia Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10am (WST) on 21 March 2011 at Country Woman's Association House Meeting Room, 1176 Hay Street, West Perth WA 6005 and at any adjournment thereof.

If no directions are given, the Chair will vote in his discretion on the Resolutions.

Voting on Business of the General Meeting

Resolution 1 – Removal of Mr Malcolm Carson as Director
Resolution 2 – Removal of Mr Ian Levy as Director
Resolution 3 – Removal of Mr Graham Anderson as Director
Resolution 4 – Appointment of Mr Nicholas Revell as Director

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____



DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

Instructions for Completing 'Appointment of Proxy' Form

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2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Dynasty Metals Australia Limited, Suite 2, Mezzanine Floor, 35 - 37 Havelock Street, West Perth WA 6005; or
 - (b) facsimile to the Company on facsimile number **+61 8 9322 7211**,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.

To Shareholders of Dynasty Metals Australia Limited (“Dynasty” or “DMA”)

LETTER FROM YOUR CHAIRMAN, TECHNICAL DIRECTOR & DIRECTOR/SECRETARY

9 March 2011

Dear Dynasty Shareholder

Extra-ordinary general meeting of shareholders to be held on 21 March 2011

Mr Tay claims he seeks the removal of 3 Directors to reduce the size of the Board, move the office to Perth and save costs. We believe the REAL reason he has called this EGM is to regain total control of Dynasty Metals and to stop your Directors asserting good Corporate Governance to protect shareholders’ interests.

You should vote NO for all 4 EGM resolutions to remove 3 of your Directors. If you have already voted for Mr Tay’s resolutions, you can withdraw your proxy and change your vote to **NO for all 4 resolutions**. Do it now.

The Cause of This EGM Was Mr Tay’s Dismissal as an Executive

Your Board removed Mr Tay as an executive on 17 January 2011 for good reasons. Only Messrs Tay and Oh voted against that Board resolution. Furthermore, the Board majority requested that Messrs Tay and Oh resign as Directors but they refused.

We believe that Mr Tay has requested this EGM in retaliation. He seeks to remove the 3 directors who acted in the interests of good corporate governance. This tells us that Corporate Governance will not improve if the resolutions are passed at the EGM.

The Reasons for Mr Tay’s Dismissal as an Executive Included Unauthorised Share Trading

The removal of Mr Tay’s executive powers was primarily due to consistent, intentional breach of board instructions for Mr Tay to cease unauthorised trading in shares in other companies using Dynasty’s money and Dynasty’s name.

To do this unauthorised trading in Dynasty’s name, Mr Tay used a share account with a personal stock broking firm. The trading account’s address was Mr Tay’s personal PO Box in Haymarket, Sydney.

In January 2011, it became evident that Mr Tay had undertaken unauthorised share trades in speculative stocks **totalling more than \$550,000** during the 4th quarter of 2010. The Board considered that it had no alternative but to freeze that share trading account and dismiss Mr Tay as a senior executive of the company. When asked, Mr Tay refused to resign as a Director despite this blatant, unauthorised use of company funds.

Your Board removed Mr Tay’s executive powers on 17 January 2011. Only Mr Tay and Mr Oh dissented. The following day, Mr Tay requested that a shareholders meeting be held to consider the removal of 3 directors, all of whom had decided to remove his executive powers. Why? Certainly not to save costs, which will rise significantly under his business plan and be far less efficient. He is seeking to regain control of your Board so that his actions cannot be challenged again.

You can stop this by voting NO to all 4 resolutions of the EGM on 21 March – send a proxy now.

Mr Tay Seeks Unrestricted Control

We believe that this EGM has nothing to do with saving costs or directors being too busy, but is all about control by Mr Tay to give him the numbers on a Board to allow him to do what he wants. We believe this will not be in the best interests of shareholders and Dynasty could repeat its underperformance since 2007 when Mr Tay first took control.

Richard Oh's Support for Mr Tay

Mr Tay stated in his Notice of Meeting that "Messrs Tay and Oh have a good working relationship" and retain "mutual trust and confidence" Apart from Mr Tay, Mr Oh was the only Director who did not support Mr Tay's executive powers being removed. If Mr Oh believes it is acceptable to support Mr Tay as he has done, then shareholders should be concerned as to what Mr Tay will be permitted to do in future once Independent Directors have been removed.

Strategy Going Forward

Your Directors are technically and commercially experienced. Their on-going successful, detailed and cost-effective business plan has been designed by a team of experienced industry professionals, and a summary was announced to the market earlier this year. The strategy is to advance Dynasty's iron ore discoveries from exploration to pre-development within 18 months, at which time the Board structure will have changed and the company will establish a project management team in Perth - not dissimilar to that proposed by Mr Tay. In fact, Mr Tay and Mr Oh do not have technical mining qualifications or anything like the combined mining experience of those Board members Mr Tay seeks to remove. Instead, Mr Tay has simply **repeated parts of the existing Dynasty business plan.**

In the 18 month period from July 2009 to December 2010, Mr Tay incurred expenses on travel and related expenses, telephone and consultancy fees of several hundred thousand dollars (excluding his \$120,000 pa Director's fees), which is the company's largest cost centre other than exploration expenditures.

Mr Tay claims he is raising funds in China but since mid 2009, he has raised no money in mainland China despite many months travelling throughout China at considerable expense. He has also made large payments to "advisers" without positive results. The Xing Hua relationship with Dynasty was essentially managed by your Executive Director Technical, Malcolm Carson.

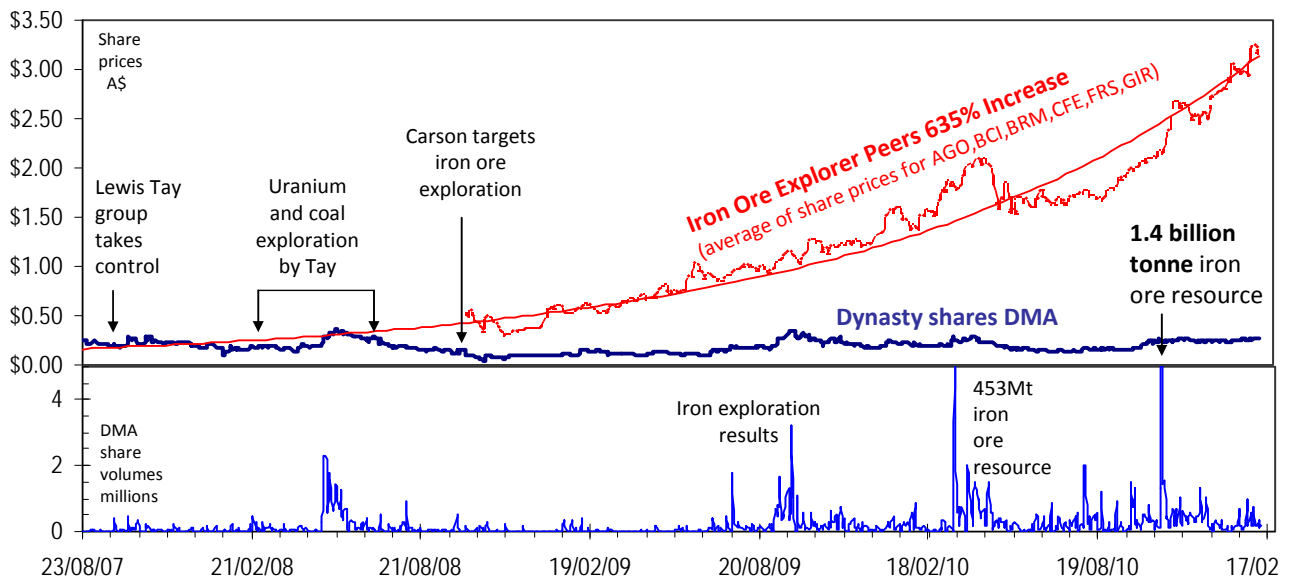
Dynasty's Technical and Cost-Efficiency Record is Excellent

Exploration costing \$3 million has discovered a 1.4 billion tonne iron ore deposit containing 378 million tonnes of iron. This discovery has been one of the industry's most cost efficient resource tonnage discovered per exploration-dollar spent. In fact, everything at Dynasty except Mr Tay's repeated overseas trips and high phone expenses has been very good value for money invested.

<p>You can keep Dynasty strong and cost-efficient by voting NO to all 4 resolutions of the EGM on 21 March – send a proxy now.</p>

Mr Tay's Commercial Record at Dynasty is Poor

Since Mr Tay took control of Dynasty via a similar EGM in October 2007, Dynasty's technical excellence has not been matched by Mr Tay's commercial management record. Dynasty's shares have significantly underperformed as shown in the following graph of Dynasty's share price during this period.



Since Mr Carson targeted iron ore exploration in August-October 2008, Dynasty has enjoyed significant exploration success but, despite Dynasty's technical success, the shares in similar iron ore exploration companies have risen by 635% whilst Dynasty's shares have not changed. The Executive Director, Commercial, has been Mr Tay.

Don't Let History Repeat Itself – Vote NO to all 4 EGM resolutions

Mr Tay's original seizing of control via an EGM in October 2007 has clearly failed shareholders.

Don't let history repeat itself – **VOTE NO to all resolutions so that Dynasty can thrive as a company with a Board of Directors who will increase value for all shareholders.**

Do not miss this opportunity to take back control of your company.

Yours respectfully

Ian Levy
Non-Executive Chairman

Malcolm Carson
Executive Director – Technical

Graham Anderson
Director and Secretary

M Carson drilling the Spearhole discovery holes, Prairie Downs, Pilbara



DIRECTORS' QUALIFICATIONS – COMPARE FOR YOURSELF

We have set out below the detailed qualifications and experience of the Directors Mr Tay seeks to remove. The existing Directors offer an ideal mix of skills and experience to take Dynasty forward.

We urge you to compare these to the comparatively poor qualifications and experience which Mr Tay says his "team" offers.

QUALIFICATIONS OF IAN LEVY, NON EXECUTIVE CHAIRMAN

Ian Levy has a BSc (Hons 1) with majors in Geology and Economics at ANU, an MSc(Dist) at London University and a Diploma of Imperial College at Royal School of Mines, London. He is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Fellow of the Australian Institute of Geoscientists (FAIG). He was Federal President of the AIG and was a member of the Joint Ore Reserves Committee (JORC) for 11 years, 4 years as Vice Chairman.

Ian began his mining career in 1975 with CSR-Pacminex and with WMC at Kambalda Nickel Mines in 1976. He spent 12 years with WMC in nickel, gold, uranium, base metals, bauxite-alumina and coal and commercial development, 5 years with Pancontinental Mining and 7 years with Gympie Gold Limited in development roles. In 2003, Ian was a founding Director of D'Aguiar Gold Limited and Chairman 2006 to 2009.

In 2004, Ian was a founding Director of the now \$1.8 billion Gloucester Coal Limited until its takeover in June 2009, during which time, its shares rose twentyfold from \$0.59 to \$13.25. In mid 2005, Ian became CEO of nickel company Allegiance Mining Limited until its takeover in 2008 for \$850 million, during which time, its shares rose tenfold from \$0.11 to \$1.10. In late 2009, Ian became founding CEO of Australian Bauxite Limited and its shares have risen by 350%.

In August 2009, Ian accepted the appointment as Chairman of Dynasty, a company with great technical successes, thanks mainly to Malcolm Carson and his technical team, but lacklustre share performance.

Declaration: Ian owns no Dynasty shares directly but a family superannuation fund has owned 20,000 DMA shares since February 2010 as part of an education fund administered by Mrs Levy for their young grandsons' future education. Ian also has 1 million 20 cent Directors options in Dynasty which were specifically set at half as many as the 2 million that Mr Oh requested for himself in 2009. At that time, 5 million options were also granted to Mr Tay.

QUALIFICATIONS OF MALCOLM CARSON, EXECUTIVE DIRECTOR - TECHNICAL

Malcolm Carson is a West Australian and has a Bachelor of Science Degree with majors in Geology and Economics. He has a Master of Science Degree in Natural Resource Management and has been a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) since 1974.

Since commencing work in the Western Australian mining industry in 1970, he has been involved in exploration management; resource development; mine planning; technical and commercial evaluation of mineral resource deposits; technical and financial modelling; development and statutory approvals, including environmental, mining and native title; resource and infrastructure development; managing competing land use issues and related approvals; equity and debt finance; hedging, treasury and commodity price risk management; strategic planning and business development; and mergers and acquisitions in the mining industry. As an exploration geologist, highlights for Malcolm are those projects for which he was responsible for the early exploration in the field which led to the discovery of the Gidgee gold mine in Western Australia, the Tshikondeni coking coal mine in South Africa and the nickel mines of Maggie Hayes and Emily Anne in Western Australia. Highlights also included pioneering work on the Balmoral Magnetite Deposit in the Pilbara, Western Australia and as Exploration Manager of CuDECO's Rocklands Copper Project in QLD.

In his role with the Western Australian State Government Malcolm Carson was responsible for the negotiation of a new port charging regime in the Fremantle Outer Harbour and a strategy to secure 3rd party access to the Mt Newman Railway for Lang Hancock which resulted in the State Rail Transport Agreement 1987.

QUALIFICATIONS OF GRAHAM ANDERSON, DIRECTOR & SECRETARY

- Graham Anderson is 48 years of age, has a Bachelor of Business Degree and a Diploma in Financial Planning and is a member of the Institute of Chartered Accountants. Graham commenced his career in 1983 with Ernst & Young before later moving to the national chartered accounting firms of Duesburys and Horwath as a Partner with particular responsibilities for providing a range of audit and related corporate services.
- In 1999 Graham established GDA Corporate, a specialist accounting and corporate advisory business providing a range of Directorship, company secretarial and accounting services to ASX listed companies. Currently employing 10 staff GDA Corporate provides a range of corporate services to over 15 ASX and overseas listed public companies.
- Graham has extensive knowledge and experience of advising on corporate governance issues.
- He is a founding Director of Dynasty and gives valuable administration and corporate continuity.

How do these compare with the qualifications and experience of Mr Tay's alternatives?

LEWIS TAY, NON-EXECUTIVE DIRECTOR & PAST EXECUTIVE DIRECTOR - COMMERCIAL

Mr Tay DOES NOT hold a Bachelor of Science Degree as claimed in the notice of Meeting but it now appears that he completed a pass level Bachelor of Applied Science in Computing Science from University of Technology Sydney (UTS) over 5 years from February 1986 to March 1991. A computing qualification of this kind is irrelevant to the management of an emerging iron ore exploration company.

Mr Tay has no significant business experience and his commercial mismanagement of Dynasty over the last 3½ years is a matter of record (see graph of share performance on page 3). While comparable iron ore exploration companies have seen their share prices increase by over 600%, Dynasty's share prices have hardly moved, despite the technical team headed by Malcolm Carson having discovered a 1.4 billion tonne iron ore deposit containing 378 million tonnes of iron. Mr Tay has demonstrated that he is incapable of translating this huge discovery into an increase in share prices - how can shareholders believe that he is capable of doing any better in the future?

Mr Tay has caused the company significant expenses (including over \$8,000 in telephone charges in one month alone) and frequent overseas trips. Mr Tay and Mr Oh have also been responsible for the allocation of over 4.3 million DMA options.

Unfortunately during Mr Tay's management of the company ordinary shareholders have only seen a stagnant share price while comparable companies have surged ahead on the share market.

RICHARD OH, NON-EXECUTIVE DIRECTOR & PAST CHAIRMAN

Mr Oh has had a career as a stockbroker and as a company director. A recent "Google" search of his name showed one entry – his role in his own private company. This speaks volumes about his impact as a businessman. His time as Chairman of Dynasty was undistinguished and his contribution in the time while Mr Tay has been Executive Director of Dynasty has been to consistently support Mr Tay's proposals and, despite his claims that he does not approve of all of Mr Tay's activities, Mr Oh has supported Mr Tay on virtually every issue. He therefore must bear equal responsibility for the failure of Dynasty to give good value to ordinary shareholders in that time.

NICHOLAS REVELL

Mr Revell has been proposed by Mr Tay to join the Board, presumably as a replacement geologist for Malcolm Carson, despite Mr Carson's outstanding record of supervising and directing the program that led to the huge resource of iron ore that is now Dynasty's principal asset.

Mr Revell's achievements are far less impressive than Mr Carson's and apparently less than claimed in public documents. On the website of Riviera Resources (now South African Ferro Metals) it is said that Mr Revell "... held roles as Chief Geologist at Fortescue Metals Group". On the Kidman Resources website, where Mr Revell is listed as a Non Executive Director, this claim is repeated and expanded: "*Nicholas is a Former Chief Mine Geologist of Fortescue Metal Group. ...His leadership was instrumental in helping Fortescue grow from an iron ore junior into one of the world's largest iron ore producers.*"

Enquiries to Fortescue Metals about Mr Revell confirmed that he has worked for Fortescue, but only for a relatively short period of approximately 6 months, mainly during a trial mining exercise which mined a relatively small amount of ore over a limited period. There was certainly no endorsement that Mr Revell's "leadership was instrumental in helping Fortescue grow".

Mr Revell may well be a competent Geologist and he may not be responsible for these public statements on these companies' websites, but his known achievements fall far short of Malcolm Carson's proven success in exploration for Dynasty and the wealth of knowledge and experience Mr Carson has built up regarding our iron ore projects and other tenements over a period of more than two years.

The fact that Mr Tay would propose that the experienced and proven Malcolm Carson should be dismissed in favour of Mr Revell should be a matter of concern to shareholders interested in building value in Dynasty.

Dynasty has only recently discovered its major iron ore deposits in the Pilbara and is in the middle of the all-important follow-up evaluation stage under Malcolm Carson's supervision. Now is the wrong time to make major changes to the winning technical team.

Mr Tay's proposal to dismiss your 3 key Directors is not a plan to improve business effectiveness – it is a plan driven by Mr Tay's personal desire to regain control of the company, its assets and funds.

RECOMMENDATIONS BY YOUR 3 KEY DIRECTORS

- 1. Vote NO to all four resolutions in Mr Tay's notice of meeting.**
- 2. If you have already completed the proxy form (or someone has completed on your behalf) you may change your vote by forwarding a new proxy form - as attached.**

Enquiries:

Malcolm Carson 0417 692 849
malcolm@dynastymetals.com.au

PROXY FORM

**APPOINTMENT OF PROXY
DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709**

GENERAL MEETING

I/We

of

being a member of Dynasty Metals Australia Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10am (WST) on 21 March 2011 at Country Woman's Association House Meeting Room, 1176 Hay Street, West Perth WA 6005 and at any adjournment thereof.

If no directions are given, the Chair will vote in his discretion on the Resolutions.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Removal of Mr Malcolm Carson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Removal of Mr Ian Levy as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Removal of Mr Graham Anderson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Appointment of Mr Nicholas Revell as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____



DYNASTY METALS AUSTRALIA LIMITED
ACN 110 385 709

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 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Dynasty Metals Australia Limited, Suite 2, Mezzanine Floor, 35 - 37 Havelock Street, West Perth WA 6005; or
 - (b) facsimile to the Company on facsimile number **+61 8 9322 7211**,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.