

**Dynasty Gold Corp.**

**Condensed Consolidated Interim Financial Statements**

**September 30, 2017 and 2016**

(Expressed in Canadian Dollars)

DYNASTY GOLD CORP.

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by the management and approved by the Audit Committee and Board of Directors of the Company.

The Company advises as required by National Instrument 51-102, Part 4, subsection 4.3(3) (a), that its independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements.

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**Dynasty Gold Corp.****Condensed Consolidated Interim Statements of Financial Position**(Expressed in Canadian dollars)

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	<b>September 30, 2017</b>	<b>December 31, 2016</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 4)	\$ 295,698	\$ 355,173
Receivables (Note 5)	7,161	6,996
Prepaid expenses	4,261	3,604
	<b>307,120</b>	<b>365,773</b>
Exploration and evaluation assets (Note 6)	387,518	376,403
	<b>\$ 694,638</b>	<b>\$ 742,176</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 210,482	\$ 219,553
	<b>210,482</b>	<b>219,553</b>
<b>Shareholders' Equity</b>		
Share capital (Note 8)	34,461,479	34,461,479
Shares to be issued	172,465	-
Share-based payment reserve	2,654,109	2,654,109
Deficit	(36,803,897)	(36,592,965)
	<b>484,156</b>	<b>522,623</b>
	<b>\$ 694,638</b>	<b>\$ 742,176</b>

**Nature of Business and Continuance of Operations** (Note 1)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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**Dynasty Gold Corp.****Condensed Consolidated Interim Statements of Changes in Shareholders' Equity****For the nine months ended September 30, 2017 and 2016**(Expressed in Canadian dollars)

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	Common Shares		Shares to be Issued	Share-based Payment Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount				
Balance, December 31, 2015	14,792,975	\$ 34,461,479	\$ -	\$ 2,654,109	\$ (36,377,049)	\$ 738,539
Comprehensive loss	-	-	-	-	(121,717)	(121,717)
Balance, September 30, 2016	14,792,975	\$ 34,461,479	\$ -	\$ 2,654,109	\$ (36,498,766)	\$ 616,822
Balance, December 31, 2016	14,792,975	\$ 34,461,479	\$ -	\$ 2,654,109	\$ (36,592,965)	\$ 522,623
Shares to be issued	-	-	172,465	-	-	172,465
Comprehensive loss	-	-	-	-	(210,932)	(210,932)
Balance, September 30, 2017	14,792,975	\$ 34,461,479	\$ 172,465	\$ 2,654,109	\$ (36,803,897)	\$ 484,156

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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**Dynasty Gold Corp.****Condensed Consolidated Interim Statements of Comprehensive Loss**(Expressed in Canadian dollars)

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	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
<b>Expenses</b>				
Consulting fees (Note 9)	\$ 23,288	\$ 11,644	\$ 69,863	\$ 54,863
Office expenses, rent and salaries	6,534	6,818	18,946	24,575
Professional fees (Note 9)	7,315	4,915	27,363	19,338
Project investigation costs	26,101	18,394	53,888	51,288
Regulatory and transfer agent fees	8,464	2,537	16,310	6,830
Shareholder communications, AGM, trade shows and travel	3,878	1,277	25,200	16,828
<b>Loss before other items</b>	<b>75,580</b>	<b>45,585</b>	<b>211,570</b>	<b>173,722</b>
<b>Other items</b>				
Interest income	(177)	(553)	(638)	(2,005)
Accounts payable write off (Note 7)	-	-	-	(50,000)
	<b>(177)</b>	<b>(553)</b>	<b>(638)</b>	<b>(52,005)</b>
<b>Comprehensive loss</b>	<b>\$ 75,403</b>	<b>\$ 45,032</b>	<b>\$ 210,932</b>	<b>\$ 121,717</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>14,792,975</b>	<b>14,792,975</b>	<b>14,792,975</b>	<b>14,792,975</b>

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See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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**Dynasty Gold Corp.****Condensed Consolidated Interim Statements of Cash Flows**(Expressed in Canadian dollars)

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	For the three months ended September 30,		For the nine months ended September 30,	
	2017	2016	2017	2016
Cash flows provided by (used in):				
<b>Operating activities</b>				
Net loss	\$ (75,403)	\$ (45,032)	\$ (210,932)	\$ (121,717)
Changes in non-cash working capital items:				
Receivables	2,094	3,891	(165)	4,045
Prepaid expenses	(1,661)	(1,661)	(657)	(721)
Accounts payable and accrued liabilities	7,106	(32,015)	(9,071)	(59,817)
	<b>(67,864)</b>	<b>(74,817)</b>	<b>(220,825)</b>	<b>(178,210)</b>
<b>Financing activity</b>				
Share subscriptions received	172,465	-	172,465	-
	<b>172,465</b>	<b>-</b>	<b>172,465</b>	<b>-</b>
<b>Investing activity</b>				
Exploration and evaluation asset costs and expenditures	(9,946)	(14,562)	(11,115)	(15,614)
	<b>(9,946)</b>	<b>(14,562)</b>	<b>(11,115)</b>	<b>(15,614)</b>
<b>Change in cash and cash equivalents</b>	<b>94,655</b>	<b>(89,379)</b>	<b>(59,475)</b>	<b>(193,824)</b>
<b>Cash and cash equivalents, beginning</b>	<b>201,043</b>	<b>506,099</b>	<b>355,173</b>	<b>610,544</b>
<b>Cash and cash equivalents, ending</b>	<b>\$ 295,698</b>	<b>\$ 416,720</b>	<b>\$ 295,698</b>	<b>\$ 416,720</b>

Non-cash transactions (Note 13)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

**Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2017 and 2016  
(Expressed in Canadian dollars)**

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**1. Nature of Business and Continuance of Operations**

The Company was incorporated under of the laws of the province of British Columbia on December 12, 1985. The Company's principal office is located at 625 Howe Street, Suite 488, Vancouver, B.C. V6C 2T6. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. The Company's shares are listed in the TSX-Venture Exchange (the "Exchange") under the symbol "DYG".

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its mineral properties, and to commence profitable operations in the future. To date, the Company has not generated any revenues and is considered to be in the exploration stage. These factors indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. As a result of its plans, management expects that the Company will have sufficient capital to fund operations and keep its mineral properties in good standing for the upcoming fiscal year. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. Significant Accounting Policies****a) Basis of presentation and statement of compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016.

The Company's board of directors approved these condensed consolidated interim financial statements for issue on November 29, 2017.

**b) Basis of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries.

All intercompany balances and transactions have been eliminated on consolidation.

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## Dynasty Gold Corp.

### Notes to Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 and 2016 (Expressed in Canadian dollars)

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#### 3. Accounting Standards Issued but Not Yet Applied

##### *New standard IFRS 9 “Financial Instruments”*

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this revised standard and is currently assessing the impact that this standard will have on its consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

#### 4. Cash and Cash Equivalents

	September 30, 2017	December 31, 2016
Cash at bank	\$ 222,698	\$ 332,173
Bank term deposits	73,000	23,000
	\$ 295,698	\$ 355,173

#### 5. Receivables

	September 30, 2017	December 31, 2016
GST receivable	\$ 6,949	\$ 6,892
Other receivables	212	104
	\$ 7,161	\$ 6,996

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## Dynasty Gold Corp.

### Notes to Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 and 2016 (Expressed in Canadian dollars)

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#### 6. Exploration and Evaluation Assets

	<b>Golden Repeat Property</b>
<b><u>Acquisition Costs</u></b>	
Balance, December 31, 2015	\$ 127,000
Balance, December 31, 2016 and September 30, 2017	\$ 127,000
<b><u>Deferred Exploration Costs</u></b>	
Balance, December 31, 2015	\$ 232,476
Property expenditures	16,927
Balance, December 31, 2016	\$ 249,403
Property expenditures	11,115
Balance, September 30, 2017	\$ 260,518
Total as at December 31, 2015	\$ 359,476
Total as at December 31, 2016	\$ 376,403
Total as at September 30, 2017	\$ 387,518

#### **Golden Repeat Property, Nevada, USA**

The Company owns a 100% interest in the Golden Repeat property, subject to 2% Net Smelter Royalty ("NSR"). The Company has the option to buy back 75% of the NSR for \$1 million within three years of commencing production.

#### 7. Accounts Payable and Accrued Liabilities

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Accounts payable	\$ 41,469	\$ 17,638
Amounts due to related parties (Note 9)	169,013	201,915
	\$ 210,482	\$ 219,553

During the year ended December 31, 2016, the Company wrote off a payable from 2011 in the amount of \$50,000.

#### 8. Share Capital

##### **Authorized:**

Unlimited number of common shares without par value.

On September 6, 2017, the Company consolidated its issued and outstanding share capital on the basis of one post-consolidation share for 8 pre-consolidation common shares. No fractional shares were issued under the consolidation and any fraction was rounded down to the nearest whole number. All share figures and references are retroactively adjusted.

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## Dynasty Gold Corp.

### Notes to Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 and 2016 (Expressed in Canadian dollars)

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#### 8. Share Capital (continued)

##### Share Issuance:

No shares were issued during the nine months ended September 30, 2017 and the year ended December 31, 2016.

##### Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the total issued and outstanding shares of the Company. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the market price of the shares or such other price as may be agreed to by the Company and accepted by the Exchange. All options granted under the Plan will become vested with the right to exercise one-fourth of the option immediately, and one-fourth of the option upon the conclusion of every six months subsequent to the date of the grant of the option, except options granted to consultants performing investor relations activities, which options will become vested to exercise one-fourth of the option upon every three months subsequent to the date of the grant of the option.

A summary of the status of the Company's stock options outstanding as of September 30, 2017 and December 31, 2016 and changes during the periods then ended is as follows:

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	Number of Options	Weighted Average Exercise Price
Options outstanding, December 31, 2015 and 2014	406,250	\$ 0.80
Expired	(406,250)	0.80
Options outstanding, December 31, 2016 and September 30, 2017	-	\$ 0.00

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##### Share-based Payment Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

#### 9. Related Party Balances and Transactions

##### *Related Party Balances*

Included in accounts payable and accrued liabilities is \$169,013 (December 31, 2016 - \$201,915) due to directors and officers of the Company (Note 7). The amount is unsecured, non-interest bearing and due on demand.

##### *Key Management Compensation*

During the nine months ended September 30, 2017, the Company accrued \$122,438 (2016 - \$99,151) to directors and officers for providing management, accounting and geological consulting services to the Company.

During the three months ended September 30, 2017, the Company accrued \$48,575 (2016 - \$25,288) to directors and officers for providing management, accounting and geological consulting services to the Company.

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## Dynasty Gold Corp.

### Notes to Condensed Consolidated Interim Financial Statements For the nine months ended September 30, 2017 and 2016 (Expressed in Canadian dollars)

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#### 10. Segmented Information

The Company's activities are all in the industry segment of mineral property acquisition, exploration and development.

At September 30, 2017 and 2016, the Company's exploration and evaluation assets are located in the USA (Note 6).

#### 11. Financial Risk Management

##### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents of \$295,698. Cash is held with a bank in Canada. As all of the Company's cash and cash equivalents is held by the same Canadian bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at September 30, 2017, this risk is considered minimal.

##### *Currency Risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to currency risk is minimal as the Company's transactions and financial instruments are primarily denominated in Canadian dollars. The Canadian dollar equivalents of cash and cash equivalents denominated in United States dollars is \$131,458.

##### *Interest Rate Risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate risk as cash and cash equivalents earn interest income at variable rates. As at September 30, 2017, the risk is considered minimal.

##### *Liquidity Risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents. As at September 30, 2017, this risk is considered high.

**Notes to Condensed Consolidated Interim Financial Statements  
For the nine months ended September 30, 2017 and 2016  
(Expressed in Canadian dollars)**

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**12. Capital Disclosures**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects.

The capital structure of the Company consists of equity and cash and cash equivalent. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the period.

**13. Non-Cash Transactions**

There were no significant non-cash transactions during the nine months ended September 30, 2017 and 2016.

**14. Subsequent Events**

On October 5, 2017, the Exchange approved the Company's non-brokered private placement of 2,668,000 units at \$0.125 per unit for gross proceeds of \$333,500. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at \$0.20 for the first year and at \$0.25 for the second year from closing. The Company will have the right to call the outstanding warrants for expiry upon 30 days in the event that the closing price of the common shares of the company on the TSX-V is above \$0.45 for 10 consecutive trading days. The shares and warrants issued are subject to a four-month hold from the date of closing of the private placement.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the nine months ended September 30, 2017

**DYNASTY GOLD CORP.**

#1613 – 610 GRANVILLE STREET  
VANCOUVER, BRITISH COLUMBIA  
V6C 3T3

Telephone: (604) 633-2100

Fax: (604) 484-3559

Contact Person:  
Contact's Position:  
Contact Telephone Number:

Ivy Chong  
President  
604-633-2100

Date of Report:  
E-Mail Address:  
Website:

November 29, 2017  
[ichong@dynastygoldcorp.com](mailto:ichong@dynastygoldcorp.com)  
[www.dynastygoldcorp.com](http://www.dynastygoldcorp.com)

## **DYNASTY GOLD CORP.**

### **MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

#### **INTRODUCTION**

This management's discussion and analysis ("MD&A") was prepared as of November 29, 2017 and is management's assessment of Dynasty Gold Corp.'s (the "Company") operating results and financial condition. This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the nine months ended September 30, 2017 and the audited annual consolidated financial statements for the year ended December 31, 2016, together with related notes thereto. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise stated.

Dynasty Gold Corp. is listed on TSX Venture Exchange under the ticker "DYG" and Frankfurt Exchange.

Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **FORWARD-LOOKING STATEMENTS**

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

#### **COMPANY OVERVIEW**

Dynasty Gold Corp. is a Canadian-based, junior company which is engaged in the acquisition, exploration and development of mineral properties; its 100% owned Golden Repeat property is located in the Elko County of Nevada, United States. The Company's focus is on mineral exploration in mining-friendly areas.

The Company also owns 70% interest in the Hatu Qi-2 gold resource in the Xinjiang Province of China. The remaining 30% is owned by Western Region Gold Co. Ltd. (formerly Jinge Gold Mining Ltd.), a 100% owned subsidiary of the State-owned company Xinjiang Non-Ferrous Metal Industry (Group) Ltd. ("XNF").

XNF and its subsidiary have included the Hatu Qi-2 gold resource in an IPO listing on the Shanghai Stock Exchange, but without acknowledging Dynasty Gold Corp.'s legal rights and interests in the property. The Company is currently in dispute with XNF and its subsidiary on this matter.

Dynasty's short-term strategy is to continue exploring the Golden Repeat property and expanding its exploration efforts by acquiring high quality mineral properties in other parts of the Americas. Its long-term strategy is to develop such exploration projects into properties with demonstrable technical feasibility and commercial viability, and ultimately into producing mines.

As of the date of this MD&A, the Company has not engaged in any production, nor found any proven reserves on any of its projects.

The Company is a reporting issuer in British Columbia and in Alberta.

## MINERAL EXPLORATION PROJECTS

### NEVADA, USA

#### Golden Repeat Property

##### *Overview*

The Golden Repeat property consists of 49 claims located on the north slope of the Midas Trough, along the Carlin Trend, within the Northern Nevada Rift. These claims have many geological similarities to the well-known Midas Gold District. Eighteen kilometers (10 miles) east of the property is Klondex's Midas mine that was previously owned by Newmont until February 2014 (6.41 million-ounce gold reserves as of 2007 at over 14g/t)—an epithermal, bonanza-type gold-silver bearing system. Additionally, three major sediment-hosted gold mines, Barrick's Getchell, Atna's Pinson Mines and Newmont's Twin Creeks Mine, lie 15-24 kilometers (8-13 miles) west of the property. Two distinct targets exist on the property. One is a volcanic-hosted epithermal occurrence, similar to Newmont's Ken Snyder deposit. The other is a sediment-hosted, gold occurrence underlying Tertiary volcanic rocks. The property was drilled by Goldfields from 1992 to 1994 and by Romarco in 1997/1998.

On January 12, 2011, the Company entered into an option agreement with Mill Bay Ventures Inc. ("Mill Bay") to acquire up to a 70% interest, subject to a 3% net smelter return royalty ("NSR"), in the Golden Repeat property situated in the Midas region of Nevada. On July 30, 2013, the company acquired a 100% interest in the Property, subject to 2% NSR, for \$12,000 in cash and 62,500 common shares with a fair value of \$10,000. The Company has the option to buy back 75% of the NSR for \$1-million within three years of commencing production. The Company is also required to issue an additional 62,500 common shares if proven gold or gold equivalent reserves exceed 500,000 ounces at commercial viable production grade.

The Company carried out a surface exploration program in July 2011. Its objective was to follow up drill targets identified by Yamana during their work on the property from 2007 to 2009. Forty-one rock chip samples were taken on the eastern and southern parts of the property and in adjacent areas peripheral to it. One float sample returned 10 g/t gold. Another sample that carried 1 g/t of gold came from an outcropping vein located near an existing road and drill sites. Three reverse circular holes were drilled totaling 816 meters to intersect the outcropping vein and a separate structural target previously proposed by Yamana. The assay results of 576 drill samples were consistent with the previous Romarco and Yamana results in the vicinity. The first hole (DG 1) was drilled to 304 meters which encountered 0.569 g/t gold over 1.7 meters at 296 meters, and the second hole (DG-2) intercepted similar mineralization but returned no significant gold values.

The third drill hole (DG-3), drilled to 285 meters, hit a well-mineralized zone at the top of a rhyolite formation at 130 meters and intersected 12.2 meters averaging 1.14 g/t gold, 9.0 g/t silver, and 968 ppm arsenic. Within this interval the best intercept was 3.4 g/t gold and 44.6 g/t silver over 1.7 meters. That suggests the altered rhyolite unit at shallow depth appears to be favorable target for the mineralized quartz veins.

On October 8, 2017, the Company renewed the Golden Repeat drill permit by depositing additional bonds with the Bureau of Land Management (BLM) in Elko County, Nevada, United States.

##### ***Activities during the period ended September 30, 2017***

During the quarter, the Company's exploration activities were mainly related to potential new project review and investigation.

##### ***Activities during the year ended December 31, 2016***

During the year, the Company initiated a surface program including mapping and rock sampling on the Golden Repeat property. The goal is to trace the Midas-style high grade gold and silver mineralization found on the adjacent Clover property onto the Golden Repeat property. The result indicates an extension

of the mineralization onto the Golden Repeat property that split into two cymoid loop strands trending north-northwest. The Company also reviewed a number of early stage and advanced stage exploration projects in Canada and in South America.

## MANAGEMENT CHANGES

There were no management changes during the nine months ended September 30, 2017.

## FINANCIAL DATA

### Selected Annual Financial Information

The following table sets forth selected financial information for and as of the end of the periods indicated. The Financial Statements may be accessed at [www.sedar.com](http://www.sedar.com). Readers are encouraged to review the Financial Statements in their entirety.

#### Fiscal Years Ended December 31

	2016	2015	2014
Interest and other income	\$ 2,350	\$ 3,827	\$ 9,341
Net loss before other items	(264,780)	(357,008)	(327,654)
Mineral properties write-off net of credits	-	-	-
Net loss	(215,916)	(335,583)	(310,629)
Net loss per share (basic and fully diluted)	(0.00)	(0.00)	(0.00)
Total assets	\$ 742,176	\$ 982,588	\$ 1,293,866

### Selected Quarterly Financial Information

The following financial information is derived from the unaudited consolidated interim financial statements:

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Other Items	\$ 177	\$ 164	\$ 297	\$ 345	\$ 553	\$ 686	\$ 766	\$ (90)
Net Loss	(75,403)	(81,285)	(54,244)	(94,199)	(45,032)	(50,018)	(26,667)	(98,428)
Net Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	694,638	\$ 590,470	\$ 671,862	\$ 742,177	\$ 801,054	\$ 878,101	\$ 958,795	\$ 982,588

## Results of Operations

During the three months ending September 30, 2017, the Company reported a net loss of \$75,403 or \$(0.00) per share (2016 - \$45,032 or \$(0.00) per share). The increase in net loss of \$30,371 in comparison to the same quarter of last year was mainly attributed to increase in consulting fees by \$11,644, project investigation costs by \$7,707 and regulatory fees of \$5,927 incurred for the quarter. The Company continues to keep corporate expenses to a minimum and focus on new project evaluation and advancing its Nevada project.

During the nine months ending September 30, 2017, the Company reported a net loss of \$210,932 or \$(0.01) per share (2016 - \$121,717 or \$(0.01) per share). The increase in loss of \$39,215 (before one-time accounts payable write off of \$50,000) in comparison to the same period of last year was mainly attributed to increase in consulting fees by \$15,000, professional fees of \$8,025, regulatory cost of \$9,480 and annual general meeting cost of \$8,372. These costs reflect an increased level of activities in 2017. The Company's overall strategy is to keep corporate expenses low and pursue exploration project in a positive market environment.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of September 30, 2017, the Company had working capital of \$96,638 which included cash and short-term investments of \$295,698 (December 31, 2016 - \$146,220 which included cash and short-term investments of \$355,173).

Net cash flow provided from financing activities for the three months September 30, 2017 was \$172,465 (2016 - \$Nil).

Net cash flow used in investing activities for the three months September 30, 2017 was \$9,946 (2016 - \$14,562).

Net cash flow provided from financing activities for the nine months September 30, 2017 was \$172,465 (2016 - \$Nil).

Net cash flow used in investing activities for the nine months September 30, 2017 was \$11,115 (2016 - \$15,614).

## **SHARE CAPITAL**

The following information is provided as at September 30, 2017:

Authorized – unlimited number of common shares without par value.

Issued and outstanding common shares – 14,792,975

Warrants – Nil

Options – Nil

The following information is provided as at November 29, 2017:

Issued and outstanding common shares – 17,460,975

Warrants – 2,668,000

Options – Nil

### **Share Purchase Warrants**

There are no warrants outstanding as of September 30, 2017.

### **Stock Options**

There are no options outstanding as of September 30, 2017.

## **RELATED PARTY BALANCES AND TRANSACTIONS**

### ***Related Party Balances***

Included in accounts payable and accrued liabilities is \$169,013 (December 31, 2016 - \$201,915) due to directors and officers of the Company. The amount is unsecured, non-interest bearing and due on demand.

### ***Key Management Compensation***

During the nine months ended September 30, 2017, the Company accrued \$122,438 (2016 - \$99,151) to directors and officers for providing management, accounting and geological consulting services to the Company.

During the three months ended September 30, 2017, the Company accrued \$48,575 (2016 - \$25,288) to directors and officers for providing management, accounting and geological consulting services to the Company.

## **OFF BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **SUBSEQUENT EVENTS**

On October 5, 2017, the Exchange approved the Company's non-brokered private placement of 2,668,000 units at \$0.125 per unit for gross proceeds of \$333,500. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at \$0.20 for the first year and at \$0.25 for the second year from closing. The Company will have the right to call the outstanding warrants for expiry upon 30 days in the event that the closing price of the common shares of the company on the TSX-V is above \$0.45 for 10 consecutive trading days. The shares and warrants issued are subject to a four-month hold from the date of closing of the private placement.

## **OUTLOOK**

Economic growth around the world is slowly picking up amidst uncertainties in the world's largest economy and its re-opening of trade agreements negotiations with many of its trading partners.

Commodity prices are improving and demands are picking up. Many believe in the value of gold and what it represents. However, the Federal Reserve's rate hike does cause some fluctuations in the price of the yellow metal in the short-term. But there seems to be an underlying support level for the gold price in these uncertain times despite the volatility as gold still has an important role to play in the currency world.

For junior mining and exploration companies, business sentiment continues to be positive. Major investment in junior companies and recent impressive drill intercepts by the Juniors have invigorated the gold space. The Company is carefully evaluating various potential prospects and remains disciplined in selecting projects that will bring long term benefits to shareholders.

## **CRITICAL ACCOUNTING ESTIMATES AND CHANGES IN ACCOUNTING PRINCIPLES**

The Company's accounting policies are presented in Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2016. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

The preparation of the audited annual consolidated financial statements using accounting policies consistent with International Financial Reporting Standards ("IFRS") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), requires management to make estimates and assumptions which affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to determining the recoverability of mineral property interests, environment obligations, the variables used in the determination of the fair value of stock options granted and the determination of the valuation allowance for future tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

Refer to Note 3 to the audited annual consolidated financial statements for the year ended December 31, 2016.

## **MATERIAL PROCEEDINGS**

The Company is not a party to any material proceedings.

## **INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE**

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the nine months ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information. There have been no significant changes in the Company's disclosure controls during the nine months ended September 30, 2017 that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risks and uncertainties, the more significant of which are discussed below. Additional risks and uncertainties not presently known to the Company may impact the Company's financial results in the future.

### **1. Industry**

Dynasty is engaged in the exploration for and development of mineral properties which involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. There is no assurance that the Company's exploration efforts will result in discoveries of commercial mineral deposits.

### **2. Gold and Metal Prices**

The price of gold is affected by numerous factors beyond the control of the Company including central bank sales, producer hedging activities, currency fluctuation, demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The prices of other metals and mineral products for which the Company may explore all have the same or similar price risk factors.

### **3. Cash Flow and Additional Funding Requirements**

The Company currently has no revenue from operations. Additional capital would be required to identify and explore property in the future. The sources of funds currently available to the Company are the sale of equity capital. Although the Company presently has sufficient financial resources to undertake project review and evaluation, and the Company has been successful in the past in obtaining equity financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

### **4. Exchange Rate Fluctuations**

At the present, the Company has an exploration project in the United States. The Canadian dollar has depreciated over ten percent against the US dollars in the last two years. However, the company has converted enough cash into US currency when the exchange rate was more favorable, at par. Therefore, we do not anticipate lower Canadian dollar will have immediate effect on our operation. If the currency trend is to continue and the Company decides to take on a major exploration program, it will affect the Company's cash outflow.