Dynasty Gold Corp.

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Dynasty Gold Corp.:

Opinion

We have audited the consolidated financial statements of Dynasty Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of changes in shareholders' equity, comprehensive loss, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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320 - 730 View St.
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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cherry Ho.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 28, 2023

Dynasty Gold Corp.

Consolidated Statement of Financial Position
As at December 31, 2022 and 2021

		December 31, 2022		December 31, 2021
Assets				
Current				
Cash and cash equivalents	$	1,056,726	$	514,528
Receivables (Note 4)		62,498		12,685
Prepaid expenses		7,523		-
		1,126,747		**527,213**
Exploration and evaluation assets (Note 5 and 9)		1,771,199		1,276,072
	$	**2,897,946**	$	**1,803,285**
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 6)	$	355,361	$	20,464
		355,361		**20,464**
Shareholders' Equity				
Share capital (Note 8)		37,844,739		36,966,099
Share-based payment reserve (Note 8)		3,170,078		3,085,504
Deficit		(38,472,232)		(38,268,782)
		2,542,585		**1,782,821**
	$	**2,897,946**	$	**1,803,285**

Nature of Business and Continuance of Operations (Note 1)
Subsequent Event (Note 14)

See accompanying notes to the consolidated financial statements.

Dynasty Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2022 and 2021
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Share-based Payment Reserve	Deficit	Total Shareholders' Equity
Balance, January 1, 2021	29,025,975	$ 36,098,101	$ 2,891,355	$ (37,863,351)	$ 1,126,105
Private placement (Note 8)	3,126,233	517,998	-	-	517,998
Warrant exercise (Note 8)	3,500,000	350,000	-	-	350,000
Stock-based compensation (Note 8)	-	-	194,149	-	194,149
Comprehensive loss	-	-	-	(405,431)	(405,431)
Balance, December 31, 2021	35,652,208	$ 36,966,099	$ 3,085,504	$ (38,268,782)	$ 1,782,821
Private placement, net (Note 8)	8,861,824	965,090	-	-	965,090
Stock-based compensation (Note 8)	-	-	84,574	-	84,574
Flow-through share premium (Note 13)	-	(86,450)	-	-	(86,450)
Comprehensive loss	-	-	-	(203,450)	(203,450)
Balance, December 31, 2022	44,514,032	$ 37,844,739	$ 3,170,078	$ (38,472,232)	$ 2,542,585

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the years ended December 31,		2022		2021
Expenses				
Consulting fees (Note 9)	$	93,150	$	93,150
Office expenses		13,613		15,991
Rent		18,600		18,600
Professional fees		18,995		35,891
Project investigation costs (Note 9)		-		7,763
Regulatory and transfer agent fees		15,574		12,432
Shareholder communications		56,982		36,132
Stock-based compensation (Note 8 and 9)		84,574		194,149
		301,488		**414,108**
Other items				
Foreign exchange (gain) loss		(3,824)		191
Interest income		(7,764)		(275)
Accounts payable written off		-		(8,593)
Flow-through premium reversal (Note 13)		(86,450)		-
		(98,038)		(8,677)
Comprehensive loss	**$**	203,450	**$**	405,431
Loss per share – basic and diluted	**$**	**(0.01)**	**$**	**(0.01)**
Weighted average number of common shares outstanding – basic and diluted		**34,087,759**		**30,908,699**

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended December 31,	2022	2021
Cash flows provided by (used in):		
Operating activities		
Net loss	$ (203,450)	$ (405,431)
Items not affecting cash:		
Stock-based compensation	84,574	194,149
Accounts payable written off	-	(8,593)
Flow-through premium reversal	(86,450)	-
Changes in non-cash working capital items:		
Receivables	(49,813)	(7,358)
Prepaid expenses	(7,523)	-
Accounts payable and accrued liabilities	83,497	19,291
	(179,165)	**(207,942)**
Financing activities		
Issuance of shares for cash, net issuance costs	965,090	517,998
Issuance of shares for exercise of warrants	-	200,000
	965,090	**717,998**
Investing activity		
Exploration and evaluation asset costs and expenditures	(243,727)	(311,251)
	(243,727)	**(311,251)**
Change in cash and cash equivalents	**542,198**	**198,805**
Cash and cash equivalents, beginning	**514,528**	**315,723**
Cash and cash equivalents, ending	**$ 1,056,726**	**$ 514,528**
Cash and cash equivalents is represented by:		
Cash	$ 383,726	$ 91,528
Guaranteed Investment Certificates	$ 673,000	$ 423,000

As of December 31, 2022, the Company has an accounts payable balance related to exploration and evaluation expenditures of $251,400 (2021 - $nil).

During the year ended December 31, 2021, the Company offset $150,000 of proceeds from issuance of warrants with the payables owing to an officer.

See accompanying notes to the consolidated financial statements.

1. Nature of Business and Continuance of Operations

Dynasty Gold Corp. (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 610 Granville Street, Suite 1613, Vancouver, B.C. V6C 3T3. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. The Company’s shares are listed on the TSX-Venture Exchange (the “Exchange”) under the symbol “DYG”.

These consolidated 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 significant 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 consolidated 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. Such adjustments could be material.

2. Significant Accounting Policies

a) Basis of presentation and statement of compliance

These consolidated financial statements have been prepared by management using International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The Company’s board of directors approved these consolidated financial statements for issue on April 28, 2023.

b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Terrawest Minerals Inc.

All intercompany balances and transactions have been eliminated on consolidation.

2. Significant Accounting Policies (continued)

c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal right to explore are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

d) Site rehabilitation obligations

Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site rehabilitation obligation. The estimate is discounted to the present value using a discount rate specific to the obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. The liability is accreted to its present value at each reporting period, and the capitalized cost is amortized on the same basis as the related asset. Upon settlement of the liability, the Company may incur a gain or loss.

e) Impairment of non-current assets

Non-current assets (which consist of exploration and evaluation assets) are reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less direct costs to sell and the asset value in use (being the present value of the expected future cash flows of the asset). An impairment loss is recognized for the amount by which the carrying amount exceeds its recoverable amount.

2. Significant Accounting Policies (continued)

f) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

g) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

h) Loss per share

Loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The Company uses the treasury stock method to compute the dilutive effect of options, warrants

2. Significant Accounting Policies (continued)

and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions including the exercise of options and warrants that would be anti-dilutive. For the years presented, the calculation of the diluted loss per share proved to be anti-dilutive. Accordingly, there is no difference in the amounts presented for the basic and diluted loss per share.

i) Translation of foreign currencies

Transactions and balances:

The Company and its subsidiary both have the Canadian Dollar as their functional and presentation currency. The accounts recorded in foreign currencies have been translated into Canadian dollars on the following basis:

- monetary assets and liabilities at the rate of exchange in effect at the balance sheet date;
- non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions;
- revenue and expenses at the exchange rates prevailing on the date of the transaction; and
- depreciation, amortization and other write-downs of long-lived assets translated at historical exchange rates are translated at the same exchange rate as the assets to which they relate.

Gains and losses on translation are included in profit or loss in the year in which they occur.

Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

j) Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of

2. Significant Accounting Policies (continued)

exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for site rehabilitation obligations and contingent liabilities.

k) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

l) Financial instruments

(i) Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets/liabilities	Classification
Cash and cash equivalents	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

2. Significant Accounting Policies (continued)

l) Financial instruments (continued)

(ii) Measurement (continued)

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(v) Fair value measurement
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

l) Financial instruments (continued)

(v) Fair value measurement (continued)

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are classified at Level 1.

m) Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued. Proceeds from unit placements are allocated between shares and warrants using the residual method.

n) Flow-through shares

The Company renounces qualifying Canadian exploration expenditures to certain share subscribers who subscribe for flow-through shares in accordance with the Income Tax Act (Canada). Under these provisions, the Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures.

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability (“deferred premium on flow through shares”). As the qualifying expenditures are incurred, a deferred tax liability is recognized and the deferred premium will be reversed provided that the Company has renounced, or there is reasonable expectation that the Company will renounce, the tax benefits associated with the related expenditures. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

3. Accounting Standards Issued but Not Yet Applied

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. Receivables

	December 31, 2022	December 31, 2021
GST receivable	$ 60,488	$ 12,615
Other receivables	2,010	70
	$ 62,498	$ 12,685

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets

	Golden Repeat Property	Thundercloud Gold Property	Total
Acquisition Costs			
Balance, December 31, 2020	$ **127,000**	$ **157,500**	$ **284,500**
Acquisition cost paid in cash	-	100,000	100,000
Balance, December 31, 2021	$ **127,000**	$ **257,500**	$ **384,500**
Balance, December 31, 2022	$ **127,000**	$ **257,500**	$ **384,500**
Deferred Exploration Costs			
Balance, December 31, 2020	$ **304,151**	$ **376,170**	$ **680,321**
Property expenditures	12,984	198,267	211,251
Balance, December 31, 2021	$ **317,135**	$ **574,437**	$ **891,572**
Property expenditures (Note 9)	13,070	542,057	555,127
Recovery	-	(60,000)	(60,000)
Balance, December 31, 2022	$ **330,205**	$ **1,056,494**	$ **1,386,699**
Total as at December 31, 2021	$ **444,135**	$ **831,937**	$ **1,276,072**
Total as at December 31, 2022	$ **457,205**	$ **1,313,994**	$ **1,771,199**

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.

Thundercloud Gold Property, Ontario, Canada

In September 2021, the Company signed an Amendment Agreement to the original Option Agreement signed between the Company and Teck Resources Limited ("Teck") on January 31, 2018 to acquire Teck's 100% interest in the Thundercloud Gold Property, located in the Archean Manitou-Stormy Lakes Greenstone Belt in Ontario. Pursuant to the amendment agreement, the Company was deemed to have exercised its option and Teck has waived it back-in right. The Company made a cash payment of $100,000 to complete the transaction. Teck retains a 2% net smelter return ("NSR"), 1.5% of the NSR can be purchased for $1,000,0000. This transaction was completed in October 2021 and Teck has transferred 100% of its interest of the Thundercloud property to the Company.

(Expressed in Canadian dollars)

6. Accounts Payable and Accrued Liabilities

	December 31, 2022	December 31, 2021
Accounts payable	$ 257,554	$ 20,464
Amounts due to related parties (Note 9)	97,807	-
	$ 355,361	$ 20,464

7. Income Tax Expense and Deferred Tax Assets and Liabilities

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Net loss	$ (203,450)	$ (405,431)
Statutory tax rate	27.0%	27.0%
Expected income tax recovery at the statutory tax rate	(54,932)	(109,466)
Non-deductible items and other	91,339	58,882
Temporary differences not recognized	(36,407)	50,584
Income tax recovery	$ -	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	December 31, 2022	December 31, 2021
Non-capital loss carry-forwards	$ 6,914,096	$ 6,742,007
Share issuance	66,928	10,770
Exploration and evaluation assets	16,212,908	16,575,998
	$ 23,193,932	$ 23,328,775

(Expressed in Canadian dollars)

7. Income Tax Expense and Deferred Tax Assets and Liabilities (continued)

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Exploration and evaluation assets
2026	$ 707,881	$ -
2027	896,753	-
2029	799,360	-
2030	412,872	-
2031	492,236	-
2032	368,312	-
2033	777,041	-
2034	326,895	-
2035	370,441	-
2036	129,144	-
2037	610,973	-
2038	226,056	-
2039	242,905	-
2040	156,375	-
2041	208,836	-
2042	188,016	
No expiry	-	17,984,107
	$ 6,914,096	$ 17,984,107

8. Share Capital

Authorized

Unlimited number of common shares without par value.

Share Issuances

On November 25, 2022, the Company closed a non-brokered private placement of 2,429,059 units for gross proceeds of $170,034. Each unit consists of one common share and one common share purchase warrant exercisable at $0.13 for a period of two years with warrant accelerating clause. No value has been allotted to the warrants under the residual method. Share issuance costs of $1,600 were incurred for the private placement.

On October 14, 2022, the Company closed a non-brokered flow-through private placement of 3,458,000 units for gross proceeds of $363,090, from which it recognized a deferred premium on flow-through shares of $86,450 (note13). Each unit consists of one flow-through common share and one non-flow through common share purchase warrant exercisable at $0.15 for a period of two years with warrant accelerating clause. No value has been allotted to the warrants under the residual method. Share issuance costs of $36,422 were incurred for the private placement.

In April 2022, the Company closed a non-brokered private placement of 2,974,765 units for a gross proceed of $505,530. Each unit consists of one common share and one common share purchase warrant exercisable at $0.25 for a period of two years. No value has been allotted to the warrants under residual method. Share issuance costs of $35,542 were incurred for the private placement.

In July 2021, the Company issued 3,500,000 shares to the warrant holders who exercised their warrants pertaining to the private placement completed in June 2020 for $350,000.

(Expressed in Canadian dollars)

8. Share Capital (continued)

In April 2021, the Company closed a non-brokered private placement of 3,126,233 units for gross proceeds of $531,460. Each unit consists of one common share and one common share purchase warrant exercisable at $0.25 for a period of two years. Share issuance costs of $13,462 were incurred for the private placement.

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 December 31, 2022 and changes during the years then ended are as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2020	1,325,000	$ 0.20
Options granted	1,350,000	$ 0.20
Balance, December 31, 2021	2,675,000	$ 0.20
Options expired	(1,325,00)	$ 0.20
Options granted	950,000	$ 0.12
Balance, December 31, 2022	2,300,000	$ 0.17

On May 18, 2021, the Company granted 700,000 stock options to officers and directors of the Company and 650,000 stock options granted to advisors. These stocks options are exercisable at $0.20 expiring on May 18, 2026 and will vest over a period of 18 months. The fair value of these options was determined to be $255,846 using the Black-Scholes Option Pricing Model with the assumptions in the table below.

The Company recorded $194,149 share-based payment related to the options vested during the year ended December 31, 2021.

During the year ended December 31, 2022, the Company granted 625,000 stock options to officers and directors of the Company and 325,000 stock options granted to advisors. These stocks options are exercisable at $0.12 expiring five years from the date of granting. The fair value of these options was determined to be $56,260 using the Black-Scholes Option Pricing Model with the assumptions in the table below.

The Company recorded $84,574 share-based payment related to the options vested during year ended December 31, 2022.

(Expressed in Canadian dollars)

8. Share Capital (continued)

Stock Options (continued)

	2022	2021
Expected volatility	119% - 122%	173%
Risk-free interest rate	3.19% - 3.29%	0.78%
Expected life in years	5 years	5 years
Expected dividend yield	0.00%	0.00%

As at December 31, 2022, the following stock options are outstanding:

Issue Date	Number of Options Outstanding	Expiry Date	Weighted Average Exercise Price
May 18, 2021	1,350,000	May 18, 2026	$ 0.20
Aug 22, 2022	725,000	Aug 22, 2027	$ 0.12
Sep 12, 2022	25,000	Sep 12, 2027	$ 0.12
Dec 5, 2022	200,000	Dec 5, 2027	$ 0.12

The weighted average life of the options outstanding at December 31, 2022 was 3.93 years.

As at December 31, 2022, the following stock options are exercisable:

Issue Date	Number of Options Exercisable	Expiry Date	Weighted Average Exercise Price
May 18, 2021	1,350,000	May 18, 2026	$ 0.20
Aug 22, 2022	181,250	Aug 22, 2027	$ 0.12
Sep 12, 2022	6,250	Sep 12, 2027	$ 0.12
Dec 5, 2022	50,000	Dec 5, 2027	$ 0.12

The weighted average price of the options outstanding at December 31, 2022 was $0.17.

(Expressed in Canadian dollars)

8. Share Capital (continued)

Warrants

A summary of the status of the Company's outstanding warrants as of December 31, 2022 and 2021 and changes during the years then ended is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2020	4,000,000	$ 0.10
Exercised	(3,500,000)	$ 0.10
Issued	3,126,233	$ 0.25
Expired	(500,000)	$ 0.20
Balance, December 31, 2021	3,126,233	$ 0.25
Issued	1,929,765	$ 0.25
Issued	770,000	$ 0.25
Issued	275,000	$ 0.25
Issued	3,458,000	$ 0.15
Issued	2,429,059	$ 0.13
Balance, December 31, 2022	11,988,057	$ 0.20

The weighted average life of the warrants at December 31, 2022 was 1.31 years.

As at December 31, 2022, the following warrants are outstanding:

Issue date	Number of Warrants Outstanding	Expiry date	Weighted Average Exercise Price
April 16, 2021	3,126,233	April 16, 2023	$ 0.25
March 16, 2022	1,929,765	March 16, 2024	$ 0.25
April 1, 2022	770,000	April 1, 2024	$ 0.25
April 22, 2022	275,000	April 22, 2024	$ 0.25
November 10, 2022	3,458,000	November 10, 2024	$ 0.15
December 15, 2022	2,429,059	December 15, 2024	$ 0.13

The weighted average price of the warrants at December 31, 2022 is $0.20.

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 $97,807 (2021 - $Nil) due to officers of the Company (Note 6). The amount is unsecured, non-interest bearing and due on demand.

Key Management Compensation

During the year ended December 31, 2022, the Company accrued and/or paid $205,190 (2021 - $192,300) to directors and officers for providing management, accounting, project investigation and geological consulting services to the Company. The Company recorded $52,726 (2021: $100,670) of stock-based compensation relating to directors and officers of the Company during the year ended December 31, 2022.

10. Segmented Information

The Company's activities are all in the industry segment of mineral property acquisition, exploration and development. The Company's exploration and evaluation assets are located in the USA and Canada (Note 5).

As at December 31, 2022

	Canada	USA	Total
Exploration and evaluation assets	$1,313,994	$457,205	$1,771,199

As at December 31, 2021

	Canada	USA	Total
Exploration and evaluation assets	$831,937	$444,135	$1,276,072

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 guaranteed investment certificates of $1,056,726. 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 December 31, 2022, the 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 $59,852 (US $44,022).

11. Financial Risk Management (continued)

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 December 31, 2022, 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 December 31, 2022, this risk is considered high.

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 year.

(Expressed in Canadian dollars)

13. Deferred Premium On Flow-Through Shares

	December 31, 2022	December 31, 2021
Balance, beginning of period	$ -	$ -
Deferred premium of flow-through shares issued	86,450	-
Flow-through share premium reversal	(86,450)	
	$ -	$ -

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2022, the Company received $363,090 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $86,450. During the year ended December 31, 2022, the Company incurred and renounced eligible expenditures of $363,090. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at December 31, 2022, the Company had no remaining qualifying expenditure commitment from the proceeds of flow-through shares issued.

14. Subsequent events

a) In January 2023, the Company issued 190,000 shares to the warrant holders who exercised warrants pertaining to the private placement completed in April 2022. The warrants were exercised at $0.25 per share for proceeds of $47,500.

b) In February 2023, the Company issued 25,000 shares to the option holder who exercised options pertaining to the stock options granted during 2022. The options were exercised at $0.12 per share for proceeds of $3,000.

c) In March 2023, the Company issued 50,000 shares to the warrant holder who exercised warrants pertaining to the private placement completed in October 2022. The warrants were exercised at $0.15 per share for proceeds of $7,500.

d) On March 30,2023, the Company announced a non-brokered private placement to raise $2,800,000 in combination of Charity Flow-Through units and non Charity Flow-Through units. Each Charity Flow-Through units consist of one Charity Flow-Through share at $0.30 and one common share purchase warrant at $0.27 for a period of 24 months. The underlying common share purchase warrant will not qualify as "flow-through shares". Each non charity Flow-Through unit consists of one non charity Flow-Through share at $0.21 and one common share purchase warrant at $0.27 for a period of 24 months. During April, 2023, the Company has received gross proceeds of $3,436,869 with oversubscription. The closing of the private placement is subject to Exchange approval.

e) In April 2023, the Company issued 367,647 shares to the warrant holders who exercised warrants pertaining to the private placement completed in April 2021. The warrants were exercised at $0.25 per share for proceeds of $91,912.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2022

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DYNASTY GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

INTRODUCTION

This management's discussion and analysis ("MD&A") was prepared as of April 28, 2023 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 audited annual consolidated financial statements and related notes for the year ended December 31, 2022. The audited consolidated financial statements for the year ended December 31, 2022 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 the TSX Venture Exchange under the ticker symbol "DYG", on the Frankfurt Exchange under the ticker symbol "D5G" and on the OTC under the ticker symbol "DGDCF".

Additional information relevant to the Company's activities can be found on SEDAR at 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 herein 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 focused on exploring for and developing economically viable mineral resources. The Company's 100% owned Golden Repeat Gold Property is located in Elko County, Nevada, United States.

In February 1, 2018, the Company signed an option agreement with Teck Resources Limited ("Teck") to earn a 100% interest in the Thundercloud Gold Property located on the Central Wabigoon Greenstone Belt in Northwestern Ontario. Please refer to press release dated February 1, 2018 for details of the transaction. In late September 2021, the Company acquired 100% of Teck's interest in the property (see press release dated September 27, 2021).

Dynasty's short-term strategy is to explore and develop the two gold properties in North America and continue to evaluate other quality assets to add to its portfolio. Its long-term strategy is to develop these properties into technically feasible and commercially viable producing mines.

As of the date of this MD&A, the Company has not engaged in any production. The Thundercloud property hosts an inferred resource of 182,000 ounces gold at 1.37 g/t (NI 43-101 Independent Technical Report, September 27, 2021).

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

MINERAL EXPLORATION PROJECTS

NEVADA, USA

Golden Repeat Property

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 gold properties in the well-known Midas Gold District. Hecla Mining Company's Midas Mine lies 18 kilometres (km) (10 miles) east of the Property. The Midas Mine previously was owned by Newmont until February 2014 (3 million oz gold reserves at 31g/t Au) and is an epithermal, bonanza-type gold-silver bearing system. Hecla recently made a new Midas-style gold-silver discovery located just east of the Midas Mine, the "Green Racer Sinter" property, and has drilled high-grade new intercepts on it. Hecla is drilling on it as the date of this report. It shows that new discoveries still can be made in this exciting gold-silver mining camp. Additionally, major sediment-hosted Carlin-style gold mines owned by Nevada Gold Ventures LLC are situated nearby, including the Getchell-Twin Creeks-Turquoise Ridge mines (15 km to the southwest, and its Goldstrike Mine complex, 50 km (30 miles) southeast of the Property).

Two distinct gold-silver targets exist on Golden Repeat. One is a volcanic-hosted epithermal occurrence, similar to the Midas Mine gold-silver deposit of Hecla. The other target is a sediment-hosted, Carlin-style gold occurrence underlying Tertiary volcanic rocks. The Property was drilled by Goldfields from 1992 to 1994 and by Romarco in 1997/1998.

On July 30, 2013, the Company acquired a 100% interest in the Property, subject to a 2% NSR. 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 commercially viable production grades.

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 the Clover gold-silver property of Waterton Global Mining. 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. Dynasty Gold drilled three angled reverse circulation holes in 2011 totaling 816 metres (m) to intersect the outcropping Clover vein system and a separate structural target previously proposed by Yamana. The assay results from 576 drill samples were consistent with the previous Romarco and Yamana results in the vicinity. The first hole (DG 1) was drilled to a depth of 304 m and encountered 0.569 g/t gold over 1.7 m at 296 m, and the second hole (DG-2) intercepted similar mineralization but returned no significant gold values.

The third drill hole (DG-3), drilled to 285 m, hit a well-mineralized zone at the top of a rhyolite formation at 130 m and intersected 12.2 m of mineralization that averaged 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 m. That suggests that the altered rhyolite unit at shallow depth is a favorable target host for the mineralized Midas-style epithermal gold-quartz veins. No follow-up drilling has yet been conducted on this exciting gold-silver target.

The Golden Repeat claims were renewed in August 2021 and the two-year Golden Repeat drill permit was renewed by the Bureau of Land Management (BLM) in Elko County, Nevada, in October, 2021.

Activities during the year ended December 31, 2022

The Golden Repeat claims were renewed in August 2022 with the BLM.

ONTARIO, CANADA

Thundercloud Gold Property

On February 1, 2018, the Company signed an option agreement with Teck Resources Limited (“Teck”) to acquire a 100% interest in the Thundercloud Gold Property, located in the Archean Manitou-Stormy Lakes Greenstone Belt in Ontario. Pursuant to the agreement, the Company had an option to earn up to a 100% interest in the property by spending $6,000,000 over five years and by issuing 1,000,000 common shares of the Company to Teck. The Company must spend $300,000 in mandatory expenditures in the first year. Teck retained a back-in right to earn back a 65% interest in the property by spending $15-million over a four-year period and by delivering a notice within 90 days following receipt of the Company’s expenditure notice. If the back-in right was not exercised, it would have retained a 2% net smelter return royalty (“NSR”) that could have been reduced to 1.5% at the option of the Company by making a cash payment of $1,000,000. Please refer to press release dated February 1, 2018 and the Company’s current financial statement for details of the transaction.

In late September, 2021, the Company signed and executed an Amending Agreement with Teck whereby Dynasty has been deemed to have exercised its option and upon completion of a cash payment of $100,000, which will result in Dynasty acquiring 100% of Teck’s interest in the property, subject to Teck retaining a 2% net smelter returns royalty (“NSR”) and waiving the buy-back provision. For details of the terms in the Amending Agreement, please refer to the news release dated September 27, 2021.

The Thundercloud property geological setting is comparable to the Abitibi belt in Eastern Ontario, but it is much less explored. The Belt contains numerous gold showings, several high-grade deposits and historic past gold producers, including the Big Master Mine (1902-1943) and the Laurentian Mine (1906-1909). Exploration results to date indicate excellent potential to define bulk-tonnage orogenic gold mineralization with high-grade potential. Close to 30 million ounces of gold have been discovered in the area in recent years.

The 2,250 hectare Thundercloud Property is located 47 kilometres (km) southeast of Dryden in northwestern Ontario. It is readily accessible from the Trans-Canada Highway (Hwy 17). Dryden is a resource-based city with excellent infrastructure for mining operations. Several large-scale mining and exploration projects in the region include New Gold's Rainy River Mine (6.4 million oz gold and 18.7 million oz silver) and Agnico Eagle’s Hammond Reef deposit (5.8 million oz gold).

Two mineralized zones, the Pelham and West Contact, have been identified on the Thundercloud Property. The exploration done by Teck is well documented with supporting databases. Teck and others completed over 12,000 metres (m) of core drilling with a majority of the holes drilled in the Pelham Zone. The West Contact Zone is less explored but shows great potential based on an outstanding trench rock chip sampling result of 8.02 g/t gold over 39 m, including 89.4 g/t over 3.0 m.

Highlights of drill results from historic work including drilling by Teck (2007 and 2008) and Laurentian Goldfields (2011):

- 113.0 m @ 1.72 g/t Au (88-10)
- 60.30 m @ 1.46 g/t Au (88-05)
- 55.25 m @ 2.19 g/t Au (TC08-11), including 1 m @ 37.5 g/t Au, 9.34 m @ 7.91 g/t Au and 21.73 m @ 4.63 g/t Au
- 29.66 m @ 0.77 g/t Au, including 9.04 m @ 2.20 g/t Au (TC08-09)
- 68.8 m @ 1.55 g/t Au (TC11-001)
- 39.0 m @ 1.45 g/t Au (TC11-003)
- 39.05 m @ 1.68 g/t Au (TC11-004)
- 81.0 m @ 1.31 g/t Au (TC11-006)

The highest-grade assay sample from historic drilling returned 192.7 g/t gold over 0.55 m.

In 2011, Fladgate Exploration Consulting (“Fladgate”) was contracted to create a 3D resource model of the historic drill data. The model for the Pelham zone exploration target showed potential for 300,000 ounces of gold at a grade of 1.6 g/t Au using a cut-off grade of 0.5 g/t Au. This initial historical resource estimate was developed for targeting purposes, and it is not National Instrument 43-101 ("NI43-101") compliant. The Company has commissioned Fladgate to prepare a NI 43-101 compliant resource estimate report in July 2020. It was completed and filed on SEDAR in December 2021. The report estimates an Inferred Resource of 182,000 ounces gold and is confined to the Pelham Zone in the northern part of the Thundercloud property.

The Company has not independently verified previous data reported in this MD&A except to the extent covered in the NI 43-101 report.

In early November 2018, a mapping and rock sampling program was completed on the Property. A total of 84 outcrop sites were examined throughout the Property. The West Contact area was the primary focus of the fieldwork, centred on the Glatz outcrop where rock chip sample assays returned 3.03 grams per tonne gold over 30 metres of outcrop in the 2018 summer program described below. These results extended gold mineralization from the original 39.0 metres at 8.02 g/t gold to a total of 69 metres. Other areas of interest include mineralization to the south identified by Teck in 2008 where rock chip samples returned up to 9.42 g/t gold as well as locations where previous induced polarization ("IP") surveying identified high chargeability and resistivity anomalies.

During the program, numerous exposures were sampled, of moderately to strongly silicified mafic and sedimentary rock lithologies hosting estimated 1% to 5% very fine-grained disseminated pyrite and pyrrhotite. 64 rock samples were collected and delivered to the ALS laboratory in Thunder Bay for assay, and the results received extended the area of anomalous mineralizations. Highlights of the assay results included a grab sample taken near Trench 3 in the north end of the West Contact zone, a silicified mafic volcanic, that assayed 4.09 g/t Au, indicating gold potential outside of the younger Temiskaming-like sediments. The typical silver and telluride pathfinder elements characteristic of the Western Contact area were also elevated. A sample returning 0.72 g/t Au came from Trench 8 (between the Pelham zone and the West Contact zone) from a sheared felsic unit. A grab sample that assayed 0.61 g/t Au was taken 30 m west of the Glatz outcrop, which was confirmed in trenching in Target Area 1. A grab sample that assayed 0.54 g/t Au was collected from trenching Target Area 2, where historic samples taken by Glatz had assayed 2.10, 7.27 and 6.09 g/t Au. Further work is planned on the structural controls to gold mineralization. Drill cores from the 2011 drill campaign were identified and inspected.

An area to the west of Glatz outcrop, where DC-IP surveying identified high chargeability and resistivity anomalies, was also ground-checked. The IP chargeability anomalies are interpreted by the company to represent strongly silicified interflow sedimentary rocks hosting estimated 4% to 5% fine-grained pyrite and pyrrhotite.

The mapping and prospecting program was to confirm drill targets, verify and extend the known areas of gold mineralization, confirm rock descriptions, and to acquire additional structural data. Drill sites will be confirmed based on geophysics, and the geochemistry of previous and current sampling.

In the early summer of 2018, a Property inspection was conducted and followed up by a surface sampling program. New rock chip samples collected over the Glatz Outcrop, immediately south of Trench 07-2, returned 3.03 g/t gold over 30 metres of outcrop. This confirms that gold mineralization extends from the original Trench 07-2 area which returned 8.02 g/t gold over 39.0 metres for at least another 30 metres to the south and remains open in all directions. Assay results from the grab samples taken in the Trench 07-2 area returned gold grades that are consistent with the 2007 results. Samples were assayed, in the ALS lab in Thunder Bay, Ontario, for 48 elements using the ME-MS 61 package, with 4-acid dissolution.

In the summer of 2018, drill data from 2007, 2008 and 2011 drill campaigns in the Pelham Zone were digitized and cross sections were generated to provide a better understanding of the mineralized zone and its geology. All drill data was collated and combined into one database. A grade shell model of the Pelham Zone was produced with projected northeast plunging mineralization. It was determined that further drilling is required to confirm this hypothesis. Data compilation also included combining geophysical and geochemical data in layered maps to identify targets for follow up.

Despite the province-wide Covid-19 pandemic lock-downs in Ontario, the Company had continued its consultation effort with the First Nations and the Ministry of Energy, Northern Development and Mines ("MINES") of Ontario for an exploration permit approval. MINES approved the exploration permit at the end of March, 2021. During the second quarter of 2021, the Company started summer exploration program planning, logistics and road repair as well as making arrangement for a property tour by the representatives of the First Nations. Dynasty started the exploration program in July and the focus was in trenching the two target locations as planned. Please refer to the news release dated July 12, 2021 for details of the exploration program and news releases dated August 5, September 13 and December 13 for subsequent updates.

Teck has transferred its 100% interest of the Thundercloud property to Dynasty according to the terms and conditions of the Amending Agreement signed between the parties in late September 2021.

Activities during the year ended December 31, 2022

The geophysical data from previous IP and magnetic surveys were reviewed and consolidated in preparation for a drone supported airborne magnetic survey program. Pioneer Exploration Consulting was awarded the contract to conduct high resolution airborne magnetic survey in the Pelham and West Contact areas (See news release dated July 28, 2022). The program was completed in late July.

Prospecting work in preparation for a fall drill program was carried out in late August to early September (See news release dated August 31, 2022). This effort involved re-examination of drill cores from previously well mineralized drill holes in the Pelham area for refining and finalizing drill targets to test the mineralization in the eastern parts of the property. These targets will also be for testing the presence of green energy metals in the Pelham Zone.

Dynasty completed drilling 4 NQ wireline diamond core holes in the Pelham resource area at Thundercloud in November. A total of 1000 metres were drilled, with core recoveries of nearly 100%. The core was logged for geology, and rock quality ("RQD"), with samples taken of all potentially significant mineralized zones in all 4 holes. Please refer to the news release dated November 9, 2022 for details of the drill program.

MANAGEMENT CHANGES

There were no management changes in the fourth quarter of 2022.

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. Readers are encouraged to review the Financial Statements in their entirety.

Fiscal Years Ended December 31

	2022	*2021*	*2020*
Interest and other income	$ 7,764	$ 275	$ 812
Net loss before other items	(301,488)	(414,108)	(207,484)
Net loss	(203,450)	(405,431)	(186,370)
Net loss per share (basic and fully diluted)	(0.01)	(0.01)	(0.01)
Total assets	$ 2,897,946	$ 1,803,285	$ 1,285,871

Selected Quarterly Financial Information

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

	December 31, 2022	*September 30, 2022*	*June 30, 2022*	*March 31, 2022*	*December 31, 2021*	*September 30, 2021*	*June 30, 2021*	*March 31, 2021*
Interest income	$ 3,564	$ 3,187	$ 951	$ 62	$ 64	$ 100	$ 12	$ 99
Comprehensive Gain/(Loss)	39,071	(50,146)	(97,297)	(95,078)	(251,208)	(46,282)	(57,615)	(50,326)
Net Loss Per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Total Assets	$ 2,897,946	$ 2,475,713	$ 2,152,635	$ 2,145,478	$ 1,803,285	$ 1,863,101	$ 1,860,796	$ 1,461,788

Results of Operations

During the three months ended December 31, 2022, the Company reported a comprehensive gain of $39,071 or $0.00 per share (2021 - $251,208 or $(0.01) per share). The decrease in comprehensive loss of $290,279 in comparison to the same period of last year was mainly attributed to a reduction in the non-cash stock based compensation of $171,272, decrease in shareholder's communication costs of $19,564, and decrease in professional fees of $16,800, and the recognition of flow-through premium reversal of $86,450.

During the year ended December 31, 2022, the Company reported a net loss of $203,450 or $(0.01) per share (2021 - $405,431 or $(0.01) per share). The decrease in comprehensive loss of $201,981 in comparison to the same period of last year was mainly attributed to reduction in non-cash stock based compensation of $109,575 and a flow-through premium reversal of $86,450. The decrease in professional fees of $16,896, office expenses of $2,378 and foreign exchange loss of $4,015 as well as a reduction of project investigation cost of $7,763 and increase of interest income of $7,489. This was offset by an increase in shareholder's communication costs of $20,850, regulatory fees of $3,142 and an account payable write-off of $8,593 from previous year.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, the Company had working capital of $771,386 which included cash and short-term investments of $1,056,726 (2021 - $506,750 which included cash and short-term investments of $514,528).

Net cash flow used in operating activities for the three months ended December 31, 2022 was $38,236 (2021 - $97,587).

Net cash flow provided from financing activities for the three months ended December 31, 2022 was $170,330 (2021 - $150,000).

Net cash flow used in investing activities for the three months ended December 31, 2022 was $69,723 (2021 - $62,882), which was related to exploration expenses.

Net cash flow used in operating activities for the year ended December 31, 2022 was $179,165 (2021 - $207,942).

Net cash flow provided from financing activities for the year ended December 31, 2022 was $965,090 (2021 - $717,998).

Net cash flow used in investing activities for the year ended December 31, 2022 was $243,727 (2021 - $311,251), which was related to exploration expenses.

SHARE CAPITAL

The following information is provided as at December 31, 2022:

Authorized – unlimited number of common shares without par value.

Issued and outstanding common shares – 44,514,032

Warrants – 11,988,057

Options – 2,300,000

The following information is provided as at April 28, 2023:

Issued and outstanding common shares – 57,293,060

Warrants – 23,526,791

Options – 2,275,000

RELATED PARTY BALANCES AND TRANSACTIONS

Related Party Balances

Included in accounts payable and accrued liabilities is $97,807 (2021 - $Nil) due to officers of the Company (Note 6). The amount is unsecured, non-interest bearing and due on demand.

Key Management Compensation

During the year ended December 31, 2022, the Company accrued and/or paid $205,190 (2021 - $192,300) to directors and officers for providing management, accounting, project investigation and geological consulting services to the Company. The Company recorded $52,726 (2021: $100,670) of stock-based compensation relating to directors and officers of the Company during the year ended December 31, 2022.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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, 2022. 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 Financing 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, 2022.

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 year ended December 31, 2022 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 year ended December 31, 2022 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 dollar 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.

SUBSEQUENT EVENT

a) In January 2023, the Company issued 190,000 shares to the warrant holders who exercised d their warrants pertaining to the private placement completed in April 2022. The warrants were exercised at $0.25 per share for proceeds of $47,500.

b) In February 2023, the Company issued 25,000 shares to the option holder who exercised options pertaining to the stock options granted during 2022. The options were exercised at $0.12 per share for proceeds of $3,000.

c) In March 2023, the Company issued 50,000 shares to the warrant holder who exercised warrants pertaining to the private placement completed in October 2022. The warrants were exercised at $0.15 per share for proceeds of $7,500.

d) On March 30, 2023, the Company announced a non-brokered private placement to raise $2,800,000 in combination of Charity Flow-Through units and non Charity Flow-Through units. Each Charity Flow-Through units consist of one Charity Flow-Through share at $0.30 and one common share purchase warrant at $0.27 for a period of 24 months. The underlying common share purchase warrant will not qualify as "flow-through shares". Each non charity Flow-Through unit consists of one non charity Flow-Through share at $0.21 and one common share purchase warrant at $0.27 for a period of 24 months. The units issued under the private placement are subject to a four-month hold period from the date of closing and Exchange approval. During April, 2023, the Company has received gross proceeds of $3,436,869 with oversubscription. The closing of the private placement is subject to Exchange approval.

e) In April 2023, the Company issued 367,647 shares to the warrant holders who exercised warrants pertaining to the private placement completed in April 2021. The warrants were exercised at $0.25 per share for proceeds of $91,912.