Dynasty Gold Corp.

Condensed Consolidated Interim Financial Statements

March 31, 2018 and 2017

(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.

Dynasty Gold Corp.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at		**March 31, 2018**		**December 31, 2017**
Assets				
Current				
Cash and cash equivalents (Note 4)	$	474,870	$	391,116
Receivables (Note 5)		7,718		10,910
Prepaid expenses		3,900		4,078
		486,488		**406,104**
Exploration and evaluation assets (Note 6)		522,382		388,726
	$	**1,008,870**	$	**794,830**
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	$	80,204	$	257,855
		80,204		**257,855**
Shareholders' Equity				
Share capital (Note 8)		35,245,601		34,775,601
Share-based payment reserve (Note 8)		2,780,283		2,749,557
Deficit		(37,097,218)		(36,988,183)
		928,666		**536,975**
	$	**1,008,870**	$	**794,830**

Nature of Business and Continuance of Operations (Note 1)
Subsequent Events (Note 13)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Dynasty Gold Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2018 and 2017
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Share-based Payment Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2016	14,792,975	$ 34,461,479	$ 2,654,109	$ (36,592,049)	$ 522,623
Comprehensive loss	-	-	-	(54,244)	(54,244)
Balance, March 31, 2017	14,792,975	$ 34,461,479	$ 2,654,109	$ (36,592,965)	$ 468,084
Balance, December 31, 2017	17,460,975	$ 34,775,601	$ 2,749,557	$ (36,988,183)	$ 536,975
Private placement (Note 8)	1,775,000	355,000	-	-	355,000
Shares issuance costs (Note 8)	-	-	-	-	-
Shares issued for acquisition of property (Notes 6 and 8)	500,000	115,000	-	-	115,000
Stock-based compensation	-	-	30,726	-	30,726
Comprehensive loss	-	-	-	(109,035)	(109,035)
Balance, March 31, 2018	19,735,975	$ 35,245,601	$ 2,780,283	$ (37,097,218)	$ 928,666

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the three months ended March 31,		2018		2017
Expenses				
Consulting fees (Note 9)	$	23,288	$	23,288
Office expenses, rent and salaries		10,514		7,808
Professional fees (Note 9)		6,063		6,733
Project investigation costs		16,538		2,500
Regulatory and transfer agent fees		8,530		2,427
Shareholder communications		13,788		11,785
Stock-based compensation (Notes 8 and 9)		30,726		-
		109,447		**54,541**
Other item				
Interest income		(412)		(297)
		(412)		(297)
Comprehensive loss	**$**	**109,035**	**$**	**54,244**
Loss per share – basic and diluted	**$**	**(0.01)**	**$**	**(0.00)**
Weighted average number of common shares outstanding – basic and diluted		**18,249,586**		**14,792,975**

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Dynasty Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)

For the three months ended March 31,		**2018**		**2017**
Cash flows provided by (used in):				
Operating activities				
Net loss	$	(109,035)	$	(54,244)
Item not affecting cash:				
Stock-based compensation		30,726		-
Changes in non-cash working capital items:				
Receivables		3,192		1,416
Prepaid expenses		178		(296)
Accounts payable and accrued liabilities		(177,651)		(16,069)
		(252,590)		**(69,193)**
Financing activity				
Shares issued for Property acquisition		115,000		
Issue of share capital for cash, net issuance costs		355,000		**-**
		470,000		**-**
Investing activity				
Property acquisition		115,000		
Exploration and evaluation asset costs and expenditures		(18,656)		(260)
		(133,656)		**(260)**
Change in cash and cash equivalents		**83,754**		**(69,453)**
Cash and cash equivalents, beginning		**391,116**		**355,173**
Cash and cash equivalents, ending	**$**	**474,870**	**$**	**285,720**

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

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 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 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 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 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, 2017.

The Company's board of directors approved these condensed consolidated interim financial statements for issue on May 30, 2018.

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.

3. Accounting Standards Issued and Adopted

IFRS 9 "Financial Instruments"

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

(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 the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Amortized cost	Amortized cost
GST receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive loss on January 1, 2018.

(ii) Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

(Expressed in Canadian dollars)

3. Accounting Standards Issued and Adopted (continued)

IFRS 9 "Financial Instruments" (continued)

(ii) Measurement (continued)

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 transactions costs expensed in the consolidated statements of net (loss) income. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income. 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 consolidated statements of net (loss) income in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognized 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 financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, 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. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

4. Cash and Cash Equivalents

	March 31, 2018	December 31, 2017
Cash at bank	$ 201,870	$ 318,116
Bank term deposits	273,000	73,000
	$ 474,870	$ 391,116

(Expressed in Canadian dollars)

5. Receivables

		March 31, 2018		December 31, 2017
GST receivable	$	7,693	$	10,521
Other receivables		25		389
	$	7,718	$	10,910

6. Exploration and Evaluation Assets

		Golden Repeat Property		Thundercloud Gold Property		Total
Acquisition Costs						
Balance, December 31, 2017	$	127,000	$	-	$	127,000
Acquisition of Thundercloud Gold Property		-		115,000		115,000
Balance, March 31, 2018	$	127,000	$	115,000	$	242,000
Deferred Exploration Costs						
Balance, December 31, 2016	$	249,403	$	-	$	249,403
Property expenditures		12,323		-		12,323
Balance, December 31, 2017	$	261,726	$	-	$	261,726
Property expenditures		-		18,656		6,656
Balance, March 31, 2018	$	261,726	$	-	$	268,382
Total as at December 31, 2017	$	388,726	$	-	$	388,726
Total as at March 31, 2018	$	388,726	$	133,656	$	522,382

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

On February 1, 2018, the Company signed an option agreement with Teck Resources Ltd. (“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 has 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 first 500,000 common shares are to be issued within seven days of the Exchange's approval of the option agreement (issued) and the second 500,000 common shares are to be issued on the first anniversary of signing of the agreement. The Company must spend $300,000 in mandatory expenditures in the first year.

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets (continued)

Thundercloud Gold Property, Ontario, Canada (continued)

Teck retains a back-in right to earn back to a 65% interest in the property by spending $15-million over four years. Teck can elect to pursue the back-in right by delivering notice within 90 days following receipt of the Company's expenditure notice. If the back-in right is not exercised, Teck would retain a 2% net smelter return royalty that can be reduced by the Company to a 1.5% net smelter return royalty by making a cash payment of $1,000,000 to Teck (Note 8).

7. Accounts Payable and Accrued Liabilities

		March 31, 2018		December 31, 2017
Accounts payable	$	31,629	$	29,388
Amounts due to related parties (Note 10)		48,575		228,467
	$	80,204	$	257,855

During the year ended December 31, 2017, the Company wrote off a payable from 2017 in the amount of $2,449 (2016 - $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.

Share Issuances

On March 2, 2018, the Company closed a private placement of 1,775,000 units for gross proceeds of $355,000. Each unit consists of one common share at $0.20 and one common share purchase warrant expiring on March 26, 2020. Each warrant entitles the holder to purchase one common share at $0.30 for the first year and at $0.40 for the second year from closing. No value was allocated to the warrants using the residual method.

On February 26, 2018, the Company issued 500,000 common shares to Teck Resources Ltd., pursuant to an option agreement to acquire a 100% interest in the Thundercloud gold property at a deemed price of $0.23 per share (Note 6).

On October 11, 2017, the Company closed a non-brokered private placement for 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 expiring on October 11, 2019. No value was allocated to the warrants using the residual method. 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. In connection with the private placement, the Company issued 62,300 finder's fee warrants. Each finder's fee warrants are exercisable at $0.20 per share in the first year and at $0.25 per share in the second year. The Company estimated the fair value of these finder's fee warrants to be $7,138 which was included in share issuance costs.

(Expressed in Canadian dollars)

8. Share Capital (continued)

Share Issuances (continued)

The fair value of the finder's fee warrants were determined using the Black-Scholes Option Pricing Model assuming an expected volatility of 150%, a risk-free interest rate of 1.54%, an expected life of 2 years and an expected dividend yield of 0.00%.

No shares were issued during the three months ended March 31, 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 March 31, 2018 and December 31, 2017 and changes during the periods then ended is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
Balance, December 31, 2015	406,250	$ 0.80
Expired	(406,250)	0.80
Balance, December 31, 2016	-	-
Granted	1,500,000	0.20
Balance, December 31, 2017 and March 31, 2018	1,500,000	$ 0.20

Total number of options exercisable as at March 31, 2018 is 375,000.

As at March 31, 2018, the following stock options are outstanding:

Issue date	Number of Options Outstanding	Expiry date	Weighted average exercise price
November 8, 2017	1,500,000	November 8, 2022	$ 0.20

The weighted average life of the stock options are 4.60 years.

(Expressed in Canadian dollars)

8. Share Capital (continued)

Stock Options (continued)

On November 8, 2017, the Company granted 1,050,000 stock options to officers and directors of the Company and 450,000 stock options granted to consultants and advisors. These stocks options are exercisable at $0.20 expiring on November 8, 2022 and will vest over a period of 18 months. The fair value of these options was determined using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Expected volatility	150%
Risk-free interest rate	1.56%
Expected life in years	5 years
Expected dividend yield	0.00%

During the three months ended March 31, 2018, the Company recognized stock-based compensation expense of $30,726 relating to the stock options that vested during the year ended December 31, 2017.

Warrants

A summary of the status of the Company's outstanding warrants as of March 31, 2018 and December 31, 2017 and changes during the periods then ended is as follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2017	2,730,300	0.23
Issued March 26, 2018	1,775,000	0.30
Balance, March 31, 2018	4,505,300	$ 0.26

As at March 31, 2018, the following warrants are outstanding:

Issue date	Number of Warrants Outstanding	Expiry date	Weighted average exercise price
October 11, 2017	2,668,000	October 11, 2019	$ 0.23
October 11, 2017	62,300	October 11, 2019	0.23
March 26, 2018	1,775,000	March 26, 2020	0.30
	4,505,300		$ 0.26

The weighted average life of the warrants are 1.68 years.

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 $48,575 (December 31, 2017 - $228,467) 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 three months ended March 31, 2018, the Company accrued $48,575 (2017 - $25,287) to directors and officers for providing management, accounting and geological consulting services to the Company.

During the three months ended March 31, 2018, the Company incurred stock-based compensation expense of $16,545 (2017 - $Nil) for options granted to the directors and officers of the Company (Note 8).

10. Segmented Information

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

At March 31, 2018 and 2017, the Company's exploration and evaluation assets are located in the USA and Canada (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 of $474,870. 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 March 31, 2018, 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 $145,066.

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 March 31, 2018, the risk is considered minimal.

11. Financial Risk Management (continued)

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 March 31, 2018, 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.