DYNASTY METALS & MINING INC.

ANNUAL INFORMATION FORM

for the year ended December 31, 2015

MARCH 30, 2016

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INTRODUCTION

Forward-Looking Information

This Annual Information Form ("AIF") and the documents incorporated by reference into this AIF contain "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is presented as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents. Users of forward-looking information are cautioned that actual results may vary from the forward-looking information contained herein. Forward-looking information includes, but is not limited to, information concerning our planned activities for the current financial year, our plans to explore and develop our mining projects, the timing for completion of an exploitation contract with the Ecuadorian Government, our estimated resources, production, capital costs and operating and cash flow estimates, and other matters. This information is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any information that expresses or involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects," "anticipates," "plans," "projects," "estimates," "assumes," "intends," "strategy," "goals," "objectives," "potential" or variations thereof or stating that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) is not historical fact and may be forward-looking information. Information concerning resource estimates may also be deemed to constitute forward-looking information to the extent that it involves estimates of the mineralization that will be encountered if the property is developed. While the Company has based this forward-looking information on its expectations about future events as at the date that such information is presented, the information is not a guarantee of the Company's future performance and is subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward looking information. Such factors and assumptions include, amongst others, the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations and misjudgements in the course of preparing forward-looking information. In addition, there are also known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Known risk factors include, among others:

- risks related to being an early stage producer where the revenues from operations are currently less than our ongoing mining, processing, exploration and administrative operational expenses;
- risks related to our lack of history in producing metals from our mineral exploration properties and risks relating to our ability to successfully establish mining operations or profitably produce precious metals;
- our ability to successfully negotiate agreements with the holders of surface rights on areas covered by our project concessions;
- uncertainty in our ability to fund the development of our mineral properties or the completion of further exploration programs;
- risks related to incurring additional indebtedness and uncertainty in our ability to meet future debt service and other obligations;
- uncertainty in our ability to obtain additional financing, or if financing is available, that it will be on terms acceptable to us;
- uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that our development activities will result in profitable mining operations;
- risks related to our mineral resources being estimates based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated;
- changes in the market prices of gold, silver, and other minerals, which, in the past, have fluctuated widely and which could affect the profitability of our operations and financial condition;

- risks related to currency fluctuations;
- risks related to the inherently dangerous activity of mining, including conditions or events beyond our control;
- risks related to governmental regulations, including taxation statutes;
- risks related to our primary properties being located in Ecuador, including political, economic, and regulatory instability as well as an increased risk of civil disturbances and criminal activity;
- uncertainty in our ability to obtain and maintain certain permits necessary to our current and anticipated operations;
- environmental risks and risks related to our business being subject to environmental laws and regulations which may increase our costs of doing business and restrict our operations;
- risks related to our land reclamation and closure requirements for our current and any future properties, which may be burdensome;
- uncertainty relating to our ability to attract and maintain qualified management to meet the needs of our anticipated growth;
- risks relating to our ability to manage our growth effectively;
- risks related to anti-corruption and anti-bribery laws, including violations by our contractors and third-party agents;
- uncertainty in our ability and the ability of our information technology suppliers to protect our networks, equipment, systems and software from damage, including physical damage, hacking, vandalism, viruses and theft;
- risks related to our mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- risks related to our history of losses, which we may continue to incur in the future;
- risks related to increased competition that could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties for mineral exploration in the future; and
- risks related to our officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests.

This list is not exhaustive of the factors that may affect any of our forward-looking information. A discussion of these and other factors that may affect our actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in this AIF, and the documents incorporated and deemed to be incorporated by reference herein.

Our forward-looking information is based on the beliefs, expectations and opinions of management on the date the information is presented, and we do not assume any obligation to update forward-looking information if circumstances or management's beliefs, expectations or opinions should change, except as may be required by applicable securities laws. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Currency and Exchange Rates

The following table shows the conversion of Canadian dollars into United States dollars for the following periods, based on the Bank of Canada nominal noon exchange rates:

Fiscal Year Ended	**CDN$ per US$**

December 31,	Average (1)	Low	High	Period End
2015	1.2787	1.1728	1.3990	1.3840
2014	1.1045	1.0614	1.1643	1.1601
2013	1.0299	0.9839	1.0697	1.0636

(1) The average of the daily nominal noon exchange rates during the year.

REFERENCE INFORMATION

Unless otherwise noted or the context otherwise indicates, "Dynasty" refers to Dynasty Metals & Mining Inc. alone, and "the Company", "we", "us" and "our" refers to Dynasty Metals & Mining Inc. and its subsidiaries. Unless otherwise noted, "dollars" and "$" refer to United States dollars.

Unless otherwise noted, information, other than financial information, contained in this AIF is given as at March 30, 2016. Financial information is as at December 31, 2015, the most recently completed financial year of Dynasty for which audited financial statements are available.

News releases, technical reports, financial statements, Management's Discussion and Analysis, and any other information incorporated by reference are available for viewing on our company profile at www.sedar.com.

In accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), the term "preliminary assessment" used in this AIF means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study, and the terms "mineral resource", "inferred mineral resource", "indicated mineral resource", "measured mineral resource", and "mineral reserve", have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, in the "CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council", as those definitions may be amended from time to time.

Brian Speechly, a fellow of the AusIMM (Australian Institute of Mining and Metallurgy), a director of the Company, is our Chief Geologist. He is a "qualified person", as defined in NI 43-101, has supervised the preparation of and has verified the technical information contained in this AIF.

CORPORATE STRUCTURE

Dynasty was incorporated under the *Business Corporations Act* (Yukon Territory) on June 28, 2000 as Vendin One Capital Corp. ("Vendin"). Vendin was a "capital pool company" as defined under the policies of the TSX Venture Exchange. On September 23, 2003, Dynasty changed its name to "Dynasty Metals & Mining Inc." In September 2003, Dynasty completed a consolidation of its issued and outstanding common shares on a 2:1 basis.

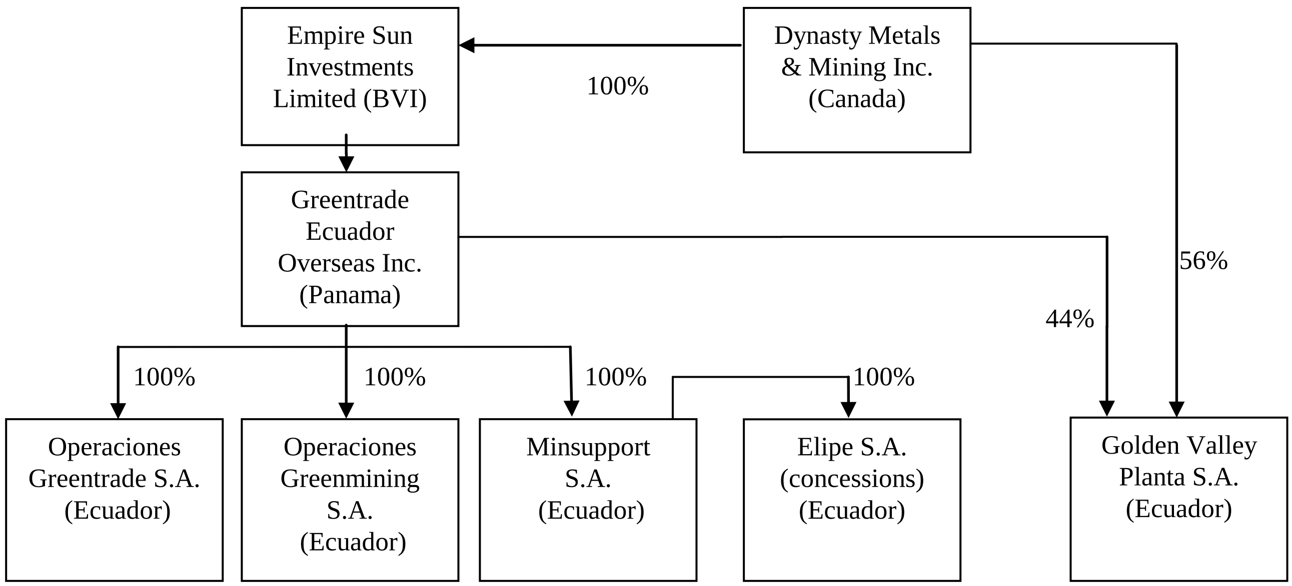
On August 2, 2007 Dynasty ceased trading on the TSX Venture Exchange and its common shares were listed and commenced trading on the Toronto Stock Exchange (the "Exchange") under the symbol "DMM".

Dynasty's common shares were listed for trading on the Regulated Unofficial Market of the Frankfurt Stock Exchange under the symbol "D3S" on March 23, 2006.

Dynasty's common shares commenced trading on the OTCQX, the premier tier of the U.S. over-the-counter market, under the symbol "DMMIF" on March 3, 2010.

Dynasty's head and principal office is located at Suite 270 – 666 Burrard Street, Vancouver, British Columbia V6C 2X8. Its registered and records office is located at Suite 300, 204 Black Street, Whitehorse, Yukon Y1A 2M9.

The following chart illustrates Dynasty's principal operating subsidiaries, their jurisdiction of incorporation and Dynasty's percentage beneficial ownership of their voting securities:



(1) Elipe S.A. ("Elipe") is the registered owner of all of the Company's mineral concessions and Polimines Corporation and Greentrade Ecuador Overseas Inc. ("Greentrade") are holding companies.

(2) Golden Valley Planta S.A. ("Golden Valley") was established to obtain permits to process the material from the mineable properties owned by Elipe.

(3) Pursuant to Ecuadorian law, companies must have a minimum of two shareholders. As a result, Minsupport S.A. ("Minsupport") transferred one share of Elipe to a third party to hold in trust for Minsupport; Dynasty transferred ten shares (out of a total of 1,000 shares) of Golden Valley to a third party to hold in trust for the Company; and Greentrade transferred one share each of Operaciones Greentrade S.A., Operaciones Greenmining S.A. and Minsupport to a third party to hold in trust for Greentrade.

GENERAL DEVELOPMENT OF THE BUSINESS

Dynasty is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, Canada. Its common shares were listed and posted for trading on the TSX Venture Exchange and began trading under the symbol "DMM" on September 26, 2003 upon completion of Dynasty's "qualifying transaction" under the TSX Venture Exchange's policies regarding capital pool companies. On August 2, 2007, Dynasty’s common shares ceased trading on the TSX Venture Exchange and were listed and commenced trading on the Exchange. The Company has been active as an exploration and development stage company in the business of acquiring, exploring, evaluating, and developing mineral concessions in Ecuador.

Set out below is a general summary of major developments of the Company over the last three completed financial years. See "Narrative Description of the Business" for a greater detailed description of the Company's mineral properties.

During the year ended December 31, 2013, the Company:

1. continued to advance mine development at the main decline, "Cabo de Hornos", reaching the areas containing the mineral resources, and commenced commercial production, for accounting purposes, at the Zaruma Gold Project, commencing October 1, 2013;

2. exported and sold approximately 27,580 troy ozs of gold and 58,320 troy ozs of silver for gross proceeds of approximately $39 million, of which approximately $23 million was sold prior to the commencement of commercial production and credited to mines under construction, with the balance of approximately $16 million being recognized as revenue subsequent to the commencement of commercial production on October 1, 2013. The majority of these proceeds were re-invested in the Zaruma Gold Project infrastructure and used to cover the Company's general and administrative and other expenditures;

3. was encouraged by the Ecuadorean government amending the Mining Law (as defined below) in July 2013 to include the following enhanced clauses:

   - the creation of a new medium scale mining license for underground mining operations extracting between 301 to 1,000 tonnes per day ("tpd") of mined material per concession. Operations that qualify for the medium scale mining license are required to pay a 4% net smelter return ("NSR") royalty and are not required to enter into an exploitation contract with the Ecuadorian government, meaning that these operations are exempt from all windfall tax provisions;

   - the reconfirmation of the inclusion of the small scale mining licenses for underground mining operations extracting up to 300 tpd of mined material per concession. Operations that qualify for the small scale mining license are required to pay a 3% NSR royalty and are not required to enter into an exploitation contract with the Ecuadorian government, meaning that these operations are also exempt from all windfall tax provisions;

   - large scale mining operations that extract in excess of 1,000 tpd mined material per concession will have fixed NSR royalties between 5% and 8% and will have to negotiate an exploitation contract on a company by company basis with the Government. The Mining Law is designed to allow large scale mining companies to recover their investment before being subject to any windfall tax;

   - the reduction of the number of permits required for every mining phase and the introduction of fixed timeframes that the Government agencies are required to adhere to when processing permit applications. These improvements are expected to streamline the permitting process in the future; and

   - tougher sanctions for illegal mining, which include the confiscation of machinery and strong economic sanctions.

During the year ended December 31, 2014, the Company:

1. completed its full first fiscal year in commercial production at the Zaruma Gold Project, selling approximately 28,355 troy ozs of gold and 60,272 troy ozs of silver for gross proceeds of approximately $37 million;

2. continued to advance the main decline, "Cabo de Hornos", with the objective of accessing additional resources at lower levels of the mine;

3. invested in infrastructure, including upgraded ventilation and pumping systems, at Cabo de Hornos, to allow for ongoing operations at deeper levels of the mine;

4. achieved average extraction recoveries of approximately 94% from the Zaruma Gold Project processing plant for the fiscal year ended December 31, 2014;

5. commenced the construction of a new tailings dam at the Zaruma Gold Project processing plant; and

6. completed new technical reports for each of the Zaruma Gold Project, the Jerusalem Project and the Dynasty Goldfield Project.

During the year ended December 31, 2015, the Company:

1. produced approximately 18,144 troy ounces of gold from the Zaruma project and sold approximately 17,365 troy ounces of gold from such project for gross proceeds of approximately $21 million;

2. continued to advance the main decline, "Cabo de Hornos", with the objective of accessing additional resources at lower levels of the mine;

3. achieved average extraction recoveries of approximately 93% from the Zaruma Gold Project processing plant for the fiscal year ended December 31, 2015;

4. completed the construction of a new tailings dam at the Zaruma Gold Project processing plant;

5. submitted applications to the Ecuadorean government for the approval to mine at three concessions at the Dynasty Goldfield Project. Authorizations to move towards open pit mining on the three concessions was granted in February 2016;

6. entered into a note purchase agreement providing for the issuance of promissory notes to the lender for gross proceeds of $4 million. The notes were initially repayable by the Company in eight monthly installments commencing on October 30, 2015 which was subsequently amended to be repayable in eight monthly installments commencing on July 29, 2016; and

7. settled $1,439,500 of the promissory notes owed to corporations represented by the Company's Chief Executive Officer by the issuance of 4,245,885 of the Company's common shares.

During the current financial year, the Company plans to:

1. further advance the main decline, "Cabo de Hornos", to access additional high grade veins contained in the resource with the objective of increasing the tonnage mined;

2. evaluate potential operational and financial options to commence mining at the Dynasty Goldfield Project with the aim of mining additional mineralized material for subsequent processing at the Zaruma Gold Project plant; and

3. analyze and research options to rationalize the Company's concession holdings, including the potential sales of concessions, joint ventures and other strategies with the intent to realize value.

NARRATIVE DESCRIPTION OF THE BUSINESS

<u>Summary</u>

The Company is an exploration and development stage company in the business of acquiring, exploring and developing mineral concessions in Ecuador. The Company operates a processing plant and is in the process of developing one main and two planned declines to access the resource at its Zaruma Gold Project. In addition to the Zaruma Gold Project the Company owns two other non-producing assets, the Jerusalem Project and the Dynasty Copper-Gold Belt Project, which includes the Dynasty Goldfield. See "Mineral Projects" below for a description of the Zaruma Gold Project, the Jerusalem Project and the Dynasty Copper-Gold Belt Project, which includes the Dynasty Goldfield.

<u>Ecuador Mining Legislation</u>

On April 18, 2008, Ecuador's Constitutional Assembly passed a Constituent Mandate resolution (the "Mining Mandate"), which provided, among other provisions, for the suspension of mineral exploration activities for 180 days, or until a new Mining Law was approved. In January 2009, the new Mining Act was published. In November 2009, the regulations and procedures to operate under the new Mining Act were signed by the President of Ecuador and published in the Official Registry, after which time the new Mining Act and Regulations (collectively, the "Mining Law") were enacted. The Mining Law was further amended in July 2013 and now distinguishes between small, medium and large scale operations. The Mining Law provides that operations mining up to 300 tpd of mined material on an individual concession may be categorized as a smaller scale operation and are required to pay a fixed royalty of 3%; operations mining between 301 and 1,000 tpd of mined material on an individual concession may be categorized as a medium scale operation and are required to pay a fixed royalty of 4%; and operations mining in excess of 1,000 tpd of mined material on an individual concession are categorized as large scale operations and are required to enter into an exploitation contract with the government which sets out specific terms and conditions of the particular operation, including the royalty between 5% and 8% and the application of a windfall tax.

To date, the Company has obtained small scale mining licenses for five concessions at its Zaruma Gold Project. Such licenses permit the Company to mine up to 300 tpd from each concession which has obtained the small scale mining license at a royalty rate of 3%, payable to the Ecuador government, and no windfall tax on the extraction and sale of precious metals. Although these five concessions are the focus of the Company's current mine development plans at its Zaruma Gold Project, there is no assurance that the Company will be able to obtain additional small scale mining licenses for other concessions within the Zaruma Gold Project to the extent they may become necessary based on the Company's development plans in the future.

Under the terms of the Mining Law, the Company's other projects (being the Jerusalem Gold Project and the Dynasty Copper-Gold Project) may be required to enter into exploitation contracts with the Ecuadorian government if the projects are advanced into the production phase in the future. It is currently not possible to predict the substantive terms and conditions that would be included in such agreement (see "Uncertain Mining Legislation" within the "Risk Factors" section of this AIF).

Production

The year ended December 31, 2015 was the Company's second full fiscal year of commercial production at the Zaruma Gold Project. During the period, the Company processed approximately 108,000 tonnes, or an average of 295 tpd, of mined material with an average grade of 5.66 grams per tonne ("g/t") for gold production of 18,144 ozs of gold with processing recoveries of 92.6% at the processing plant. The processing plant circuit consists of a conventional crush, mill, leach, Carbon-in-Pulp, elution and electro winning to extract gold and silver. The Company sold 28,356 ozs of gold during this period. The 295 tpd being processed on average represents less than one third of the current installed capacity of the Zaruma Gold Project processing plant.

The Company previously commenced the development of three separate declines, being "Cabo de Hornos", "Ayapamba" and "Barbasco", at the Zaruma Gold Project to access the resource contained therein. Primarily as a result of budget constraints, in 2013 the Company concentrated development activities on the main decline, "Cabo de Hornos", since it provided the best access to the in-situ resources and where the installation of an electrical sub-station allows the mine to be powered from the main grid. During the period, the Company continued to make additional capital investment at the main decline focused on gaining access to additional resources at deeper levels and significant upgrades to the ventilation and pumping systems to better service a deeper mine.

None of the Company's other properties are producing properties, nor has the Company had any net income from operations in the past three financial years. Historically, from inception, the Company funded substantially all of its operating and capital expenses with proceeds from the sale of capital stock. In the years ended December 31, 2014 and 2015, mine development expenses and overhead have been primarily funded from the sale of precious metals produced during mine construction at the Zaruma Gold Project.

Although our current target for the first steady state production level is 300,000 tonnes per annum, the installed capacity of the processing plant, excluding the wet section, is approximately 800,000 tonnes per annum, allowing for considerable expansion without additional significant capital cost in the future. The current capacity of the wet section is approximately 400,000 tonnes per annum.

The Zaruma Gold Project uses several mining methods for material extraction and the particular method applied varies depending on the specifics of the vein being exploited. Generally, the underground conditions within the mine are considered to be highly competent, with there being little need for the application of full passive and/or active ground support systems to be installed. Nonetheless, the mine currently employs two principal mining methods to its veins, being shrinkage and cut-and-fill stoping methods.

Specialized Skills and Knowledge

The Company's business requires specialized skill and knowledge in the areas of geology, drilling, planning, implementation of exploration programs, underground mining, mine and plant engineering and compliance. Recently, the increased level of activity in the mining industry is making it more difficult to source competent professionals in these areas. To date, the Company has been able to locate and retain such professionals both in Ecuador and Canada, and believes it will be able to continue to do so.

Competitive Conditions

The Company is in a very competitive industry, and competes with other companies many of which have greater technical and financial facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants. In addition, increased activity in the mining industry on a global scale has made it more challenging to secure certain service providers and equipment, such as diamond drill rigs and underground mining equipment. The high demand for this type of equipment may increase exploration and development costs and may cause some delay in the exploration and development of some of the Company's projects.

Cycles

The mining business has cycles marked by commodity prices, which are also affected by a variety of economic indicators and worldwide cycles. These cycles affect the overall environment in which the Company conducts its business and the availability of capital.

Environmental Protection

The Company's operations are subject to environmental regulations issued by government agencies from time to time. Ecuadorean environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which imposes stricter standards and more stringent enforcement, fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in environmental regulations has a potential to reduce the profitability of operations. Although the Company believes that it is in material compliance with current applicable Ecuador environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Employees

As of December 31, 2015, the Company had three full time employees in Canada and **510** full time employees in Ecuador. The Company relies on and engages consultants on a contract basis to provide services, management and personnel who assist the Company to carry on its administrative, shareholder communication, mine and plant development and exploration activities in Canada and Ecuador.

Foreign Operations

Mineral exploration and development and mining activities in Ecuador may be affected by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, taxes, and expropriation of property, environmental legislation and mine safety. Ecuador's status as a developing country may make it more difficult for the Company to obtain any required exploration, development and production financing for its projects.

Social or Environmental Policies

The Company does not have a formal social or environmental policy, however, we actively participate in the communities where our projects are located. Initiatives have included opening and operating the Dynasty School of Mines to educate our miners, funding medical facilities and the construction of a waste water treatment plant for a local community.

MINERAL PROJECTS

The Zaruma Gold Project

The "Independent Preliminary Assessment – Zaruma Gold Project – El Oro Province, Ecuador", dated September 17, 2014 (the "Zaruma Report"), was prepared by Consulting Mining Engineer Mr. RL Procter BSc (Eng), MBA, MIMMM, CEng, and Consulting Geologists Mr. AJ Maynard, BAppSc (Geol) MAIG, MAusIMM and Mr. PA Jones, BAppSc (Geol), MAIG and MAusIMM. The Zaruma Report is incorporated herein by reference and the executive summary of the Zaruma Report is produced below.

Mr. Procter visited the Company's mining and processing operations in February 2014, and has undertaken investigations in respect of the mining, treatment, infrastructure, operations and economics of the property. Mr. Maynard has verified previous geological and resource information from previous technical reports in respect of sections 6 to 14 of the Zaruma Report.

The Preliminary Economic Assessment ("PEA") in the Zaruma Report is preliminary in nature and includes the use of Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the results of the PEA will be realized.

The Zaruma Report was prepared at the request of Dynasty and is based on:

- a site visit in February 2014 by Mr. RL Procter, site visits by Mr. AJ Maynard in March 2013, January 2010, January, 2008 and several trips prior to 2008;

- interviews with Company management and other employees engaged to assist the author to visit the various sites and review the mining, processing and infrastructure operational areas;

- a review of the Company's Technical Reports, in particular the technical report entitled "Independent Preliminary Assessment – Zaruma Project – El Oro Province, Ecuador" prepared by W.J. Holly and Mr. AJ Maynard dated August 21, 2006 (the "2006 Zaruma Report");

- a review of the Company's mining and processing plans, and historical performance, as prepared by the Company's staff;

- a review of the Company's mining, processing plant and infrastructure design and operations (including all security aspects);

- a review of the Company's head office and head office functions such as health, safety and environmental management; and

- a review of commodity prices and recent commodity trends.

Property Description and Location

The Zaruma Gold Project is situated in El Oro Province of southern Ecuador, about 175 kilometres south and 60 kilometres southeast of the major port cities of Guayaquil and Machala, respectively.

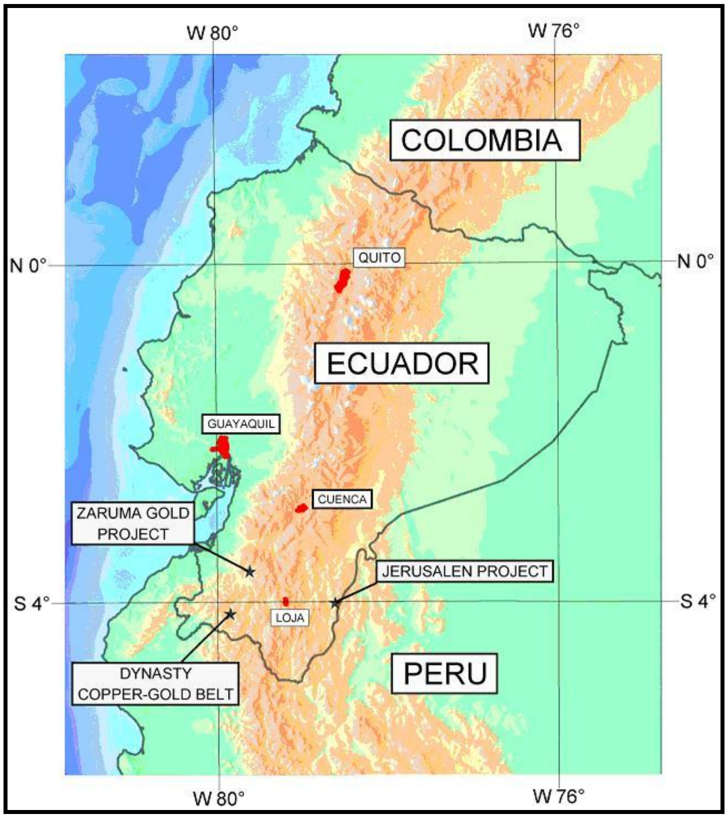


Figure 1: Zaruma Location Map.

The Zaruma Gold Project comprises 41 concessions covering a total area of 10,121 hectares (ha) in a readily accessible region of southern Ecuador. The gold mineralization found on the concessions is associated with extensive high grade gold and silver epithermal vein systems.

38 concessions are 100% Dynasty owned. The other three concessions are "condominos": Barbasco Unificado is 25% Dynasty-owned, Barbasco 1 A is 50% Dynasty owned and Soroche Unificado is 75% Dynasty owned. Mineral rights are held 100% by Dynasty.

A royalty of 3.0% of the total gold revenue after deduction of non-payable metal, transport and refining charges is paid to the Ecuadorian Government. A further royalty calculated at 1.5% of net value after deduction of non-payable metal, transport and refining charges is paid to Coeur Capital Ltd. ("Coeur")

History, Exploration and Drilling

Zaruma is a historic mining field based on the mining of narrow high grade quartz veins rich in gold, silver and in some cases base metals. The exploration concept has been to utilize old mining records, mining development and sampling, surface mapping and exploration drilling to demonstrate resources which can be profitably mined.

Dynasty has inherited exploration data from the previous owners of the Zaruma property (TVX Gold Inc. ("TVX") and IAMGOLD Corporation). A Technical Report entitled: "Zaruma Project, Ecuador – Technical Report" was completed in respect of this data by Mr. M Kalinaj dated October 22, 2004. Subsequently, an underground sampling program was undertaken by Dynasty and a further Technical Report entitled: "Independent Geological Evaluation – Zaruma Project, El

Oro Province, Ecuador" was prepared by Mr. AJ Maynard dated October 21, 2005. Both reports quoted mineral resources that were confirmed in the 2006 Zaruma Report.

The Company has established underground mining and processing operations at the Zaruma Gold Project. The underground portal is some 7.5 km from the processing facility. In 2013, the facility treated some 179,000 tonnes ("t") for the recovery of approximately 30 thousand ounces ("koz") gold and 71 koz of silver at average metallurgical recovery rates for gold and silver of 88.4% and 41.6%, respectively. Mining during the majority of this period was from areas outside of the resource envelope. Whilst the underground mine still has much development to undertake to reach a stage where it is able to produce at a planned steady state, the processing plant has, over the last few years, been processing lesser low-grade material as Dynasty has advanced along the decline and towards the resource and is considered to be performing well (subject to the erratic tonnage and grade of material delivered from the underground workings).

In 2013, underground mining produced 161 kilo tonnes of processed material grading an average of 6.37 grams per tonne of gold ("Au") (including 4,800 t grading an average of 16.6 g/t Au from development headings). It is noteworthy that much of the Company's gold production (except for the latter part of 2013) is from workings that have not been part of the current Mineral Resource inventory.

The Project has numerous underground veins available to it for exploitation, and it is not unreasonable to assess the Zaruma Gold Project as having at least a 15 year mine life, based on current operating and financial metrics. The underground veins tend to be narrow (mostly <1.5 metres ("m")), so generally the rate of production will be limited due to the relatively small size of stopes and the amount of development required to bring stopes into production.

The processing plant (a conventional crush, mill, leach, Carbon-in-Pulp (CIP), elution and electrowinning circuit) is well established. Some 25% of the gold is taken out of circuit via the gravity concentration system. There are other processing flowsheet options available which the Project could embark upon to further increase both throughput and precious metal recoveries (adding increased throughput capacity, for example). A preliminary estimate of capital expenditure requirements for the Zaruma Gold Project for the 15 year life for which it is assessed in the PEA is $29 million, which comprises an aggregate $20 million for both the underground mine and processing facility areas and $9 million for sustaining capital and project closure costs combined.

Geology and Mineralization

Subduction of the Pacific Ocean Nazca Plate beneath the South American continent has produced crustal deformation forming the Andes mountain range over the last 25 million years. The resultant compressional forces have produced several Tertiary and Quaternary tectonic basins along major regional faults that cut both the Pacific and Amazonian piedmonts and the Andean range itself.

The Zaruma Gold Project lies within the compressional Inter-Andean Graben that is bounded by regional scale faults. The graben is composed of thick Oligocene to Miocene volcano-sedimentary sequences that cover the Chaucha, Amotape and Guamote terrains. This structural zone hosts several significant epithermal, porphyry, mesothermal, S type granitoid, VHMS and ultramafic/ophiolite precious metal and base metal mineral deposits.

The Project area consists of a 15 kilometer ("km") long vein system that lies immediately north of the Piñas Fault, a major regional structure that separates a metamorphic terrain to the south from a tertiary volcanic sequence to the north. The metamorphic rocks, subparallel to the Piñas Fault, show that this structure represents a suture dated as Jurassic to early Cretaceous. Tertiary volcanic rocks preserved on the northern side of the Piñas Fault unconformably overlie metamorphic rocks facies of continental origin, implying that the suture marks a site of continent-continent collision in the late Jurassic to early Cretaceous.

Vein textures in the Zaruma Gold Project area do not significantly change along 10 km of vein trend. Typical textures for low-sulphidation veins have been observed including rhythmically banded textures with dominantly symmetric geometry, drusy textures, hydrothermal breccia textures, dissolution and replacement textures.

In contrast, veins in the Portovelo system in the southern part of the trend change composition gradually along strike southward from quartz through quartz-calcite, to calcite-dominated compositions over a strike of 2 km. A vertical zonation in composition from quartz dominated deeper portions of veins to calcite dominated assemblages near surface was observed, in particular, within the Portovelo en-echelon block.

The gold and silver distribution differs from that of base metals. Major concentrations of gold and silver were observed closely related to the footwall of southerly dipping thrust faults which lie parallel to the Piñas Fault especially in the northern en-echelon sets of R-nivel, Muluncay and Sesmo-Colorada. While in the Portovelo en-echelon set, almost 90% of precious metal production was from the central part of the veins.

Mineral Resource Estimates

Estimated Mineral Resources at the Zaruma Gold Project as of the date of the Zaruma Report are as follows:

Location	Measured			Indicated			Inferred		
	Tonnes (million)	**Grade Au (g/t)**	**Contained Au (ozs)**	**Tonnes (million)**	**Grade Au (g/t)**	**Contained Au (ozs)**	**Tonnes (million)**	**Grade Au (g/t)**	**Contained Au (ozs)**
Cabo de Hornos	1.30	13.99	585,000	0.86	12.46	343,000	3.0	12.3	1,201,000
Barbasco	0.19	11.05	66,000	0.09	10.81	33,000	0.3	12.13	128,000
Ayapamba	0.07	12.64	30,000	0.06	11.63	23,000	0.2	12.4	96,000
Vizcaya	0.03	8.40	8,000	0.02	8.40	6,000	0.1	8.4	23,000
Totals	**1.59**	**13.48**	**689,000**	**1.03**	**12.18**	**405,000**	**3.7**	**12.2**	**1,448,000**

Note: Mineral Resources that are not Mineral Reserves have no demonstrated economic viability.

Table 1: Mineral Resource Summary at Zaruma Gold Project.

A cut-off grade of 2.06 was used to derive the Mineral Resource estimate.

The following is a summary of the various contributions to the Mineral Resource inventory:

- Measured contains 25% of the tonnes and 27% of the contained gold metal;
- Indicated contains 16% of the tonnes and 16% of the contained gold metal; and
- Inferred contains 59% of the tonnes and 57% of the gold contained metal.

This Mineral Resource inventory has been used as a basis for the PEA after applying various parameters and assumptions, which are discussed in this Report.

Preliminary Economic Assessment

As required by NI 43-101, it should be noted that these evaluations are preliminary in nature and that the Inferred Mineral Resources in particular are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. As such there is no certainty that the PEA will be realised.

The Zaruma Gold Project has sufficient Measured and Indicated Mineral Resources for a mine life of about 10.5 years. The Project also has available to it a significant inventory of Inferred Mineral Resource (59% of all tonnes and 57% in gold content). Adding only 27% of the Inferred Mineral Resource (equating to 25% of gold output) to the Project's production schedule increases mine life to 15 years, which is considered to be a reasonable mine life period to assess the Project on a discounted cash flow basis. This is the base case evaluated for the PEA.

The Inferred Mineral Resource is also assumed to be processed at the end of the mine's life (i.e. after all Measured and Indicated material has been treated), so it suffers the greatest discounted cash flow effect in the analysis.

The results from the PEA (taking into account both taxed and untaxed cases) are provided in Table 2, and the salient information for the Project from the evaluation is as follows:

- it produces an earnings before interest, tax, depreciation and amortisation of $683 million;
- at a 10% discount rate, it produces a taxed net present value ("NPV") of $218 million and untaxed NPV of $322 million;
- it produces a taxed net cash flow of $441 million and an untaxed net cash flow of $653 million;
- it has a total unit cash operating cost of $855/oz (taxed) and $658/oz (untaxed);
- the overall operating costs equate to 51% of total revenue;
- total capital expenditure is estimated at $29 million; and
- it pays $66 million in royalties and $213 million in taxes, over its estimated 15 year mine life.

	Unit	Value
Operating Cash Flow (EBITDA)	$M	682.5
NPV[1] (taxed)	$M	218.2
NPV (untaxed)	$M	321.6
Net cash flow (taxed)	$M	440.9
Net cash flow (untaxed)	$M	653.4
Unit operating cost (taxed)	$/oz Au	855
Unit operating cost (untaxed)	$/oz Au	658
Total capex	$M	29.1
Royalties	$M	65.6
Taxes	$M	212.5

[1] at 10% base case discount rate

Table 2: Key Results for Taxed and Untaxed Cases.

The sensitivity of the Project's NPV and net cash flow to changes in key input parameters, for both taxed and untaxed cases, are shown in Figures 2 to 5, respectively. Sensitivity of the Project's NPV and net cash flow to major changes in discount rate versus gold price (taxed and untaxed cases) are shown in Tables 3 and 4.

This data shows that the Zaruma Gold Project's economics are most leveraged to gold price (grade and metallurgical recovery, on an absolute percentage change basis, have the same effect). Of lesser effect, ranked in decreasing amounts are mining operating costs, processing operating costs, dilution and changes to capital expenditure. Given the quantum of the latter, capital costs have no material effect on the Project's economics.

The PEA has not been tested for changes in the Zaruma Gold Project scale. Although the Zaruma Gold Project will have reasonable sensitivity to scale (considering the discounted cash flow effects), at this stage, and without further feasibility study work, this scenario is considered to be speculative. An equivalent change in scale (production output) will have much less effect on the Zaruma Gold Project economics than gold price, material grade or metallurgical recovery changes.

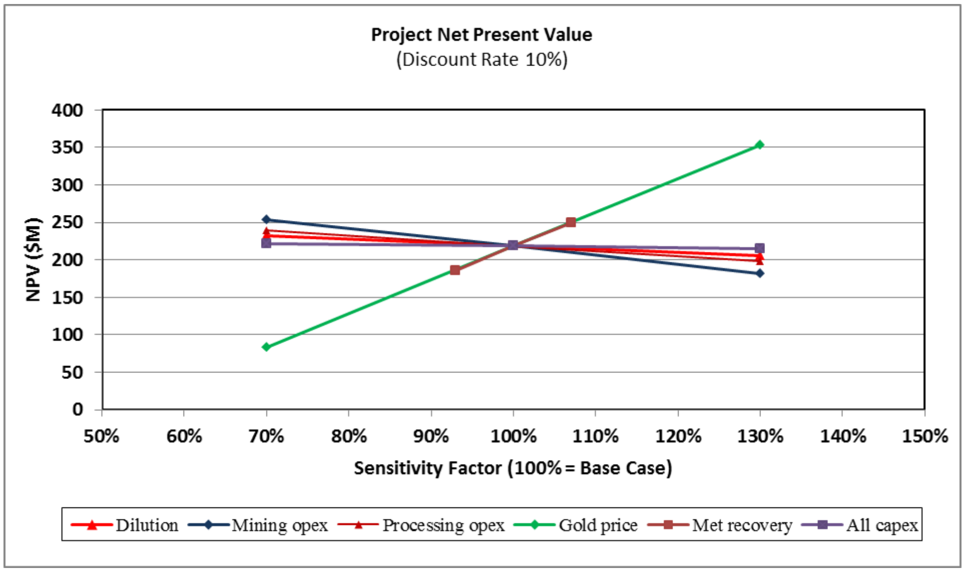


Figure 2: Net Present Value Sensitivities (taxed).

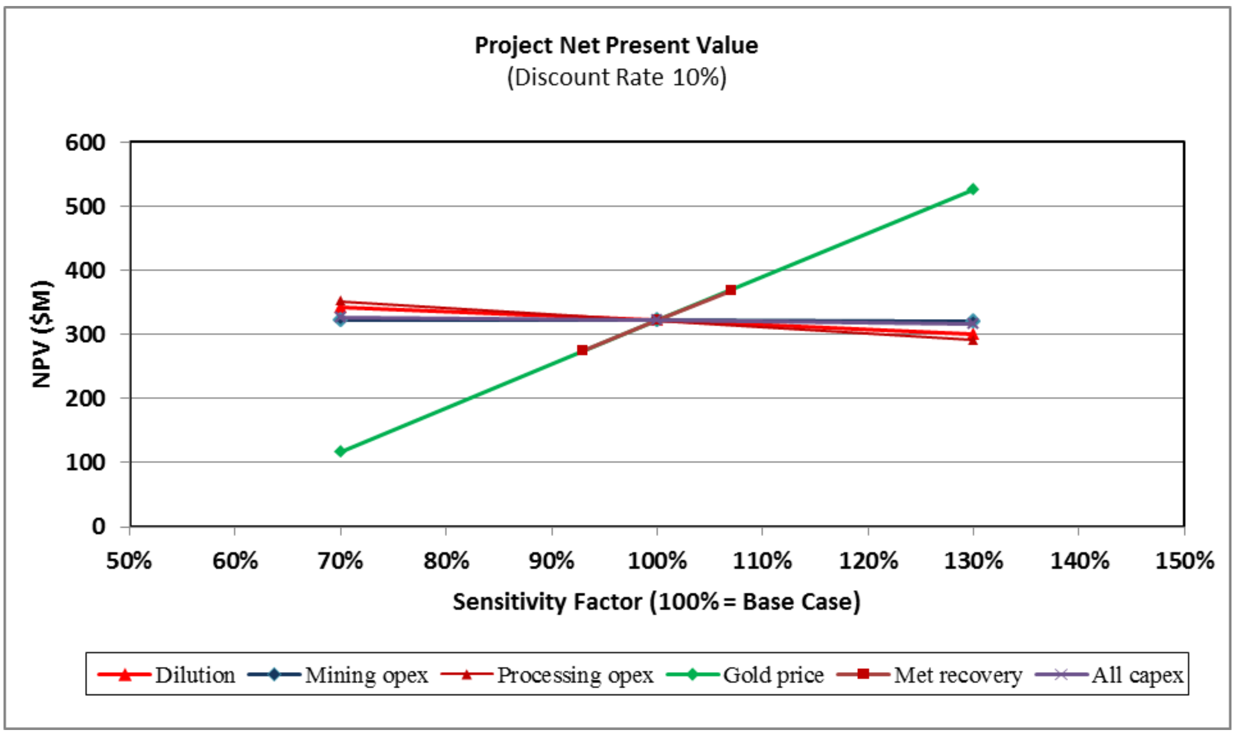


Figure 3: Net Present Value Sensitivities (untaxed).

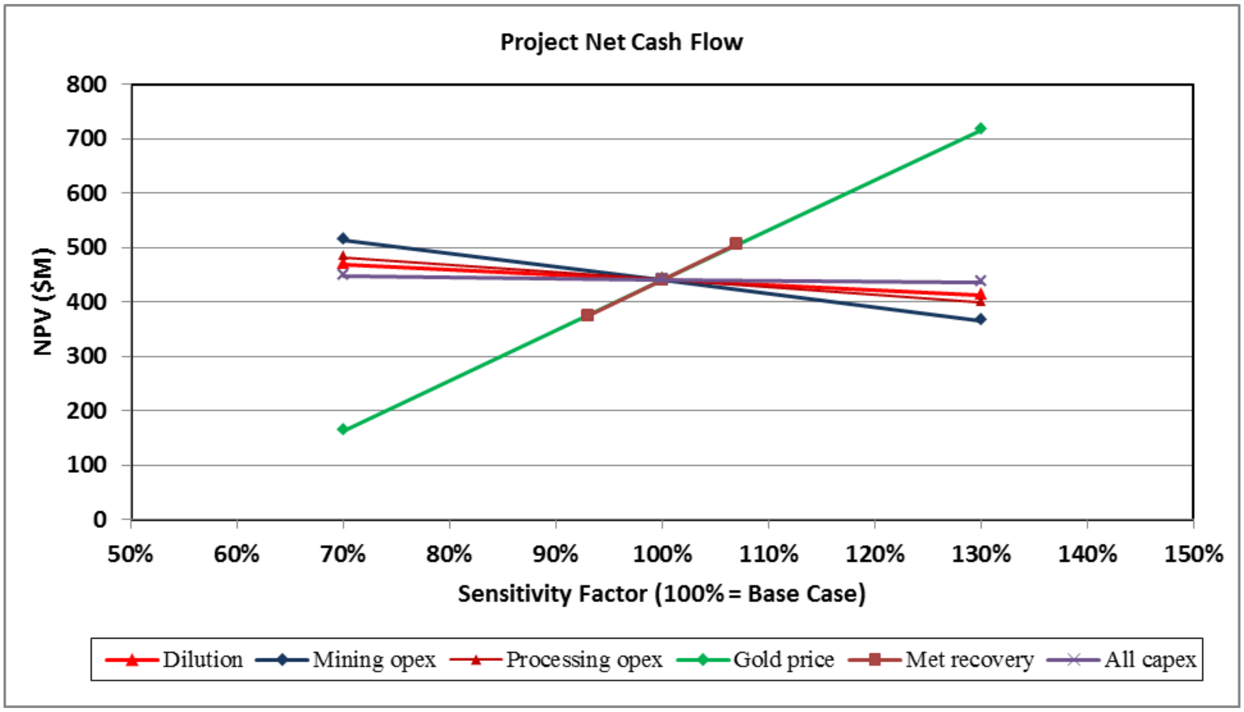


Figure 4: Net Cash Flow Sensitivities (taxed).

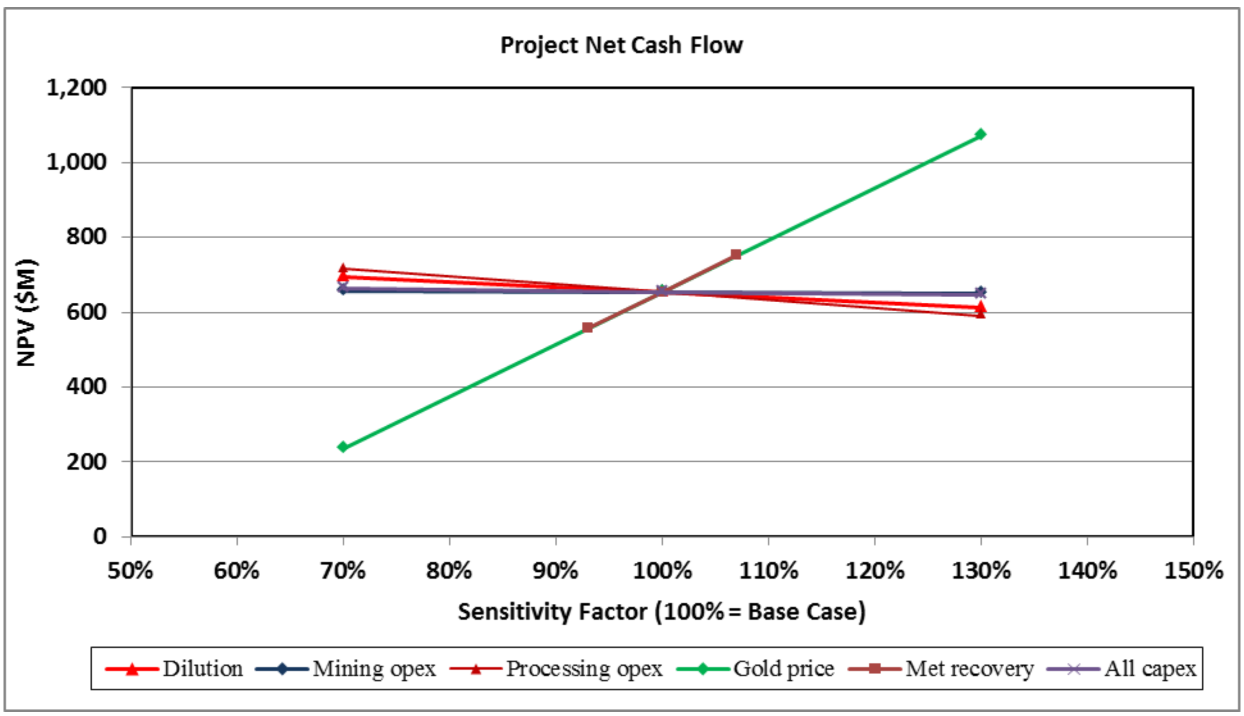


Figure 5: Net Cash Flow Sensitivities (untaxed).

		Discount Rate (%)			
		20	15	10	5
Gold Price	$ 1500/oz	170,216	216,695	286,746	397,443
	$ 1400/oz	149,461	190,249	251,709	348,804
	$ 1300/oz	129,953	165,162	218,158	301,796
	$ 1200/oz	108,991	138,490	182,874	252,886
	$ 1100/oz	88,833	112,733	148,635	205,178
	$ 1000/oz	69,179	87,408	114,738	157,695

Table 3: NPV ($000) Sensitivity (taxed) - Discount Rate versus Gold Price.

		Discount Rate (%)			
		20	15	10	5
Gold Price	$ 1500/oz	252,370	321,854	426,598	592,138
	$ 1400/oz	221,387	282,302	374,103	519,144
	$ 1300/oz	190,404	242,749	321,608	446,150
	$ 1200/oz	159,420	203,197	269,114	373,157
	$ 1100/oz	128,437	163,644	216,619	300,163
	$ 1000/oz	97,454	124,091	164,124	227,170

Table 4: NPV ($000) Sensitivity (untaxed) - Discount Rate versus Gold Price.

On a NPV breakeven basis, the following results (Table 5) are achieved for both the taxed base case and the taxed (without Inferred Mineral Resources) scenarios:

	Unit	Base Case	Without Inferred
Gold Price	$/oz	686	683
Grade	g/t Au	6	5.5
Operating costs	$/oz	1,278	1263

Table 5: Breakeven Indicators without Inferred Resources.

This data shows that due to the cash flow discounting effect, the elimination of the Inferred Mineral Resources does not have a major impact on the key breakeven indicators.

An alternative case was also analysed, which evaluates the Zaruma Gold Project's economics if all the Inferred Mineral Resource (equating to 27% of the tonnes and 25% of the contained gold metal in the base case production schedule) are eliminated from the base case. The results of this case, comparing the base cases with this alternative case (which does not include Inferred Mineral Resource material), are summarized below and shown in Table 6.

- EBITDA is decreased by 24% to $521 million;
- the NPV in the taxed and untaxed cases are decreased by 15% and 14%, respectively;
- net cash flow in the taxed and untaxed cases are decreased by 25%;
- it produces a taxed and untaxed NPV at a 10% discount rate of $187 million and $277 million, respectively;
- royalties payable are decreased by 25%, whereas taxes payable are decreased by 23%;
- the production schedule is reduced in tonnage by 27% and the contained gold by 25%;
- the overall production grade increases by 7%; and
- mine life decreases to about 10.5 years (assuming the same production profile as the base case).

		With Inferred	Without Inferred	Difference
	Unit	**Value**	**Value**	**%**
Operating Cash Flow (EBITDA)	$M	682.5	520.9	-24%
NPV[1] (taxed)	$M	218.2	186.5	-15%
NPV (untaxed)	$M	321.6	277.1	-14%
Net cash flow (taxed)	$M	440.9	329.8	-25%
Net cash flow (untaxed)	$M	653.4	491.9	-25%
Unit operating cost (taxed)	$/oz Au	855	849	-1%
Unit operating cost (untaxed)	$/oz Au	658	647	-2%
Total capex	$M	29.1	27.1	-7%
Royalties	$M	65.6	49.2	-25%
Taxes	$M	212.5	164.1	-23%

[1] at 10% base case discount rate

Table 6: Summary Results – Alternative Case.

Critical Risk Factors

It is the conclusion of the authors of the Zaruma Report that the PEA summarized therein contains adequate detail and information to support the potentially positive economic result. The PEA proposes the use of industry standard equipment and operating practices. To date, the authors are not aware of any fatal flaws for the project.

The most significant risks associated with the Zaruma Gold Project are commodity price risk, production risk due to smaller scale mining methods, labour intensive mining methods, and risks of changes to regulatory requirements. These risks are common to most mining projects in South America.

Whilst this PEA is conceptual in nature, a feasibility study will provide greater weight to the risk assessment process, provide a basis for their rating, as well as define a management plan to either mitigate or ameliorate such risks. In time, it is also usual for many of these risks to be reduced as the mine achieves its steady state capacity and operations proceed with greater reliability and become more predictable.

Conclusions and Recommendations

The Zaruma Gold Project has made significant progress with underground development, processing plant operations and achieving gold production and hence cash flow. Notwithstanding, the Zaruma Gold Project is now reaching a stage where it needs to carry out a feasibility study, which will provide the operations with greater certainty about the tonnes and grade of material to be processed, and hence give greater confidence about potential gold output and therefore the generation of cash flow. It is also considered imperative that in the feasibility study stage, significant attention is given to mining method selection. This is due to the underground mine being a small-scale operation, in which case mining inefficiencies and ineffectiveness (cost per tonne stoped and factors such as dilution and mining recovery) will have adverse impacts on the Zaruma Gold Project's cash flow capability if not well managed.

The Project has numerous mineralized veins, some exhibiting very high-grade material that are available for exploration. This work, if adequately funded, is considered to have a high probability to provide longer-term feed to the processing operation based on sample results to date. The result will be the eventual development of a sustainable, higher grade mining operation.

Further, the general area is considered to be highly prospective for additional mineralized veins, again based on previous sampling results.

To this end, it is recommended that further exploration continues in order to determine potential new Mineral Resources from veins in the northern sector of the property and from extensions to known veins.

Surface mapping and sampling along with targeted drilling below the known mineralized outcrops should be undertaken to determine the grade characteristics of the veins with depth should continue.

Underground and surface oriented drill holes spaced 50 m apart along the vein strike should be applied to aim for the Inferred Resources to be upgraded to Indicated and/or Measured. The same platform may then be used for two or more oriented drill holes with different angles (dips).

Costs to complete the advanced exploration work and feasibility study are currently estimated to be as follows:

Item	$
Underground mapping	50,000
Surface trenching and mapping	50,000
Drilling (approximately 8,100 m)	1,650,000
Sample assays	70,000
Environmental control	50,000
Social	70,000
Feasibility Study	1,000,000
Total Cost	**$2,940,000**

The Jerusalem Gold Project

Introduction

The Company has maintained the Jerusalem Project in good standing, however it has not undertaken any material exploration or development activities at the project since the introduction of the Mining Mandate in 2008.

The "Technical Report – Jerusalem Gold Project – Zamora Chinchipe, Ecuador", dated October 24, 2014 (the "Jerusalem Report"), was prepared by Consulting Geologist Mr. AJ Maynard, BAppSc (Geol) MAIG, MAusIMM. The Jerusalem Report is incorporated herein by reference and the executive summary of the Jerusalem Report is produced below.

Mr. Maynard visited the project site in May 2004, February 2006 and again in February 2010.

The Jerusalem Report was prepared at the request of Dynasty and resulted from:

- Site visits in May 2004, February 2006 and February 2010; and

- Personal interviews with Company management and other consultants engaged to assist management with its mine plans in Quito in 2008, 2010 and 2013.

Property Description and Location

The Jerusalem Gold Project comprises one concession covering 225 ha in a readily accessible region of southern Ecuador. The gold mineralization found on the concession is associated with an extensive high grade polymetallic epithermal vein system.

Mineral rights are held 100% by Elipe, an indirect wholly owned subsidiary of Dynasty.

A royalty calculated at 1% of net value of production from the Jerusalem Gold Project concession after deduction of non-payable metal, transport and refining charges is payable to a third party. No royalties have been paid to-date as no extraction has occurred on the Jerusalem Gold Project. If the Project goes into production in the future, it may also be subject to further royalties payable to the Ecuador Government in accordance with regulatory requirements at that time.

History, Exploration and Drilling

The Jerusalem Gold Project is located within the Pachicutza Mining Camp. The district has been mined for gold by local artisanal miners since the mid-1980s. The Jerusalem Gold Project area has previously been held under concession rights by various groups and companies. Current mineral rights ownership is 100% in Dynasty, indirectly through Elipe.

TVX drilled a total of 45,788 m of NQ and/or HQ core diamond holes on the whole Chinapintza Mineral Deposit (which includes the Jerusalem Gold Project area), producing 8,174 samples. Out of all these holes, 52 mainly NQ diamond drillholes for 12,300 m were drilled on the Jerusalem Gold Project concession.

No additional drilling has been carried out by Dynasty.

Dynasty undertook extensive exploration within the project since it acquired the concession rights in 2003 through to 2007. This work mainly involved surface mapping, trenching and underground mine sampling with the aim of extending known vein systems and locating new veins and mineralized systems. Dynasty has been successful in its exploration efforts having extended the strike length of several known veins and located new veins in previously under-explored areas.

Geology and Mineralization

The Jerusalem Gold Project lies within the Zamora District of the Eastern Sub-Andean Zone, between the Andean Cordillera Real in the west and the Pre-Cambrian Amazon Craton to the east. The lithological sequence comprises forearc basement overlain by a thick volcano-sedimentary sequence which has been intruded by large "I" type batholiths. This structural zone is the host of several large Au/Cu/U and porphyry Cu+Mo+/-Au deposits.

The most conspicuous feature of the geological setting at Jerusalem and the adjacent local area is an intrusive-volcanic complex, the well-studied "Chinapintza Porphyry", between 96 and 106 million years old. The Chinapintza Porphyry comprises andesite, dacite and rhyodacite porphyry bodies, cut by numerous dykes of generally similar composition. It intrudes rocks of the upper Middle Jurassic I-type Zamora Batholith, a large elongate intrusive complex trending north-northeast roughly parallel to the Ecuadorian Andes, and older rocks. The Chinapintza Porphyry hosts the vast majority of the veins that contain gold and base metal mineralization in the Chinapintza Mineral District including Jerusalem.

Mineral deposits in the district mainly contain sulphides of copper, lead and zinc with associated precious metals. The "Chinapintza Porphyry" is the best example of such a high grade vein deposit. Igneous breccias containing epithermal gold and silver mineralization are also important exploration targets in the district.

The vein swarm that hosts the Jerusalem Gold Project mineralization extends for at least 5.0 km along a northwest trend. Its main development extends over a strike of about 2.5 km within the Chinapintza Porphyry. The portion of this mineralized vein swarm within the Jerusalem Concession extends along strike for approximately 1.5 km.

The veins are for the most part tensional, characterized by open space filling, though in most veins the latest structural event has been brittle faulting in the plane of the vein that has brecciated and milled earlier mineralization. The mineralized portions rarely exceed 50 cm in thickness and are typically less than 30 cm thick. There is some tendency for the veins to become thinner with increasing depth and towards their top may split into swarms of thin veinlets, stockworks or breccia zones.

The principal strike of the principal veins is between 295º and 360º, most being in the range 330º to 350º. Two principal dips are steep southwest and gentler but still steep northeast. Some late, transverse, east or northeast trending faults and veins exist, only a few are known to form a significant component of the mineralized body.

Gold is present in its native form and in electrum, a gold-silver combination.

Mineral Resource Estimate

The mineral resource estimates as of the date of the Jerusalem Report are as follows:

Category	Tonnes ('000)	Au (g/t)	Ag (g/t)	Contained Au ('000 ozs)	Contained Ag ('000 ozs)
Measured	379	14.2	76	173	926
Indicated	576	13.5	81	249	1,495
Total Measured + Indicated	**956**	**13.8**	**79**	**422**	**2,421**
Inferred	1,775	15.0	98	856	5,569

Note: Lower cut-off grade of 2.0 g/t Au.

Table 7: Jerusalem Mineral Resources Summary.

Critical Risk Factors

The most significant risks associated with the Jerusalem Gold Project are resource risks, risks inherent in exploration and mining, risks relating to artisanal mining activities on the project, poor access to mining areas as a result of remoteness and difficult terrain and sovereign risk bought about through changes in government or major changes in government policy, laws and regulations, which are common to most mining projects in South America.

Conclusions and Recommendations

The author of the Jerusalem Report recommended that geological mapping, exploration drilling, trenching and sampling continues at a time in the future appropriate for Dynasty in order to determine the potential of the northern sector of the property and search for extensions of known veins.

A future exploration plan should consist of investigating the northern extension of the Teniente and Maria Rueda Veins by drilling and trenching along the veins on section lines at 50 m intervals. Dynasty believes that the veins potentially extend a further 900 m to the north.

No exploration program is planned by Dynasty until uncertainties associated with Ecuador's proposed new Mining Law have been resolved. The following cost estimate is based upon a drilling program that would involve:

- 60 diamond drillholes for approximately 8,000 m at Teniente over an area of approximately 4 km^2;
- 20 diamond drillholes for approximately 3,000 m at Maria Rueda over an area of approximately 1 km^2; and
- An expected timeframe of approximately 3.5 years to complete.

Item	$
Mapping and Trenching	200,000
Drilling	1,600,000
Assays	90,000
Social Program	50,000
Admin & Contingencies	260,000
Total Cost	**$2,200,000**

Subject to future exploration results, it is recommended that a preliminary economic assessment (PEA) is carried out to determine the potential economic viability of the project.

The Dynasty Copper-Gold Belt Project

Introduction

The Dynasty Copper-Gold Belt is a mineralized corridor, approximately 90 km long and 20 km wide, and runs along a northeast trend that begins in Peru and extends to the Zaruma Gold Project. The property is located in Loja Province in south western Ecuador, covers 969.16 km^2 and consists of 52 concessions at altitudes ranging from 600m to 1,800m above sea level. These concessions are 100% owned by the Company. The Dynasty Goldfield Project covers an area of approximately 21,909 ha within the Dynasty Copper-Gold belt.

The Company has maintained the Dynasty Goldfield Project in good standing, however it has not undertaken any material exploration and development activities at the project since the introduction of the Mining Mandate in 2008.

The "Technical Report – Dynasty Goldfield Project – Celica, Loja Province, Ecuador", dated October 22, 2014 (the "Dynasty Goldfield Report"), was prepared by Consulting Geologist Mr. AJ Maynard, BAppSc (Geol) MAIG, MAusIMM. The Dynasty Goldfield Report is incorporated herein by reference and the executive summary of the Dynasty Goldfield Report is produced below.

Mr. Maynard visited the Dynasty Goldfield Project site in March 2005, February-March 2007 and September 2007.

The 2014 Dynasty Goldfield Report was prepared at the request of Dynasty and resulted from:

- The aforementioned site visits; and

- A review of geological and geophysical data, drill logs, technical reports and selected drill core from exploration programs.

Property Description and Location

Dynasty, through its indirect wholly owned subsidiary, Elipe, holds a portfolio of exploration properties in Ecuador. Among these, Elipe has acquired the rights to seven mining concessions in the Celica area which form the Dynasty Goldfield Project located in the Province of Loja. These concessions have been the focus of a series of exploration programs since 1995.

The Dynasty Goldfield Project is located at the southern end of the Occidental Andean Cordillera, 25 km from the Peruvian border to the south with central coordinates of latitude 04º 07' south and longitude 79º 52' west. The town of Celica is about half an hour's drive from the project.

Three concessions, PILO 9, ZAR and ZAR 1, are subject to a 1% NSR payable to Minera Australiana, a related party, as part of contractual obligations agreed to when the concessions were acquired by Dynasty. No royalties have been paid to-date as no extraction has occurred on the Dynasty Goldfield Project. If the Dynasty Goldfield Project goes into production in the future, it may also be subject to further royalties payable to the Ecuador Government in accordance with regulatory requirements at that time.

History, Exploration and Drilling

The Spanish-Ecuadorian joint venture company, Enadimsa, claimed 1,350 ha in the La Zanja (Cerro Verde) area for exploration in 1977. During the 1970s and 1980s the United Nations explored the "Curiplaya" area, 2 km east of the Dynasty Goldfield Project. Copper and gold were detected in small quantities. During 1991 and 1992, BHP Exploration Ltd. covered the general area with concessions but the tenements eventually lapsed after minimal work. Between 2001 and 2003, a private prospecting company, Ecuasaxon, undertook investigations in the general area and discovered anomalous gold and silver in quartz-sulphide veins in what is now the concession area.

Since Dynasty acquired the Dynasty Goldfield Project in 2003, until 2007, when the Ecuadorian Government introduced an exploration moratorium, it has carried out geological mapping, sampling, geophysical surveys and diamond drilling. These works resulted in the identification of high grade gold and silver vein systems in the Cerro Verde, Papayal and Trapichillo areas.

To date, a total of 201 drill holes totalling 26,733.5 m have been completed by Dynasty, at Cerro Verde and Papayal. A further 2,033 rock channel samples were taken from 1,161 surface trenches at Cerro Verde, Iguana Este, Trapichillo and Papayal by the end of 2007.

The Ecuadorian Government introduced a Mining Mandate that came into effect in 2008 causing delays in granting environmental licenses, permitting and other matters required before further exploration can commence.

There has not been any significant mine production from any of the Dynasty Goldfield Project concessions.

Geology and Mineralization

The Dynasty Goldfield Project is part of the larger Dynasty Copper-Gold Belt extending north from Peru. The Dynasty Copper-Gold Belt lies within the compressional Inter-Andean Graben that is bounded by regional scale faults. The graben is composed of thick Oligocene to Miocene volcano-sedimentary sequences that cover the Chaucha, Amotape and Guamote terrains. This structural zone hosts several significant epithermal, porphyry, mesothermal, S type granitoid, VHMS and ultramafic/ophiolite precious metal and base metal mineral deposits.

The western side of the project concessions include volcanic rocks (breccias and andesitic lavas) belonging to the Cretaceous to Palaeocene Pisayambo Volcanics and Celica Formation which has been intruded sporadically by diorite dykes and slightly argillic gold bearing quartz veins and veinlets with occasional calcite-barite veins to the south, southeast and west. As many as 110 mineralized veins of varying thicknesses and without preferred orientation have been identified to date in the Dynasty Goldfield Project. The vertical extent of these veins has not yet been fully tested but some veins could exceed 400 m.

The mineralized veins in the volcanics mainly occur along a faulted zone near and sub-parallel to the contact with the Cretaceous Tangula Batholith outcropping in the east and south of the concessions that extends north from Peru. Within the batholith, the quartz veins appear to have little depth extent.

The mineralized faults have undergone post mineralization reactivation by a northeast fault system that displaced the earlier veins by up to a few metres. A major north east lineament with crosscutting features at 90º angle possibly indicates "strike slip" shears with sinistral stress that could have generated open spaces for the infilling quartz-sulphide vein systems.

A porphyry intrusion hosting gold, silver and some base metal mineralization has also been mapped at Trapichillo.

Three mostly steeply dipping vein systems have been identified to date at Papayal (2.2 km x 2.0 km), Cerro Verde (1.4 km x 1.0 km) and Trapichillo and Cola (2 km x 2.5 km). Individual veins have been mapped continuously for up to 2,000 m along strike and remain open at depth beyond the current drilling.

The mineralized veins are principally open space fillings along dilational faults. Banded seams consisting of quartz and sulphides occur especially at Cerro Verde along with massive quartz veins containing disseminated sulphides. The mineralized veins have low carbonate content at Papayal, Trapichillo and Cola, while quartz veins coexist with quartz - barite - calcite, and barite being replaced by silica at Cerro Verde and part of Trapiche Labrado.

Gold occurs in its native form along with sulphides, including pyrite, sphalerite, galena, arsenopyrite, chalcopyrite and bornite.

The gold/base metal mineralization is restricted to the veins and stockworks with associated argillic alteration. North-south mineralization zoning has been interpreted. The gold and silver grades vary along strike and across the vein width with "ore shoots" or "high grade pipes" producing very erratic values up to 600 g/t Au and 750 g/t Ag in some veins at Trapichillo and Papayal. A total of 74 veins have been identified between Cerro Verde - Yaraco-Trapichillo and Quebrada Trapiche Labrado of which 67 average >2 g/t Au. Seven potentially economic veins were identified at Papayal and five further veins with grades >6 g/t Au at Trapichillo.

Mineral Resource Estimate

Dynasty has utilized the sampling results from 967 trenches and 152 drillholes in the Dynasty Goldfield Project collected between 2003 and 2008 to estimate the project resource. The quality assurance / quality control protocols followed by Dynasty while sampling the drill core and trenches met industry standards and indicated that the sampling and assays are accurate and unbiased. In the opinion of the author of the Dynasty Goldfield Report, the sampling data is sufficient and adequate for the purposes used in the Dynasty Goldfield Report including resource estimation.

The resource was estimated using GEMCOM software and verified by non-software and other software (MineMap) based methods. Table 8 contains the current mineral resource estimate for the Dynasty Goldfield Project as of the date of the Dynasty Goldfield Report.

Category	Tonnes ('000)	Au (g/t)	Ag (g/t)	Contained Au ('000 ozs)	Contained Ag ('000 ozs)
Measured	2,909	4.7	38.1	437	3,567
Indicated	3,958	4.6	38.8	585	4,936
Total Measured + Indicated	**6,867**	**4.6**	**38.5**	**1,022**	**8,504**
Inferred	7,825	4.4	39.4	1,118	9,901

Note: Lower cut-off grade of 2.0 g/t Au.

Table 8: Current Resource Estimate for Dynasty Goldfield Project.

Critical Risk Factors

The most significant risks associated with the Dynasty Goldfield Project are resource risks, risks inherent in exploration and mining, poor access to mining areas as a result of remoteness and difficult terrain and sovereign risk bought about through changes in government or major changes in government policy, laws and regulations, which are common to most mining projects in South America.

Conclusions and Recommendations

The author of the Dynasty Goldfield Report opined that the property merits further exploration and that the Company develops a further exploration program.

No exploration program is planned by the Company until uncertainties associated with Ecuador's Mining Law have been resolved. The following cost estimate is based upon a drilling program that would involve:

- 80 diamond drill holes for approximately 5,150 m at Trapichillo and Iguana Este over a total area of approximately 4 km^2; and
- 20 diamond drill holes for approximately 1,350 m at Papayal Norte over an area of approximately 1 km^2.

This conceptual exploration program would take approximately 3.5 years to complete.

3.5 YEARS EXPLORATION BUDGET - TRAPICHILLO AND PAPAYAL NORTH DYNASTY PROJECT						
Quantity	**Unit**	**Description**	**Indiv. Cost ($)**	**Unit Cost ($)**	**Time (years)**	**Total ($)**
6,500	m	Drilling (80 drill holes)	180/m	180	3.5	1,170,000.00
950	samples	Drill core assays	34/sample	34	3.5	32,300.00
1,100	m	Trenches	20/m	20	2.0	22,000.00
800	samples	Trench samples assays	34/sample	34	2.0	27,200.00
		Camp and core storage	15,000	15,000	0.4	0.00
		Environment & Rehabilitation	1,000/month	1,000	3.5	0.00
		Social Programme	50,000	50,000	3.5	0.00
		Administration and Contingencies	8,000/month	8,000	3.5	0.00
				SUBTOTAL		**1,251,500.00**
				Ecuadorian Taxes (12 %)		**150,180.00**
				TOTAL		**1,401,680.00**

Depending on results obtained by this exploration program, the Company may be able to proceed towards conducting a PEA to determine the potential economic viability of the Dynasty Goldfield Project.

RISK FACTORS

An investment in our securities should be considered highly speculative and involves a high degree of financial risk due to the nature of our activities and the current status of our operations. Readers and prospective investors should carefully consider the risks summarized below and all other information contained in this AIF before making an investment decision relating to our shares. Some statements in this AIF (including some of the following risk factors) constitute forward-looking information. Please refer to the discussion of forward-looking information in the introduction to this AIF. Any one or more of these risks could have a material adverse effect on the value of any investment in our Company and the business, financial position or operating results of our Company and should be taken into account in assessing our activities. The risks noted below do not necessarily comprise all those faced by us.

Mining and Resource Risks of Exploration and Development

Some of the properties in which the Company has an interest or the right to earn an interest are in the exploration stage only and are without a known body of commercial ore. As the Company is principally an exploration and early production stage company, the Company has little revenue, and therefore a history of losses. The level of profitability of the Company in future years will depend to a great degree on market prices of precious and base metals, the ability of the Company to meet expected production levels of the Zaruma Gold Project, and whether any of the Company's other exploration stage properties can be brought into production.

Development of any properties will only follow upon obtaining satisfactory results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of the Company's exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

It is impossible to ensure that future exploration programs and feasibility studies on the Company's existing mineral properties will establish reserves. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; the interpretation of geological data obtained from drill holes and other sampling techniques; feasibility studies (which include estimates of cash operating costs based on anticipated tonnage and grades of ore to be mined and processed); metal prices, which cannot be predicted and which have been highly volatile in the past; the expected recovery rates of metals from the ore; mining, processing and transportation costs; perceived levels of political risk and the willingness of lenders and investors to provide project financing; and governmental regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting materials, foreign exchange, environmental protection and reclamation and closure obligations. The effect of these factors cannot be accurately predicted, but any one, or a combination of, these factors may cause a mineral deposit that has been mined profitably in the past, to become unprofitable. The Company is subject to the risks normally encountered in the mining industry, such as unusual or unexpected geological formations as well as political and economic risks associated with developing nations. The Company may be subject to liability for pollution or against other hazards against which it cannot insure or against which it may elect not to insure.

The development of mineral properties is affected by many factors, some of which are: the cost of operations; variations in the grade of ore; fluctuations in metal markets; costs of extraction and processing equipment; and government regulations, including without limitation, regulations relating to royalties, allowable production, importing and exporting of minerals, foreign exchange and environmental protection. Depending on the price of minerals, the Company may determine that it is impractical to commence or, if commenced, continue commercial production.

Mining costs are rising in the current world market, although the effect is somewhat ameliorated by lower labour costs in Ecuador.

Project-specific risks associated with the Zaruma Gold Project are: uncertainty in respect of the tonnage and grade of mineralization in areas of previous mining; and the risk of dilution and decreased productivity in gold recovery, which are fairly high in high-grade narrow vein operations. Development projects rely on the accuracy of predicted factors including: capital and operating costs; metallurgical recoveries; reserve estimates; and future metal prices. Development properties are also subject to accurate economic assessments and feasibility studies, the acquisition of surface or land rights and the issuance of necessary governmental permits. As a result of the substantial expenditures involved, developments are prone to material cost overruns. Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project, the timeframe of which is often beyond our control.

Although the Company's feasibility study is generally completed with the Company's knowledge of the operating history of similar ore bodies in the region, the actual operating results of its development projects may differ materially from those anticipated, and uncertainties related to operations are even greater in the case of development projects. Future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new projects may be less profitable than currently anticipated or may not be profitable at all, any of which could have a material adverse effect on the Company's results of operations and financial position.

The Company is concentrated in the gold mining industry, and as such, the Company may be sensitive to changes in, and its performance will depend to a greater extent on, the overall condition of the gold mining industry. The Company may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting the Company more than the market as a whole, as a result of the fact that the Company's operations are concentrated in the gold mining sector. A sustained period of a declining gold price would materially and adversely affect the results of operations and cash flows. Additionally, if the market price for gold declines or remains at relatively low levels for a sustained period of time, the Company may have to revise its operating plans, including reducing operating costs and capital expenditures, terminating or suspending mining operations at one or more of its properties and discontinuing certain exploration and development plans. The Company may be unable to decrease its costs in an amount sufficient to offset reductions in revenues, and may incur losses.

Uncertain Mining Legislation

In April 2008, the Mining Mandate invoked a suspension of activities on most mining concessions in Ecuador while the new Mining Law was being approved. The new Mining Law is now in effect and states that each company must negotiate an exploitation contract with the government if it wishes to obtain a large scale mining license. Such an exploitation contract is expected to include, among other items, a negotiated royalty payable to the Ecuadorian government. The timing of completion of an exploitation contract is uncertain and there is no assurance the Company will be able to agree to an exploitation contract on terms satisfactory to the Company or at all, or at a royalty rate that will not have an adverse effect upon the Company's future operations, if the Company wished to graduate its mining licenses in the future.

Operating and Liquidity Risk

The Company is a development and early production stage company and has only recently commenced commercial production for accounting purposes. The Company has funded substantially all of its operating and capital expenses with, historically, proceeds from the sale of capital stock, and, recently from the sale of precious metals produced at its Zaruma Gold Project. The Company has yet to reach the stage of sustainable commercial production. Therefore, continuing operations are dependent upon the Company's ability in the future to mitigate the risks and overcome the challenges generally associated with comparable development stage enterprises. Most significantly, it must either generate sufficient cash flow from the sale of precious metals or secure additional working capital from debt or equity financings, or through the sale of capital assets, as required, neither of which is assured.

Foreign Country and Political Risk

All of the Company's mineral properties are located in Ecuador, South America which has specific risks that may adversely affect the Company's business and results of operations, and which are different from, and in many cases, greater than, comparable risks associated with similar operations within North America. The political and economic environment in Ecuador has been unstable in the past, and the country has been subject to strikes and general civil unrest. There can be no assurance that the political or economic environment in Ecuador will be stable in the future. Risks associated with political or economic instability include, but are not limited to, terrorism, hostage taking, military repression, high rates of inflation, currency fluctuations and controls, crime, corruption uncertainty of the rule of law and legal systems, misuse of legal systems, labour unrest, risks of war or civil unrest, illegal mining and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry.

Changes in resource development or investment policies or shifts in political attitude in Ecuador may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, royalties on mineral production, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

The possibility that current, or a future, government, its agencies or any other authoritative body may adopt substantially different policies or take arbitrary action which, whether legitimate or not, might halt exploration, production or other of the Company's operations, extend to the nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, any of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Currently, the regulatory system in Ecuador contains many inconsistencies and contradictions. Many of the laws provide substantial administrative discretion in their application and enforcement. In addition, the laws are subject to changing and different interpretations. New laws, such as tax laws, are often introduced with potentially far reaching consequences but whose application, effect and scope cannot be reasonably ascertained due to the lack of concurrently published regulations. These factors mean that even the Company's best efforts to comply with applicable laws may not always result in compliance or may result in arbitrary allegations and legal proceedings. Consequences and relief sought may also be disproportionate to the alleged violation. Any potential liability the Company may be subject to as a result of the application of such laws is also unknown, unascertainable and unquantifiable. The uncertainties, inconsistencies and contradictions in the laws of Ecuador and their interpretation and application could have a material adverse effect on the Company's business, business prospects, and results of operations.

Effects of Increased Indebtedness

The Company may continue to incur additional indebtedness in order to fund its operations or expenditures. Increased debt levels may have important consequences for the Company, including, but not limited to the following:

- its ability to obtain additional financing to fund future operations or meet its working capital needs or any such financing may not be available on terms favorable to the Company or at all;
- a certain amount of the Company's operating cash flow will be dedicated to the payment of principal and interest on its indebtedness, thereby diminishing funds that would otherwise be available for its operations and for other purposes;
- a substantial decrease in net operating cash flows or an increase in the Company's expenses could make it more difficult for it to meet its debt service requirements, which could force the Company to modify its operations; and
- a leveraged capital structure which may place the Company at a competitive disadvantage by hindering its ability to adjust rapidly to changing market conditions or by making it vulnerable to a downturn in its business or the economy in general, as well as other risks associated with increased leverage.

The Company's ability to meet future debt service and other obligations may depend in significant part on the success of its operations and the extent to which the Company can successfully implement its mining plans and growth strategy. There can be no assurance that our businesses will be successful or that the Company will be able to implement its strategy fully, that the anticipated results of its strategy will be realized or that cash generated from operations will allow us to meet our future debt service and other obligations. Certain current indebtedness is secured by shares or assets relating to Elipe and our Zaruma Gold Project which, if realized, could result in a loss of material assets and disruptions to our operations that would have a material adverse impact on on financial performance and results of operations.

Additional Funding Requirements

We anticipate that substantial capital expenditures will be required for the continued development of our Zaruma Gold Project mine and exploration of our other projects. If our revenues decline, we may have limited ability to expend the capital necessary to undertake or complete our plans. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or working capital or, if debt or equity financing is available, that it will be on terms acceptable to us. Moreover, future activities may require us to alter our capitalization significantly. Our inability to access sufficient capital for our operations could have a material adverse effect on our financial condition, results of operations or prospects.

Our ability to obtain additional funding will be subject to a number of factors, including market conditions, investor sentiment, political risk and our operating performance. These factors may make the timing, amount, terms and conditions of additional funding unattractive to us. If we issue additional equity securities, existing shareholders may experience dilution or be subordinated to any rights, preferences or privileges granted to the new equity holders.

Taxation Matters

The Company believes that it is in material compliance with all applicable tax legislation in the countries in which it operates in. However, tax returns and other tax assessments, regulatory fees and levies and other governmental costs and fees are subject to reassessment by applicable taxation and other regulatory authorities. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and future taxes and other amounts payable.

The Company is subject to ongoing examination by tax and other regulatory authorities in each jurisdiction in which it has operations. The Company regularly assesses the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for current and deferred income taxes, as well as the provision for indirect, withholding and other taxes and assessments as well as related penalties and interest. This assessment relies on estimates and assumptions, which involves judgments about future events. There is no assurance that adequate provisions have been or will be made by the Company to fully cover its possible exposure to tax and other governmental related liabilities, and any material reassessment may have a material adverse impact on the Company's liquidity, financial condition and results of operation.

Uncertainty of Mineral Resource Estimates

Other than the Zaruma Gold Project, the Company has no other mineral producing properties at this time. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered "resources" or "reserves". The Company has not defined or delineated any proven or probable reserves on any of its properties. The resource estimates included herein have been carefully prepared, reviewed or verified by independent mining experts, but these amounts are estimates only and no assurance can be given that any particular level of recovery of minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as commercially mineable (or viable) reserves.

Although the Company has assessed the mineral resource estimates presented herein and believes that the methods used to estimate such mineral resources are appropriate, such figures are estimates. As well, estimates of mineral resources are inherently imprecise and depend to some extent on statistical inferences drawn from limited drilling, which may prove unreliable. Furthermore, no assurances can be given that the indicated level of recovery of minerals will be realized. Fluctuations in the market prices of minerals may render deposits containing relatively lower grades of mineralization uneconomic. Moreover, short-term operating factors relating to mineral resources, such as the need for orderly development of the deposits or the processing of new or different grades, may cause mining operations to be unprofitable in any particular period. Material changes in mineralized material, grades or recovery rates may affect the economic viability of projects. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of measured, indicated or inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves.

Development of Zaruma Gold Project

The Company is in the process of developing the Zaruma Gold Project, and is subject to all the risks inherent in building and operating an underground mine, including capital cost overruns, decreased profitability through changes in metal prices and operating costs, uncertainty inherent in mineral resources estimates, environmental, health and safety risks, title to properties being challenged or eroded through government action, additional onerous taxation and regulation, uninsured or uninsurable hazards, and mining risks such as accidents, unexpected rock conditions and formations, earthquakes, cave-ins, flooding, abnormal weather and rock bursts, all of which may result in damage to production assets and equipment, in bodily injury to employees and others, and may expose the Company to legal action.

Surface Rights and Access

Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities; however, the enforcement of such rights can be costly and time consuming.

In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the legal right to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Illegal Mining Risk

Illegal mining is widespread in Ecuador. Illegal miners have and may continue to trespass on our properties and engage in very dangerous practices, including climbing inside caves and old exploration shafts without any safety devices. We are unable to continuously monitor the full extent of our exploration and operating properties. The presence of illegal miners could also lead to project delays and disputes regarding the development or operation of our precious metals deposits, including disputes with Ecuadorian governmental authorities. Although we have and will continue to take all necessary and available steps to remove such miners and cease their illegal activities, there is no assurance that such steps will be successful and the illegal activities of these miners could cause environmental damage or other damage to our properties or personal injury or death, for which we could potentially be held responsible, all of which could have an adverse impact on our future results of operations and financial condition.

Security Risk

Civil disturbances and criminal activities in Ecuador such as trespass, illegal mining, sabotage, looting, theft or robbery and vandalism have caused disruptions at certain of the Company's projects, and may occasionally result in the suspension of operations, the inability to access the Company's operations and/or damage to facilities. The Company is unable to predict duration of such suspension or inaccessibility that may result from such activities, which could continue for an extended period of time. Although the Company has taken security measures to protect their employees, property and production facilities from these risks, incidents of criminal activity, trespass, illegal mining, theft and vandalism may occasionally lead to conflict with security personnel and/or police, which in some cases could result in injuries and/or fatalities. The measures that have been implemented by the Company will not guarantee that such incidents will not continue to occur, and such incidents and the potential lack of police involvement may halt or delay production, increase operating costs, result in harm to employees or trespassers, decrease operational efficiency, increase community tensions or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties.

The manner in which the Company's personnel respond to civil disturbances and criminal activities can give rise to additional risks where those responses are not conducted in a manner that is consistent with international standards relating to the use of force. Although the Company does not seek to apply force against criminal activities conducted on its properties, certain incidents may arise that may result in harm to employees or community members, increase community tension, reputational harm to the Company or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties.

It is not possible to determine with certainty the future costs that the Company may incur in dealing with the issues described above at its operations; however, if the number of incidents increases, costs associated with security, in the case of civil disturbances and illegal mining, may also increase, affecting profitability. In addition, illegal mining, looting, theft, sabotage or other criminal activities may result in a loss of mineral resources, inability to mine mineral resources or make certain mineral resources uneconomical to mine, which may have the effect of reducing the Company's mineral resources estimates.

The Company purchases certain insurance in case of an event of theft. However, the Company's security and deterrent plans cannot guarantee that theft will be prevented, and the Company cannot guarantee recovering 100% of the insurance proceeds in the event of a robbery. Particularly, the Company may not be able to recover theft occurring at its mine sites or succeed in apprehending and prosecuting those responsible.

Force Majeure and Natural Events

The occurrence of a significant event which disrupts the production of gold and silver at our properties and the subsequent sale thereof for an extended period, could have a material negative impact on our business, financial condition and results of operations. For example, in 2012, we experienced flooding at our Zaruma Gold Project that impacted our ability to access higher grade material and therefore resulted in a decrease in production of gold and silver. Similarly, the mining industry is subject to other natural events including fires, adverse weather conditions, earthquakes and other similar events that are unforeseeable, irresistible and beyond our control. The occurrence of any one of these events could have a material adverse effect on our business and financial condition.

Earnings and Dividend Record

The Company has no earnings, has not paid dividends on its common shares, and does not anticipate doing so in the foreseeable future. The Company does not currently generate significant cash flow from operations and does not expect to do so in the foreseeable future.

Foreign Currency Risk

The Company's corporate head office is in Vancouver, Canada and the Company has historically raised all of its funds in Canadian dollars and maintains a portion of its funds in Canadian dollars. The majority of the Company's operations are in Ecuador where the currency is the US dollar. Any significant fluctuations in the value of the Canadian dollar compared to the US dollar exposes the Company to significant currency risk.

Uninsured or Uninsurable Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions and hazards, industrial accidents, labour disputes, adverse property ownership claims, unusual or unexpected geological conditions, ground, slope or pit wall failures, rock bursts, cave-ins, fires, changes in the regulatory environment, political and social instability, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and legal liability.

The Company does not currently maintain insurance for many of its assets, including the processing plant at the Zaruma Gold Project. This is due to the relatively high premium costs coupled with poor availability of coverage and wide-ranging exclusions. Insurance against risks such as loss of title to mineral properties, environmental pollution, or other hazards as a result of exploration and production which are generally not available to the Company or to other companies in the mining industry on acceptable terms, will be evaluated on a periodic basis for change in availability and cost. Should the Company become subject to liability for pollution or other hazards or should an event occur that is not fully covered, or covered at all, by insurance, it could have a material adverse effect on the Company's financial conditions, results of operations and cash flows.

Limited Operating History

The Company has a limited operating history. There is no assurance that it will be able to achieve or maintain profitable operations.

Environmental and other Regulatory Risk

The Company's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Companies engaged in exploration and development activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for exploration and development of its properties will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake.

Although the Company believes that it is in compliance with all material laws and regulations that currently apply to its activities, there may be unforeseen environmental liabilities resulting from exploration and/or mining activities and these may be costly to remedy. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of exploration and production companies, including transitory requirements in the adopting the new Ecuadorian mining law, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Economic Risk

The commercial viability of any mineral deposit depends on many factors, such as its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all also affect the economic viability of a particular mineral deposit.

Litigation Risk

The Company is subject to litigation and legal proceedings arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities and environmental laws. The risk of such litigation is, in part, a consequence of doing business under the current political and juridical climate in Ecuador. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, they may result in a material adverse impact on the Company's financial condition, cash flows and results of operations.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

Potential Defects in Title to Properties

The Company has investigated its rights to explore and exploit its properties and, to the best of our knowledge, and except as otherwise disclosed herein, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. The ownership and validity of mining claims and concessions are often uncertain and may be contested. Certain of our properties are subject to various royalty and land payment agreements. Failure by us to meet our payment obligations under these agreements could result in the loss of related property interests. Certain of our properties may be subject to the rights or asserted rights of various community stakeholders including a process for public consultation. The presence of community stakeholders may also impact on our ability to develop or operate our mining properties.

Conflicts of Interest

Certain of the Company's directors and officers hold positions in, or are otherwise affiliated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time.

The Company's directors are required by law to act honestly and in good faith with a view to the Company's best interest and to disclose any interest that they may have in any of the Company's projects or opportunities. In general, if a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter, or, if he does vote, his vote will not be counted. In determining whether or not the Company will participate in any project or opportunity, the board of directors will consider primarily the merit and cost of the opportunity, the degree of risk to which the Company may be exposed, and its financial position at that time.

Fluctuating Prices

Our future revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base metals such as gold, and to a lesser extent, silver and copper. The prices of those commodities have fluctuated widely in recent years and are affected by many factors beyond the Company's control, including international economic and political trends, expectations of inflation or deflation, currency exchange rates, interest rates, patterns of global or regional consumption, speculative activities and increased commodity production, due to factors including new or improved extraction or production methods. Future price declines may cause continued development of and commercial production from the Company's properties to be uneconomic. Further production from our mining properties is dependent on precious metal prices that are adequate to make these properties economically viable.

Further, the Company is dependant on various commodities (such as fuel, electricity, steel and concrete) and equipment to conduct its mining operations and development projects. The shortage of such commodities, equipment and parts or a significant increase of their cost could have a material adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, production. Market prices of commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond our control. If the costs of certain commodities consumed or otherwise used in connection with our operations and development projects were to increase significantly, and remain at such levels for a substantial period of time, we may determine that it is not economically feasible to continue commercial production at some or all of our operations or the development of some or all of our current projects, which could have an adverse impact on our financial performance and results of operations.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain any insurance coverage against operating hazards. We may become subject to liability for pollution, cave-ins, or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Current Global Financial Condition

Recent market events and conditions have resulted in commodity prices remaining volatile. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates continue to remain at historical lows. These events are illustrative of the effect that events beyond our control may have on commodity prices, demand for metals, including gold, silver and copper, availability of credit, investor confidence, and general financial market liquidity, all of which may affect the Company's business.

Corruption and Bribery Risk

The Company's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Company is required to comply with anti-corruption and anti-bribery laws in which the Company conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted a risk-based approach to mitigate such risks, including internal monitoring, reviews and audits to ensure compliance with such laws, such measures are not always effective in ensuring that the Company, its employees, contractors or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

Information Systems Security Threats

The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, information technology (IT) systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Dependence on Key Personnel

The Company's development to date has largely depended on, and in the future will continue to depend on, the efforts of key management, project management and operations personnel. Loss of any of these people could have a material adverse effect on the Company and its business. The Company has not generally obtained and does not intend to obtain key-person insurance in respect of directors or other of its employees, with the exception of some individuals for which there is limited coverage.

Competition

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for exploration in the future. Accordingly, there can be no assurance that the Company will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Volatility of Market Price

The market price of our common shares may fluctuate widely for a wide variety of reasons, including those risks described above and the failure of our operating performance in any particular quarter to meet analysts' expectations, quarterly and annual variations in our competitors' results from operations, developments in our industry or in the market, generally and general economic, political and market conditions.

DIVIDENDS

We have not paid any dividends since incorporation. We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay dividends on our common shares in the immediate future. Any decision to pay dividends in the future is at the discretion of our board of directors taking into account, among other factors, our earnings, capital requirements, and operating and financial condition.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of Dynasty consists of an unlimited number of common shares without nominal or par value. As at March 30, 2016, 46,706,968 common shares were issued and outstanding. There are no special rights or restrictions attached to the common shares. Holders of common shares are entitled to vote at any meeting of the shareholders of Dynasty and have one vote in respect of each common share held by them. Holders are also entitled to receive, out of all profits or surplus available for dividends, any dividend declared by Dynasty on the common shares. In the event of liquidation, dissolution or winding up of Dynasty, holders of common shares are entitled to receive the remaining property of Dynasty. There are no provisions for exchange, conversion, exercise, redemption or retraction.

MARKET FOR SECURITIES

Our common shares are listed and posted for trading under the stock symbol "DMM" on the Exchange. The following table outlines the share price trading range and volume of shares traded on the Exchange by month in the financial year ending December 31, 2015:

Month	High (CDN$)	Low (CDN$)	Volume
December 2015	0.24	0.18	834,400
November 2015	0.30	0.20	1,659,800
October 2015	0.41	0.29	1,284,500
September 2015	0.49	0.39	363,800
August 2015	0.60	0.40	594,400
July 2015	0.63	0.48	446,400
June 2015	0.78	0.57	522,700
May 2015	0.70	0.58	365,300
April 2015	0.79	0.65	229,900
March 2015	0.80	0.65	660,100
February 2015	0.80	0.70	489,700
January 2015	0.82	0.74	573,900

PRIOR SALES

During the year ended December 31, 2015, the Company issued the following securities, other than common shares:

Date of Grant / Issuance	Price per Security (CDN$)	Number of Securities Issued	Reason For Issuance
April 8, 2015	0.79	125,000 stock options	Employee incentive plan
June 22, 2015	0.31[1]	600,000 share purchase warrants	Debt financing fee

[1] On October 30, 2015 the exercise price per security was amended from CDN$0.73 to CDN$0.31 when the term of the loan was extended.

DIRECTORS AND OFFICERS

The following table sets forth the name, province or state, and country, of residence, office and principal occupation of each of our directors and senior officers. Each director was elected most recently by the shareholders of Dynasty at the most recent annual general meeting of shareholders and holds office until the next annual general meeting or until his successor is elected or appointed, unless his office is earlier vacated. Each officer holds office at the pleasure of our board of directors.

Name, State or Province, and Country of Residence	Position with Dynasty	Principal Occupation During the Last Five Years
Robert Washer Quito, Ecuador	President and Chief Executive Officer since September 24, 2003 and Director since June 20, 2003	President and Chief Executive Officer of Dynasty, and General Manager of Minera Australiana, Mineaustralia S.A., a gold exploration company since 1991.
Gordon Brian Speechly Western Australia, Australia	Director since September 24, 2003	Managing Director of Speechly Mining, a mining consulting company, since 1982.
Leonard Clough(1) Barcelona, Spain	Director since May 17, 2011	Chairman and Chief Executive Officer of Standard Tolling Corp. since 2012. Previously Investment advisor at RBC Dominion Securities from 1998 to 2010.
Mark H. Bailey(1) Washington, U.S.A.	Director since September 24, 2003	President of M.H. Bailey & Associates L.L.C., consulting Geologists. Previously President and Chief Executive Officer of Minefinders Corporation Ltd., a mining company from 1995 to 2012
Edison Lopez Viteri(1) Quito, Ecuador	Director since June 18, 2013	Partner, Seel Advisory Group S.A., since 2009; Associate, Ecuador Tax Company since 2011.
Ruben Gellibert British Columbia, Canada	Interim Chief Financial Officer since March 14, 2016	Corporate Controller of Dynasty from 2014 to 2016, and Head Office Accountant of Dynasty from 2010 to 2014

(1) Member of the Audit Committee.

To the best of our knowledge, as at March 30, 2016, our directors and executive officers, as a group, beneficially owned, or controlled or directed, directly or indirectly, 13,523,135 common shares (not including common shares issuable upon the exercise of stock options) representing 29.0% of our issued and outstanding common shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the best of Dynasty's knowledge, no director or executive officer of Dynasty is, as at the date of this AIF, or was, within 10 years before the date of the AIF, a director, chief executive officer or chief financial officer of any company, including Dynasty: (a) subject to an order ("Order"), being a cease trade order or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. To the best of Dynasty's knowledge, no director or executive officer of Dynasty, or shareholder holding a sufficient number of securities of Dynasty to affect materially the control of Dynasty: (a) is, as at the date of the AIF, or was, within the 10 years before the date of the AIF, a director or executive officer of any company, including Dynasty that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

AUDIT COMMITTEE

As at the date of this AIF, the Audit Committee of the board of directors of Dynasty was composed of Leonard Clough, Mark Bailey and Edison Lopez. Mr. Clough, Mr. Bailey and Mr. Lopez are "financially literate" and "independent" within the meaning of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 52-110"). The text of the Audit Committee's Charter is attached as Appendix 1 to this AIF.

Mr Clough's experience as a portfolio manager and financial advisor provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

Mr Bailey's industry experience in the management and administration of publicly traded mining exploration companies provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

Mr. Lopez is a Certified Public Accountant (Ecuador) and his experience as a financial auditor and as an advisor to clients on accounting issues and procedures provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

<u>Pre-approval Policies and Procedures</u>

Procedures for the pre-approval of non-audit services are set out in Article 2 of the Audit Committee Charter (see Appendix 1 hereto).

<u>Audit Fees</u>

The aggregate fees billed by the Company's external auditor for financial year 2015 for audit services were $86,870 (2014- $86,870).

<u>Audit-Related Fees</u>

The aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not included in "Audit Fees" above were $nil for financial year 2015 (2014 – $nil).

<u>Tax Fees</u>

The aggregate fees billed for tax compliance, tax advice and tax planning services by the Company's external auditor for financial year 2015 were $7,500 (2014 - $17,625), related to assistance received in the preparation of the Company's corporate tax returns.

All Other Fees

Other than as disclosed above, the Company's external auditor has not billed the Company for any products or services during the last two financial years for which an audit has been performed.

CONFLICTS OF INTEREST

Certain directors and executive officers of Dynasty are, may be or may become associated with other natural resource companies that acquire interests in mineral properties. Any conflicts that may arise out of these associations will be dealt with as disclosed below. In particular:

Robert Washer, President, Chief Executive Officer and a director of Dynasty, is the General Manager of Minera Australiana, Mineaustralia S.A., a privately-held gold exploration company.

Gordon Brian Speechly, a director of Dynasty, is a mining consultant and a director of other natural resource companies.

Mark H. Bailey, a director of Dynasty, is a director of other publicly-listed natural resource companies.

Leonard Clough, a director of Dynasty, in his capacity as Chairman and Chief Executive Officer of Standard Tolling Corp., a corporation that operates toll processing plants processing ore purchased from small miners.

The directors and officers of Dynasty are required by law to act honestly and in good faith with a view to the best interests of Dynasty and to disclose any interest which they may have in any project or opportunity of Dynasty. If a conflict of interest arises in a matter to be discussed at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter, or, if he does vote, his vote will not be counted. In determining whether or not Dynasty will participate in any project or opportunity, the board of directors will consider primarily the merit and cost of the opportunity, the degree of risk to which Dynasty may be exposed, and its financial position at that time.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of Dynasty's knowledge, there are no material legal proceedings involving Dynasty or its subsidiaries or that Dynasty knows to be contemplated.

To the best of Dynasty's knowledge, during the year ended December 31, 2015, there were no penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority and it did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the year ended December 31, 2015, the Company settled $1,439,500 of promissory notes owed to corporations represented by the Company’s President and Chief Executive Officer by issuing 4,245,885 common shares of the Company. The settlement was based on a share price of CAD$0.45 per common share, such price being the volume-weighted average trading price of the common shares of the Company during the five trading days immediately preceding September 4, 2015, the date on which the settlement was approved by the Company. The Bank of Canada noon exchange rate of US$/CAD $0.7534 on September 4, 2015 was used to convert the amounts owed from US$ to CAD.

TRANSFER AGENT AND REGISTRAR

Dynasty's Registrar and Transfer Agent is Computershare Investor Services Inc., with an office at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9. Computershare Investor Services Inc.'s Toronto office has also been appointed as the co-transfer agent and registrar.

MATERIAL CONTRACTS

1. Agreement dated October 2, 2003 between Dynasty and Minera pursuant to which Minera assigned to Dynasty its rights to certain of the Zaruma Gold Project concessions acquired under an agreement with IAMGOLD dated August 8, 2003 (the "IAMGOLD Agreement"). The assignment was made for no consideration, other than reimbursement of transaction costs. Under the IAMGOLD Agreement, which was subsequently transferred by IAMGOLD to 1570926 Alberta Ltd. and then subsequently to Coeur, the concessions are now subject to a 1.5% NSR royalty in favour of Coeur. Dynasty has no other obligations with respect to the subject concessions, provided that any of the concessions Dynasty may subsequently decide to release must first be offered to Coeur.

INTEREST OF EXPERTS

Davidson & Company LLP, Chartered Accountants, are Dynasty's auditors and such firm has prepared an opinion with respect to Dynasty's consolidated financial statements as at and for the financial year ended December 31, 2015. Dynasty's auditors have advised us that they are independent of our Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

To the best of the Company's knowledge, none of Al Maynard & Associates (Mr. AJ Maynard), Mr. RL Procter or Mr. PA Jones (the authors of various technical reports for the Company), have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company.

Brian Speechly, a director of Dynasty, is a "qualified person" as such term is defined under NI 43-101 and is responsible for the preparation of and has verified the technical disclosure in this AIF. Mr. Speechly owns no common shares of Dynasty and has stock options to purchase 475,000 common shares of Dynasty.

ADDITIONAL INFORMATION

Additional information relating to Dynasty may be found on SEDAR at www.sedar.com.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in our Information Circular for our Annual General Meeting held on June 23, 2015. Additional financial information is provided in our consolidated financial statements and notes thereto for the year ended December 31, 2015 and in our Management's Discussion and Analysis of the Company's Financial Condition and Results of Operations for the years ended December 31, 2015 and 2014, all of which are available on SEDAR at www.sedar.com.

APPENDIX 1

Charter of the Audit Committee of the Board of Directors of Dynasty Metals & Mining Inc. (the "Company")

Article 1 - Mandate and Responsibilities

The Audit Committee is appointed by the Board of Directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

(a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) recommend to the Board the compensation of the external auditor;

(c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;

(e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;

(f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;

(g) establish procedures for:

  (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

  (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and

(h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 - Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

Article 3 - External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 - External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

(a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;

(b) approve the fees and other significant compensation to be paid to the external auditors;

(c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;

(d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;

(e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;

(f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;

(g) resolve any disagreements between management and the external auditors regarding financial reporting;

(h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and

(i) receive from the external auditors timely reports of:

    (i) all critical accounting policies and practises to be used;

    (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and

    (iii) other material written communications between the external auditors and management.

Article 5 - Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the

Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.