



# Investor Presentation (September, 2018)

MINES D'OR  
**dynacor**  
GOLD MINES

# Forward Looking Statements

This presentation contains certain forward-looking statements regarding operational information, future exploration and development plans and anticipated future production. Words such as, “potential”, “building”, “inferred”, “if”, “will”, “expect”, “forecast”, “estimate”, “consider”, “may”, “possible” and similar expressions have been used to identify these forward-looking statements. These statements are management’s current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic, political and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place under reliance forward-looking statements.

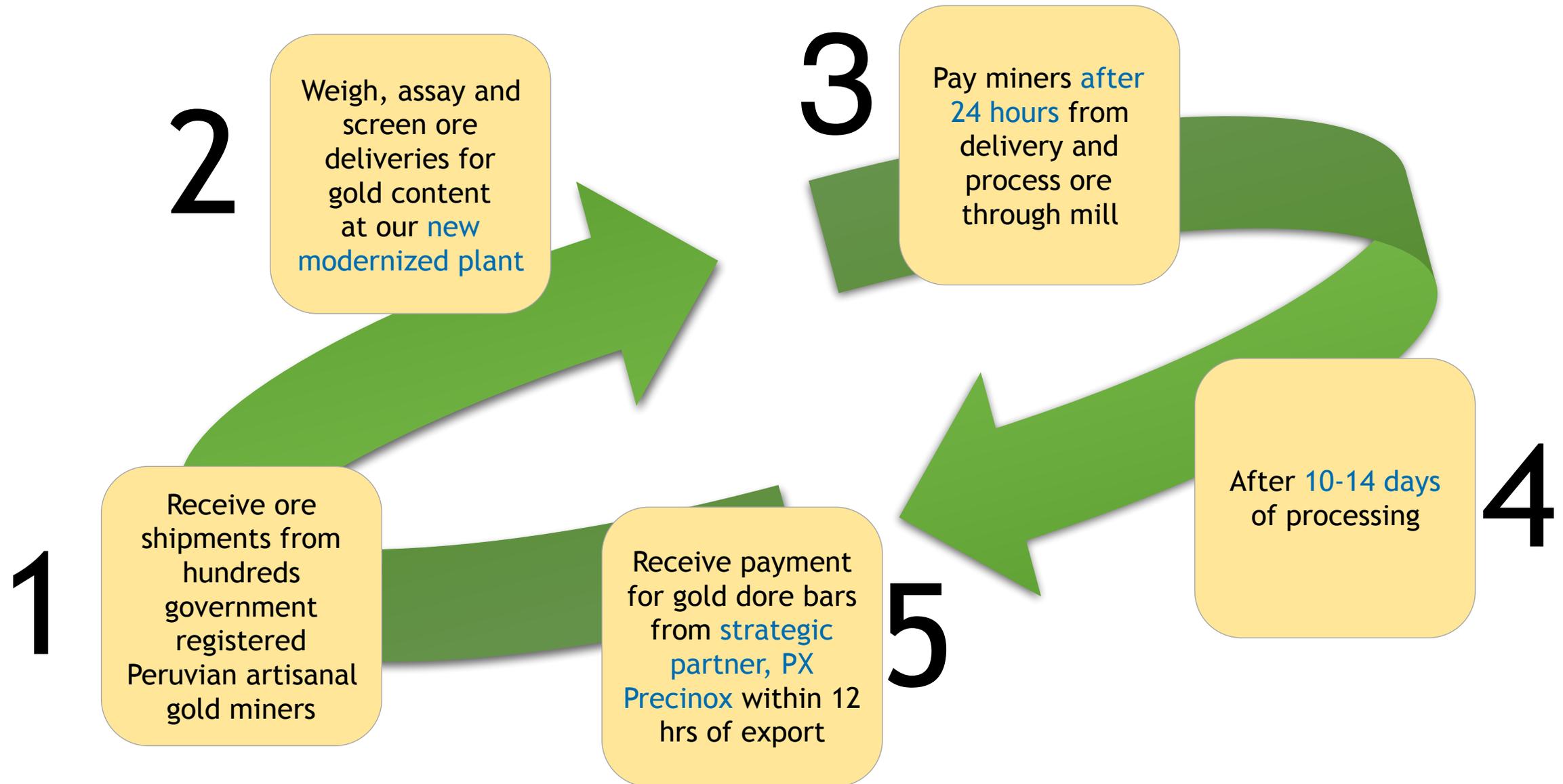
Forward-looking statements and other information contained herein concerning the metals and mining industry and Dynacor’s general expectations concerning the industry are based on estimates prepared by management using data from publicly available industry sources as well as from private sources, industry analysis and on assumptions based on data and knowledge of the industry which the Company believes to be reasonable. However, this data is inherently imprecise. While Dynacor is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors. There is no certainty the projections will be met.

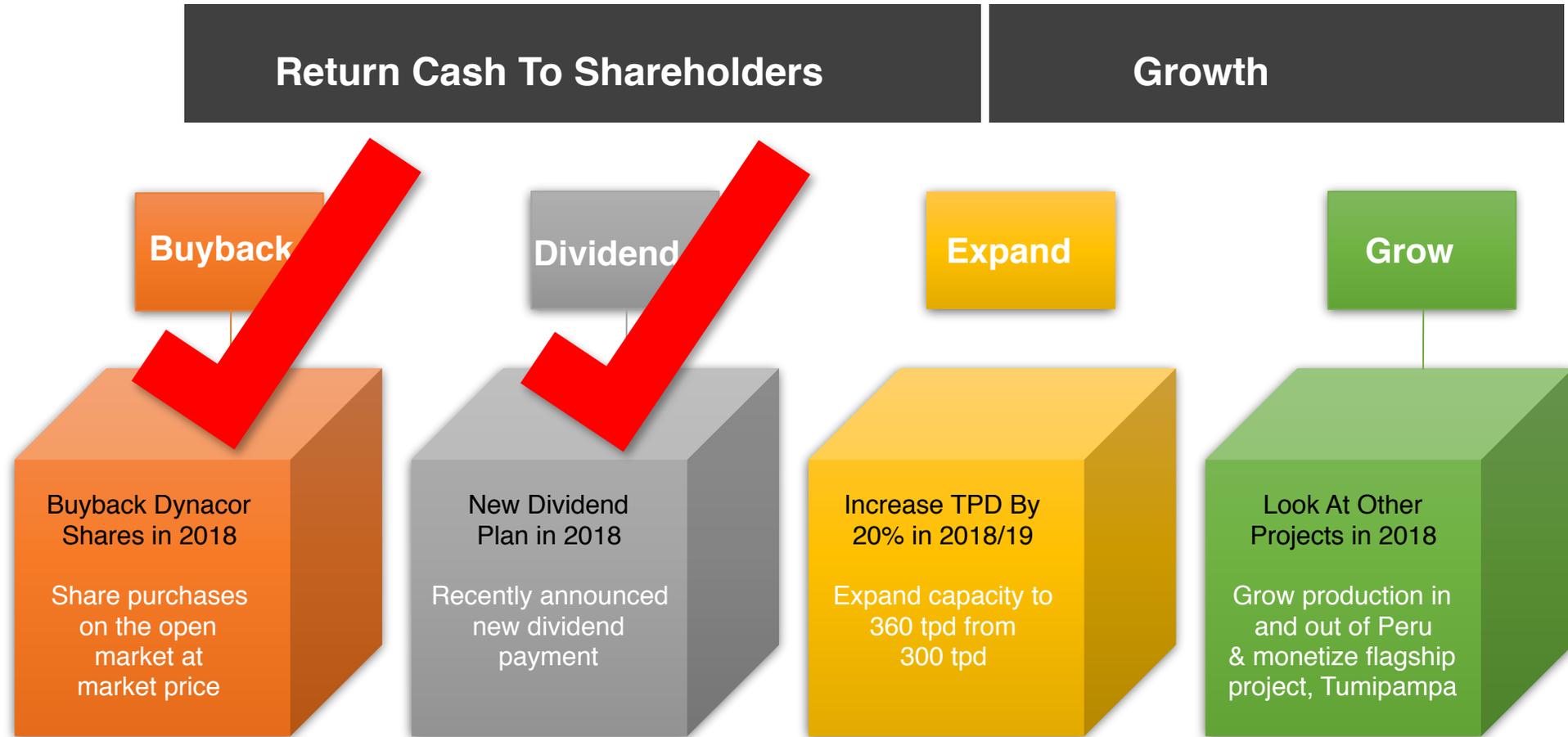
- Headquartered in Montreal, Canada;
- Produces environmentally responsible gold;
- 20 years of experience in manufacturing gold dore bars from hundreds of Peruvian artisanal formalized miners;
- 100% ownership of an advancing 9,102 hectare gold project with three different mineralized zones;
- Lowest quartile for both basic and fully diluted shares outstanding

A low cost gold producing model in Peru that has delivered 29 quarters of consecutive net profits amounting to a cumulative USD 40.7M (CAD 45.3M)

- A dividend growth company;
- Plans to leverage expertise and expand business model to both Peru and other jurisdictions;
- Decades of experience in the business of processing ore from small scale miners;
- Blue chip long-term strategic partner in PX Precinox | PX Group;
- Strong balance sheet with no debt and USD 10.8 million cash on hand;
- Only 39.7 million shares outstanding.

# The Dynacor Ore-Processing Model





“The Company Expects its Best Year Ever in 2018”

\*Cash gross operating margin per equivalent ounce Au, is calculated by subtracting the average cash cost of sale per equivalent ounces of Au from the average selling price per equivalent ounces

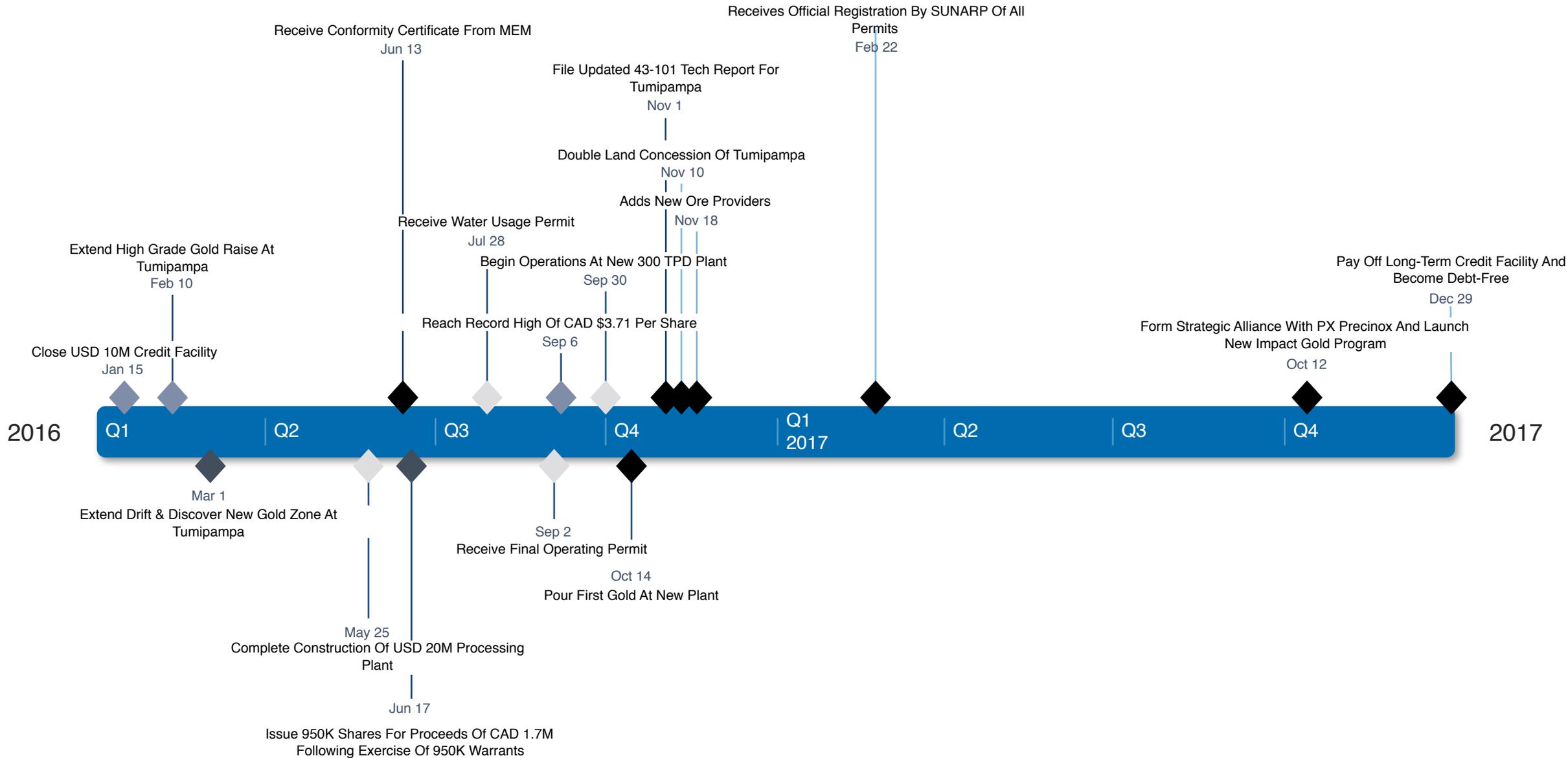
# Manufacturing Plant in Peru



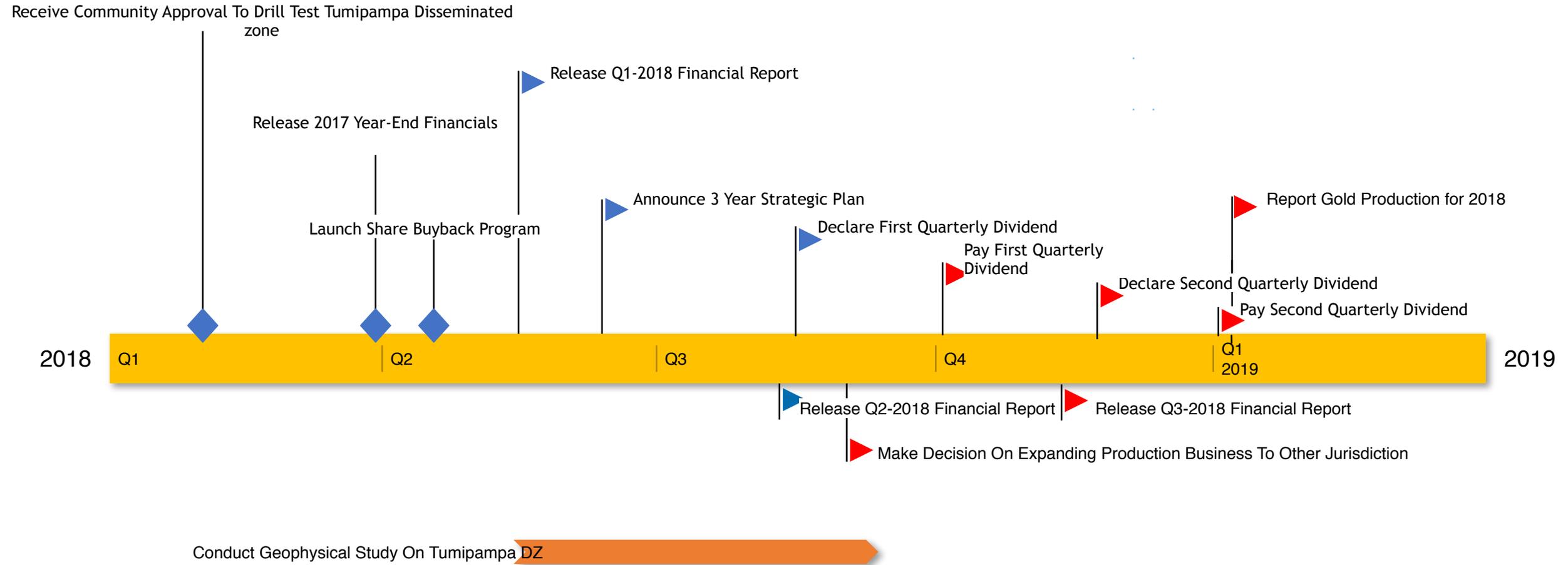
- New modern plant opened in October 2016;
- 300 TPD CIP ore processing plant with design for future 600 TPD expansion;
- 150,000 artisanal miners in Peru;
- 15,000 currently in the formalization process;
- Government announced 50% expect to be formalized in the next 5 years;
- Currently hundreds of miners supply high grade ore to Dynacor



# Events Timeline 2016-2017

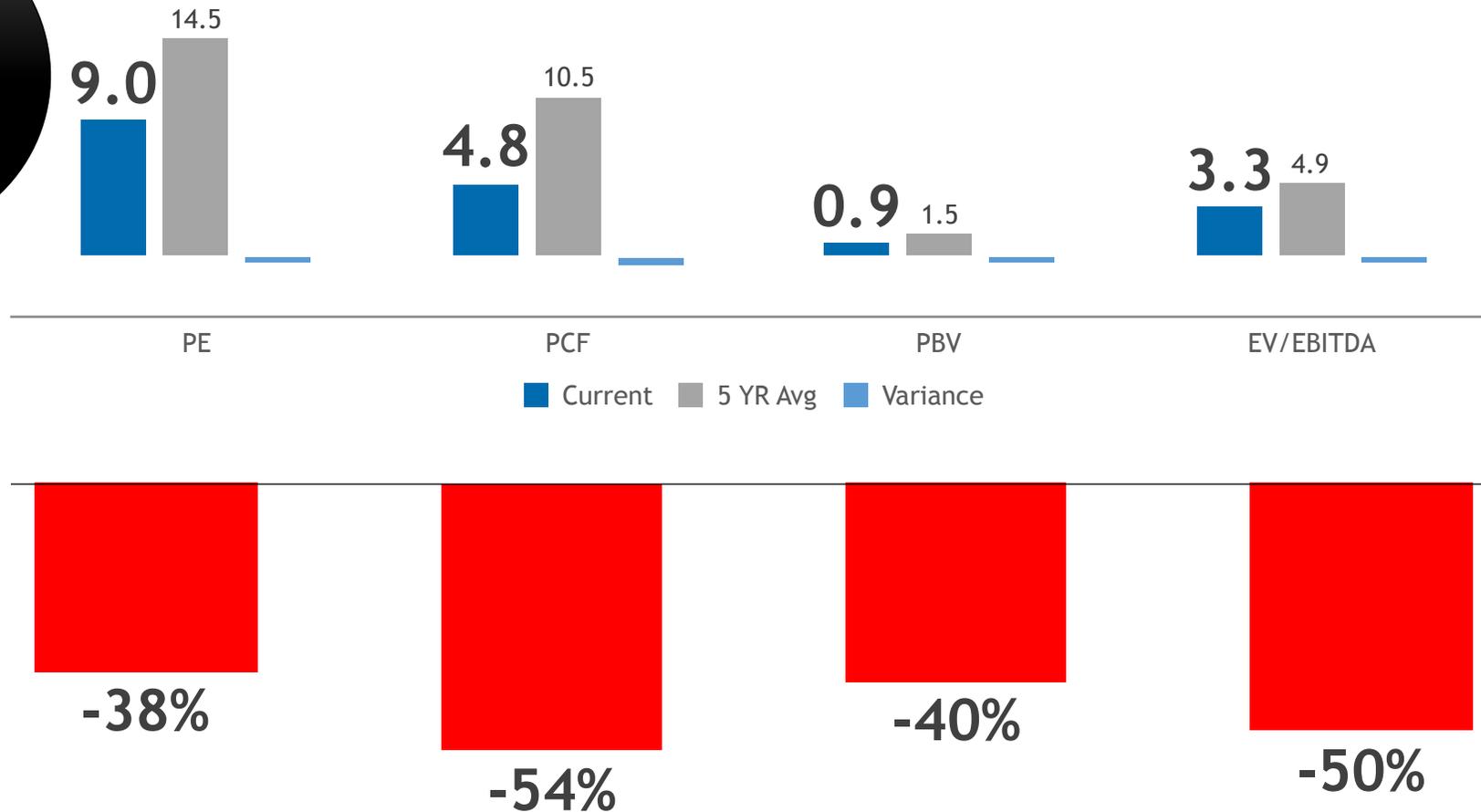


# Catalyst Timeline Near-Term



**CURRENT  
USD EPS  
0.14  
(TTM)**

## Current Ratios vs 5 Year Average



**PRICE DIFFERENCE**

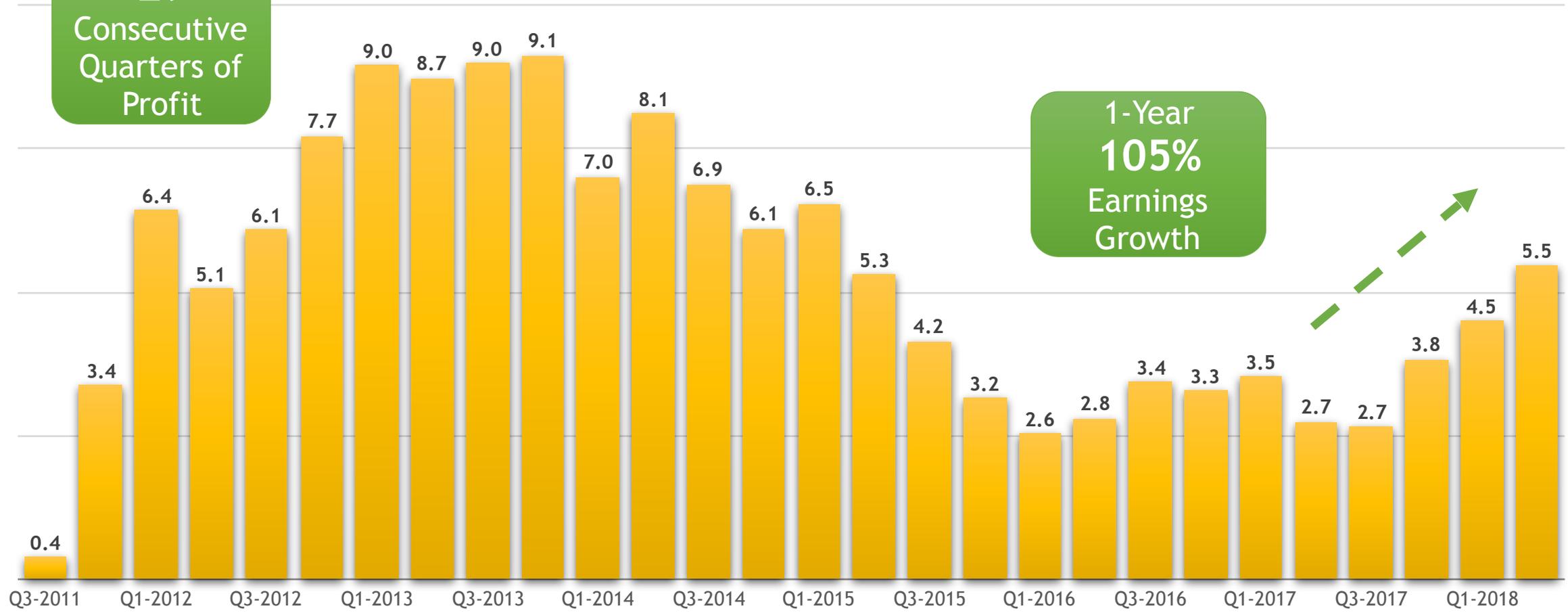
\*Please note: EBITDA is a non-IFRS financial measure

# Earnings Growth Back on Track

### TTM (Trailing Twelve Months) Earnings History (USD Millions)

**29**  
Consecutive  
Quarters of  
Profit

1-Year  
**105%**  
Earnings  
Growth



■ Dynacor TTM Earnings and Quarterly History

## Recovery/ Production

- Increase gold recovery rates
- Increase production capacity to 360 tpd in 2018/19 and 450 tpd in 2020

## Energy/ Chemicals

- Upgraded to electrical power vs costly diesel generators
- Optimize chemical and water recycling
- Reduce consumption of chemicals

## Modernize/ Technology

- Improve automation
- Develop new technology to reduce costs and increase efficiency of each operational segment

## Peru

Double the Company's current processing capacity at the Veta Dorada plant

## Latin America

Purchase and/or build other plants

Enter into partnerships to expand more rapidly

## Globally

Expand company's business model worldwide

Plan to have one new plant operating by **2021** and a **3<sup>rd</sup>** plant in the pipeline

## PX Precinox

- Is one of 10 companies under the PX Group
- Experts in precious metal refining
- Mastered the process of high quality refining
- A leading Swiss producer of gold bars
- Partner of the PX Impact Gold Program



[WWW.PXGROUP.COM](http://WWW.PXGROUP.COM)

Environmental, social and ethical practices that respect human rights are an integral part of the PX Impact Gold program

Guarantees complete traceability across the gold ore supply chain coming from government registered miners in Peru

An investment premium flows back to our miner's communities

**PX Impact  
Equals  
Ethical Gold**

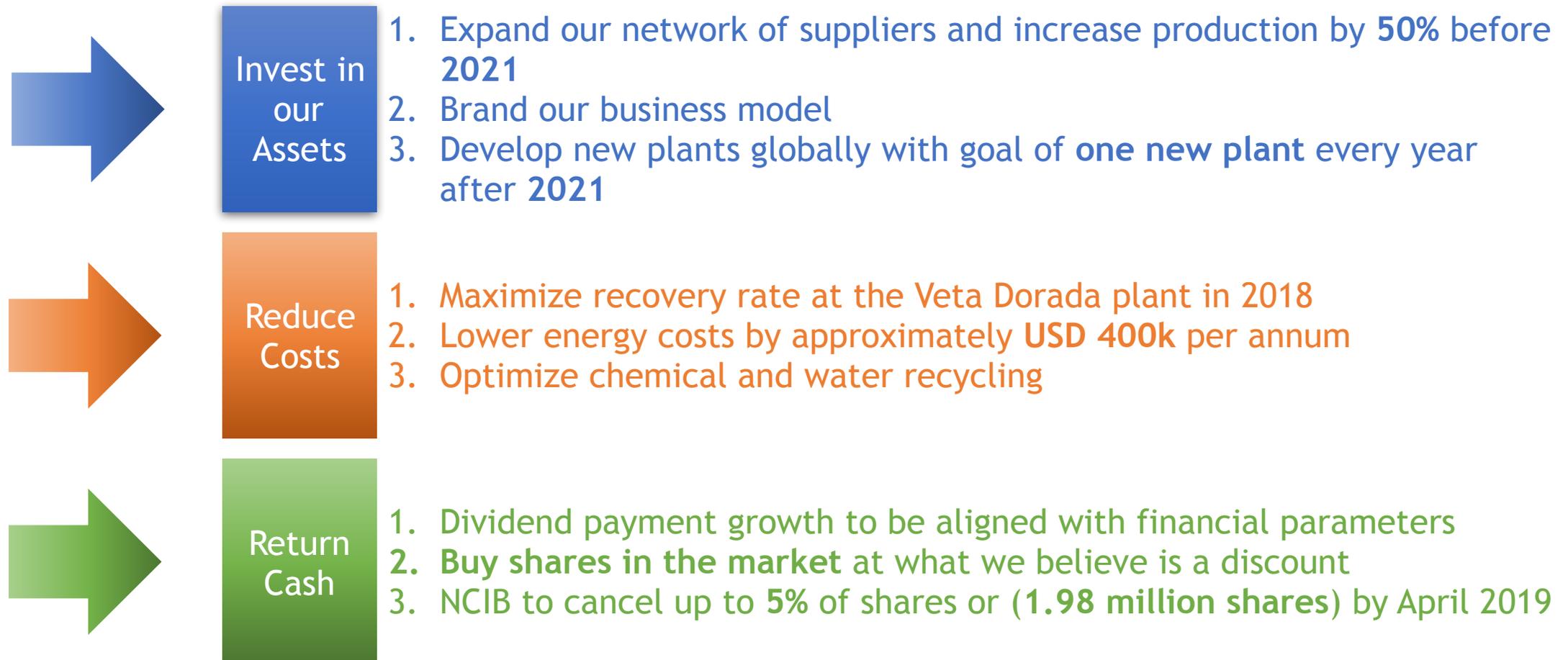
100% of the premium is paid into the fund and reinvested into our mining communities

A lasting & positive contribution to the economic, social and environmental development of our mining communities

The fund finances projects in health, education, economic dev & the environment of the mining communities

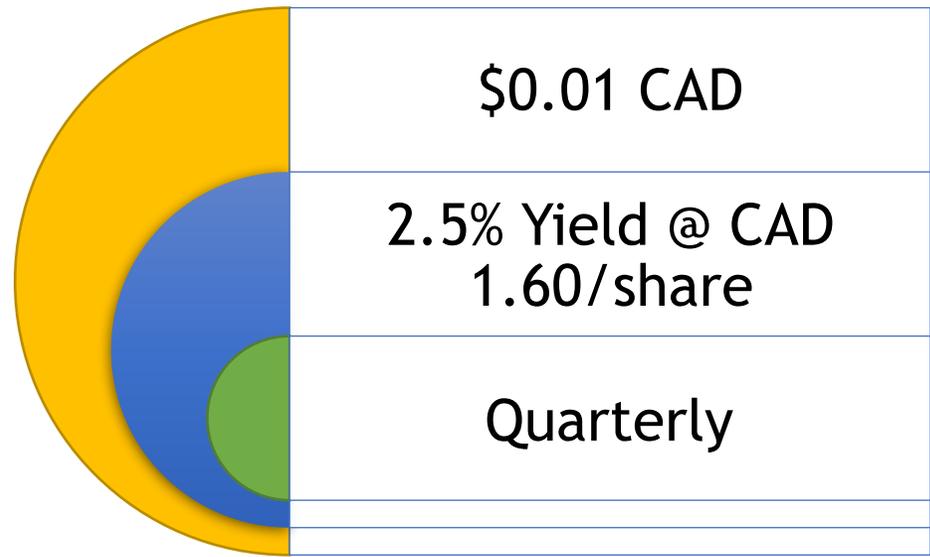
<b>Market Summary</b>	
Stock Price (Year High-Low)	\$2.26 - \$1.47 CAD
Ticker Symbol	DNG – TSX   DNGDF - OTC
Shares Outstanding (Basic)	39.7M
Warrants	Nil
Quarterly Dividend	0.01 CAD
Dividend Yield	2.5%
Director & Senior Management Ownership	3.64%
<b>Capital Structure</b>	
Market Capitalization	72.6M CAD
Debt	Nil

## Responsible and Strategic Allocation of Capital to Increase Shareholder Value



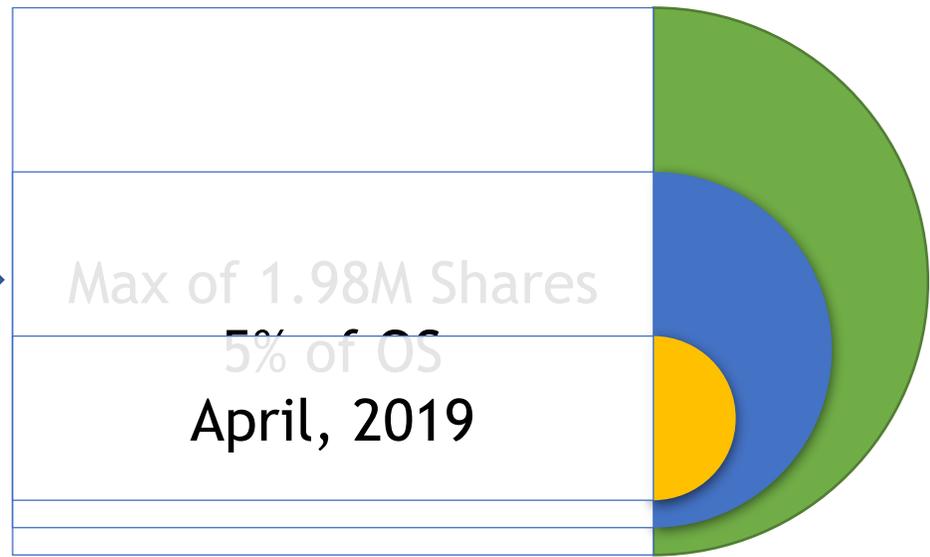
Debt Free with Cash On Hand of **USD 10.8 Million**  
Q2-2018 (June 30, 2018)

## DIVIDENDS



CAD 400K per quarter to start

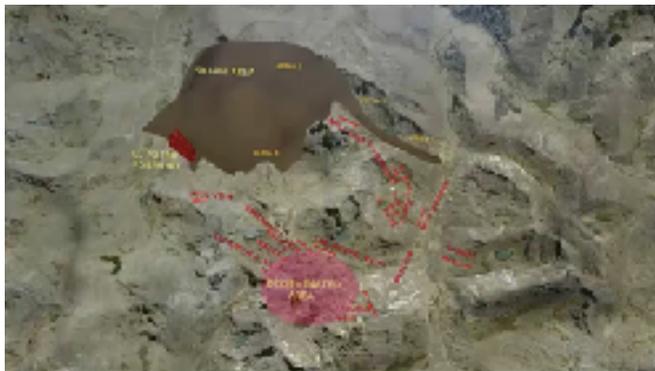
## SHARE BUYBACK



125K shares bought to date



Expecting  
gold ore  
deliveries  
to the mill



Concentration in Peru and one country >>> *Diversify into other regions*

Natural disasters such as earthquakes >>> *Develop more earthquake resistance structures*

Multi-year low in the price of gold (sub \$800) >>> *Extract high grade ore from Tinipampa*

Unable to execute on development plans >>> *Abide to strategic plan and schedule*

Community resistance on exploration >>> *Hire community relations specialist consultants*

Diversify geographical presence to reduce the risk in one country

Assess the real potential of the exploration business and take action within 2 years

Upgrade US listing to QX

Continue buy back stock when appropriate

Declare initial dividend with responsible and long-term sustainable discipline

Look out for accretive investments/strategy

EBITDA: “Earnings before interest, taxes and depreciation” is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. The Corporation uses this non-IFRS measure as an indicator of the cash generated by the operations and allows investor to compare the profitability of the Corporation with others by canceling effects of different assets bases, effects due to different tax structures as well as the effects of different capital structures. EBITDA is calculated on p.8 of the 2017 MD&A.

Cash-flow per share is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. This measure is calculated on p.8 of the 2017 MD&A. See the “Non-IFRS Measures” section 15 of the 2017 MD&A. The Corporation uses this non-IFRS measure which can also be helpful to investors as it provides a result which can be compared with the Corporation market share price.

Net cash-flow from operating activities before change in working capital per share is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. See the “Non-IFRS Measures” section 15 of the 2017 MD&A. The Corporation uses this non-IFRS measure which can also be helpful to investors as it provides a result which can be compared with the Corporation market share price.

Cash cost of sales is the cost of sales and is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another corporation.

Cash gross operating margin is calculated by deducting to the sales the cash cost of sales and is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another corporation.

Average cash cost of sales is calculated by dividing the cash cost of sales by sales volume in ounces and is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another company.

Cash gross operating margin per equivalent ounce Au is calculated by subtracting the average cash cost of sale per equivalent ounces of Au from the average selling price per equivalent ounces of Au and is a non-IFRS financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another company.

These non-IFRS measures are used by management as indicators of the gross amount of cash which could be generated from the production of one unit (ounce) of gold.

## JEAN MARTINEAU PRESIDENT & CEO

Jean Martineau has been the CEO and president of Dynacor Gold Mines since 2007 when the company was listed. He has worked in the Canadian mining industry for more than 25 years as a director of junior exploration companies and as an investment broker. During the last 20 years he has focused on South America and has acquired an in depth knowledge in the management of natural resource companies in South America. His Latin American expertise has been of prime importance in the development of Dynacor Gold Mines' operations in Peru.

## JORGE LUIS CÁRDENAS VICE PRESIDENT OPERATIONS, PERU

Jorge Luis Cárdenas is an experienced mining engineer and a member of the Colegio de Ingenieros del Perú. He has more than 25 years' experience in gold and copper mining and holds a degree engineering (1990) and a Masters in mine management (2006). From 1996 to 2003 he was Plant Superintendent for Minera Dynacor del Perú, a Dynacor Gold Mines Inc. subsidiary. From 2004 to 2007, he was Operations Manager and was promoted to General Manager of Dynacor Gold Mines inc. in Peru in December 2007.

Jorge Luis has been the driving force behind the very successful development of the company's custom milling business in Peru. He is an exceptionally talented top level executive who has a team of dedicated managers in Peru. Jorge Luis is now focusing on aggressively growing the company's custom milling business.

## LÉONARD TEOLI VICE-PRESIDENT AND CFO

Léonard Teoli began his career with Price Waterhouse, in 1987 where he served clients in the mining industry until 1996. From 2003 to 2008 he was CFO of Diabras Exploration where he participated in the start-up in 2006 of a pilot mining operation in Mexico. Since then he acted as consultant and CFO for a couple of exploration companies with projects in Canada and Morocco. He joined Dynacor's management team as Vice-President and CFO after cumulating over 20 years of experience as an accounting and finance executive with several Canadian junior mining companies involved in exploration project worldwide. He is a member of l'ordre des comptables professionnels agréés du Quebec since 1990.

## ALONSO SÁNCHEZ CHIEF GEOLOGIST

Alonso Sanchez holds a MSc in Geology and a degree in Engineering from the Universidad Nacional de Ingeniería (1995). He worked for 11 years for Buenaventura S.A.A. (Peru), the largest mining Peruvian mining company; 5 years as mine geologist and 6 years as exploration geologist. He has an in-depth knowledge of epithermal gold, silver, tin, tungsten and polymetallic deposits, as well as Skarn-type deposits in both Peru and Bolivia. He acts as the qualified person ("QP") for the Company, and is a geologist affiliated to the American Institute of Professional Geologists (AIPG).

# Appendix B – Directors

## PIERRE LÉPINE CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. Lépine is Executive Vice-President and co-founder of Group ABP one of Canada's leaders in the event industry. He previously acted as Manager Private Placement at la Caisse de dépôt et placement du Québec from 2006 to 2008 and was Vice-President Corporate Development at GL&V Inc. from 1998 to 2005 where he was in charge of all mergers and acquisitions activities. M. Lépine started his career at Price Waterhouse where he spent 7 years from 1989 to 1996 and was assistant VP Corporate Finance. He is a member of l'ordre des comptables professionnels agréés du Québec.

## JEAN MARTINEAU PRESIDENT & CEO

## MARC DUSCHESNE CHAIRMAN OF THE GOVERNANCE COMMITTEE & COMPENSATION COMMITTEE

Marc Duchesne holds a Bachelor of Business Administration, Majoring in Accounting from University of Sherbrooke, obtained in 1981. He is a member of l'ordre des comptables professionnels agréés du Québec. Since 2011, he has been a consultant. From 2006 to June 2011, he was senior vice president of Finance for Consolidated Thompson Iron Mines Ltd.

## ROGER DEMERS CHAIRMAN AUDIT COMMITTEE,

Roger Demers currently serves as Chairman of Dynacor Gold's Audit Committee and sits on several other Boards of Directors and audit committees. Mr. Demers, FCA, is a Fellow member of l'Ordre des Comptables Agréés du Québec and has extensive expertise in the financial and public accounting sectors having contributed over the last 30 years as a partner at Raymond Chabot Grant Thornton (RCGT). He is also a certified corporate director "Administrateur de sociétés certifié (ASC)".

**EDDY CANOVA**  
Eddy Canova has 35 years' worldwide experience advancing mineral exploration projects to development stages in precious metals, base metals, iron ore, industrial minerals and uranium. He is currently Senior Vice-President for Rogue Resources Inc., since November 2014 advancing the project to PEA stage. He was Director of Exploration Manager for Oceanic Iron Ore Corp. from 2010 to 2014 doubling the reserves to 1.36 BT of iron ore at a Pre-feasibility stage. Mr. Canova has also held positions with Alexandria Minerals Corporation (Senior VP), Eastmain Resources, Bolivar Goldfields Ltd., Gold Reserve, Monarch Resources, GPR Ltd, Aunor Resources Inc., Uranerz Energy Corporation, Canadian Royalties Inc., and Admiral Bay Resources Inc. He is a certified professional geologist of Québec (OGQ).

**RÉJEAN GOURDE**  
Mr. Gourde is currently the President and CEO of Reunion Gold Corporation which is actively involved in exploration projects in Guyana and French Guyana. Réjean has also worked as a consultant with major gold producers such as IAMGOLD, AGNICO EAGLE MINES, SEMAFO, and OREZONE and was a senior Vice President for CAMBIOR for South America until 2006.

**ISABELLE ROCHA**  
Isabelle Rocha is a chemical engineer holding a master in Environmental Science and an MBA from Carabobo University, Venezuela, with over thirty years of diverse experience in Canada and Latin America, Europe and Asia in the fields of environment, environmental engineering, corporate and social responsibility, environmental project management and business development. Isabelle Rocha retired in 2016. From 2014 to 2016, she was Environment Counsel for GILDAN ActiveWear, where she was also Corporate Manager, Environment from 2006 to 2014.