



DYNACOR

Gold Mines Inc.

Corporate Presentation

Second Quarter, 2019

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 this 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.

Stability/Safety
Historical Proof
of Success
and Income

Sells environmentally responsible gold;

Twenty (20) years of experience in manufacturing and selling gold dore bars produced through ore purchased from hundreds of Peruvian artisanal small-scale miners (ASMs);

Developing artisanal small-scale miner's (ASMs) health and education programs;

Free of debt and one of the lowest share counts in the mining space;

Returns cash to shareholders; Pays quarterly dividend and buying back stock;

100% owned exploration project (Tumipampa) with three different mineralized zones; (Developed crosscut in underground epithermal vein system/disseminated zone/skarn associated with porphyry);

Partnering with artisanal small-scale mining groups ASMs to extract gold-mineralized material from Dynacor's 100% owned high-grade underground vein system;

Thirty-three (33) consecutive quarters of net income and positive cash flow.

A reliable gold selling model in Peru that has delivered over 8 years of profit



A dividend paying company;



Plans to leverage expertise and expand business model to both Peru and other jurisdictions;



Decades of experience in the business of purchasing and processing ore from ASMs;



Blue chip long-term strategic partner in PX Precinox | PX Group;



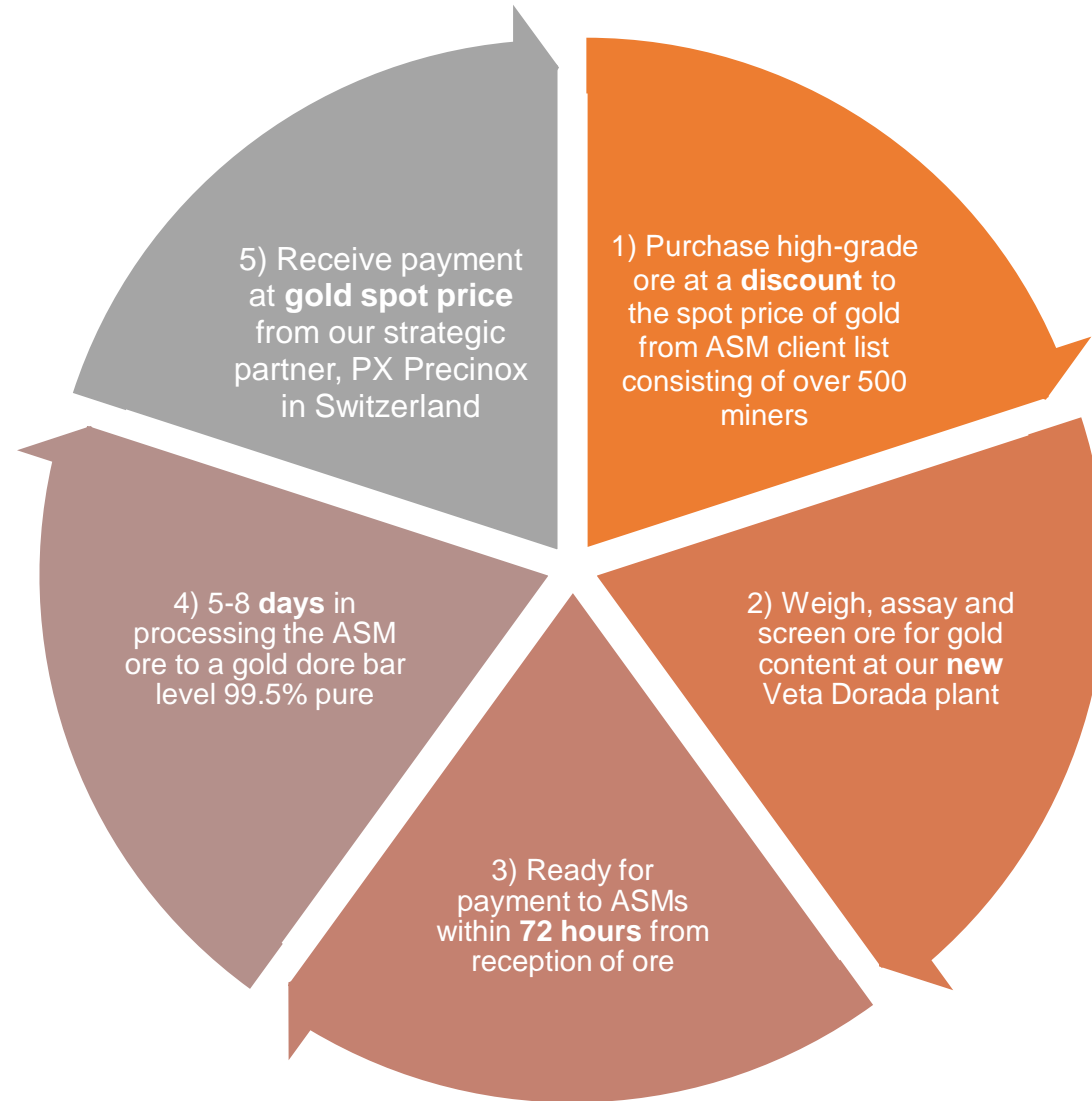
Strong balance sheet with no debt and USD 13.2 million cash on hand;



Only 39.1 million shares outstanding

(as of Q2 June 30th, 2019);

Our Business Cycle



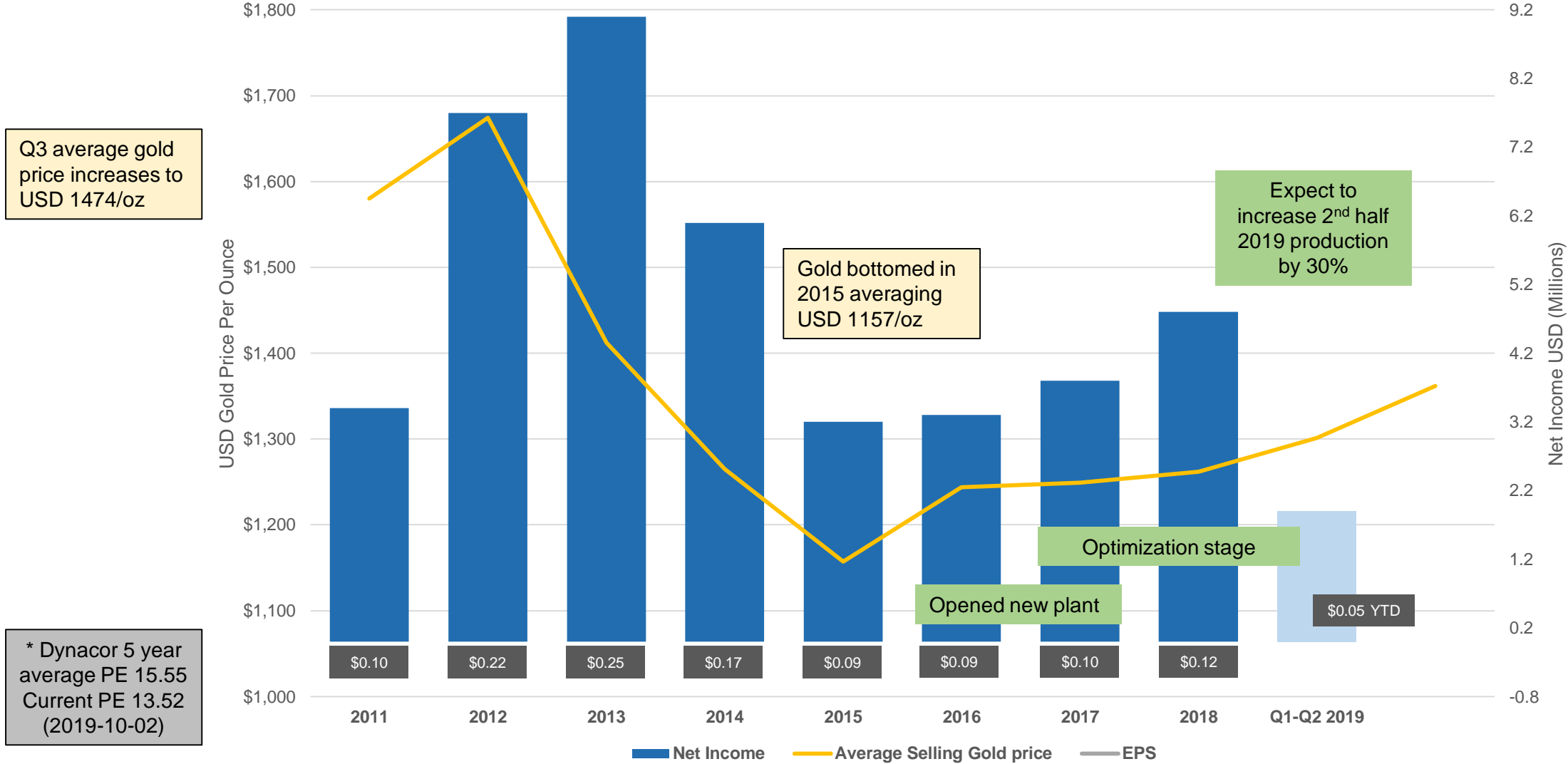
Plant Overview

- CIP circuit includes weighing, assaying, crushing and milling on site
- In the hub of ASM high-grade operations (South Peru)
- Strategically located 5 km (5 minutes) off the main Pan American Highway
- Operating on full electrical power via national grid
- New and modern design opened in late 2016
- Designed for possible expansion
- Currently processing at full capacity of 300 TPD



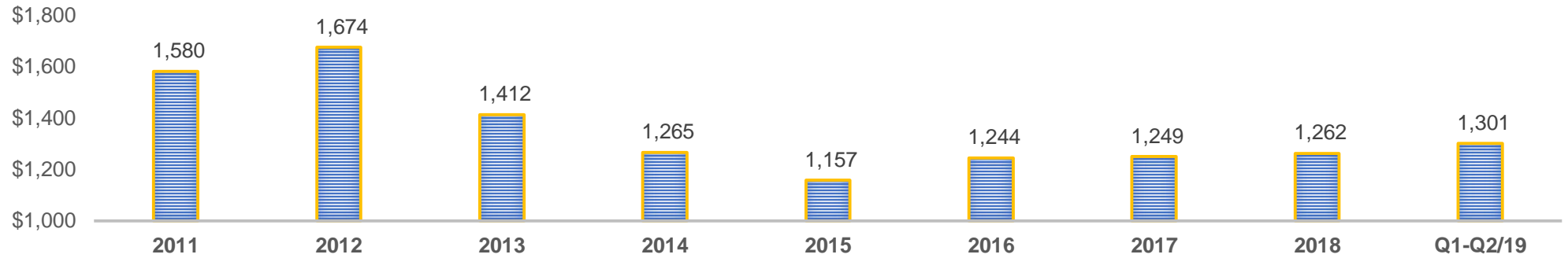
NET INCOME/EPS HISTORY (2011-2018)

USD Yearly Average Gold Price (oz) / Net Income (Millions) / EPS



* Source: <https://www.morningstar.com/stocks/xtse/dng/valuation>

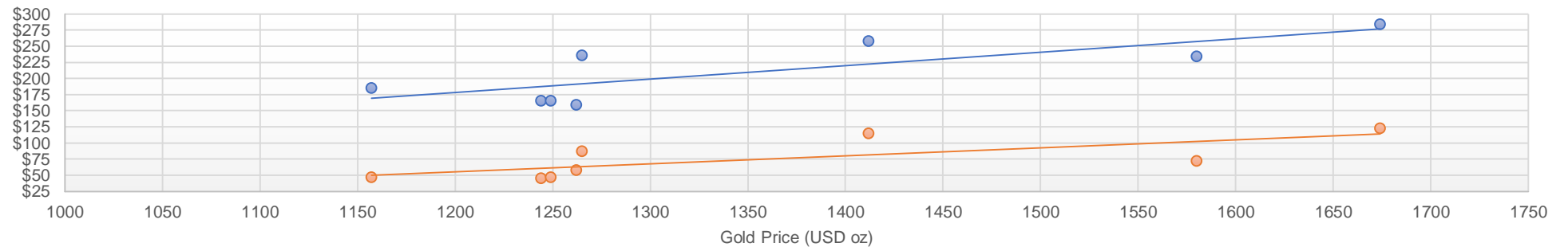
AVERAGE SELLING GOLD PRICE (USD PER OZ)



	2011	2012	2013	2014	2015	2016	2017	2018
Ounces Sold (eq)	47,185	62,734	79,416	69,727	68,170	73,366	81,405	82,893
Gross Operating Margin/Ounce Sold (eq)	234	284	258	236	185	165	165	159
Net Income/Ounce Sold (eq)	72	123	115	87	47	45	47	58
Average Selling Gold Price (USD/oz)	1580	1674	1412	1265	1157	1244	1249	1262

Gold Trending Back Up
*Currently at \$1503/oz

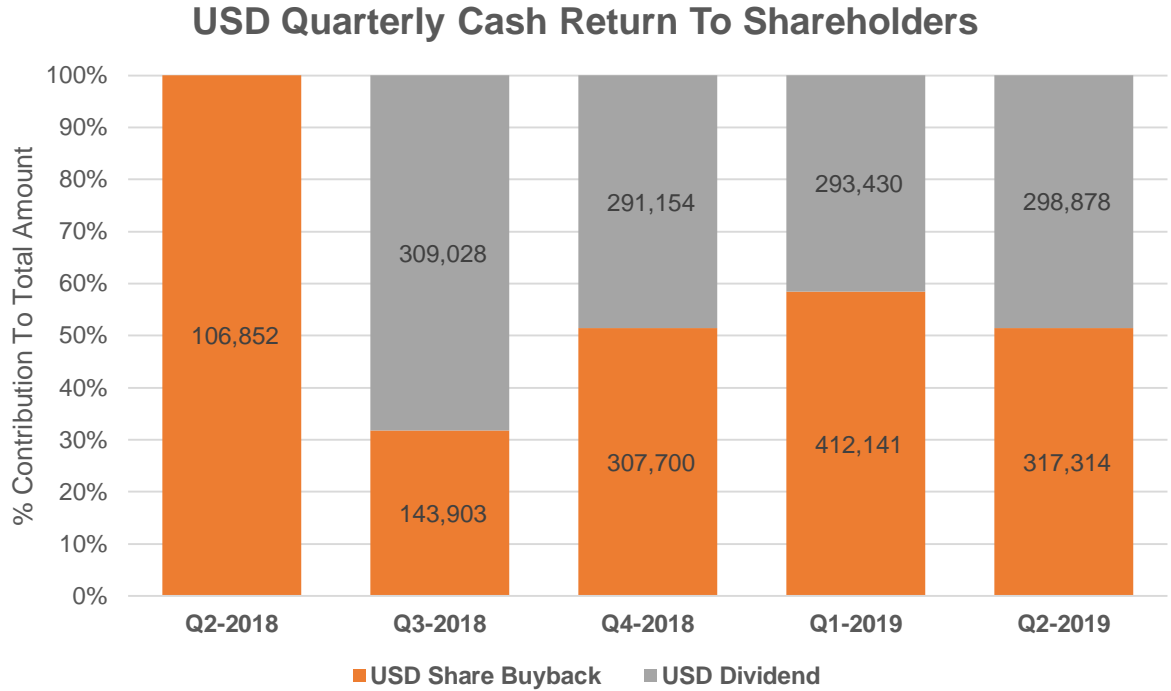
Gross Operating Margin & Net Income per equivalent gold ounce sold Correlation to Gold Price (USD oz) 2011-2018



● Gross Operating Margin per eq gold oz sold ● Net Income per gold eq ounce sold
— Linear (Gross Operating Margin per eq gold oz sold) — Linear (Net Income per gold eq ounce sold)

* Source: goldorg.com

DIVIDEND/NCIB HISTORY – CASH RETURN TO SHAREHOLDERS



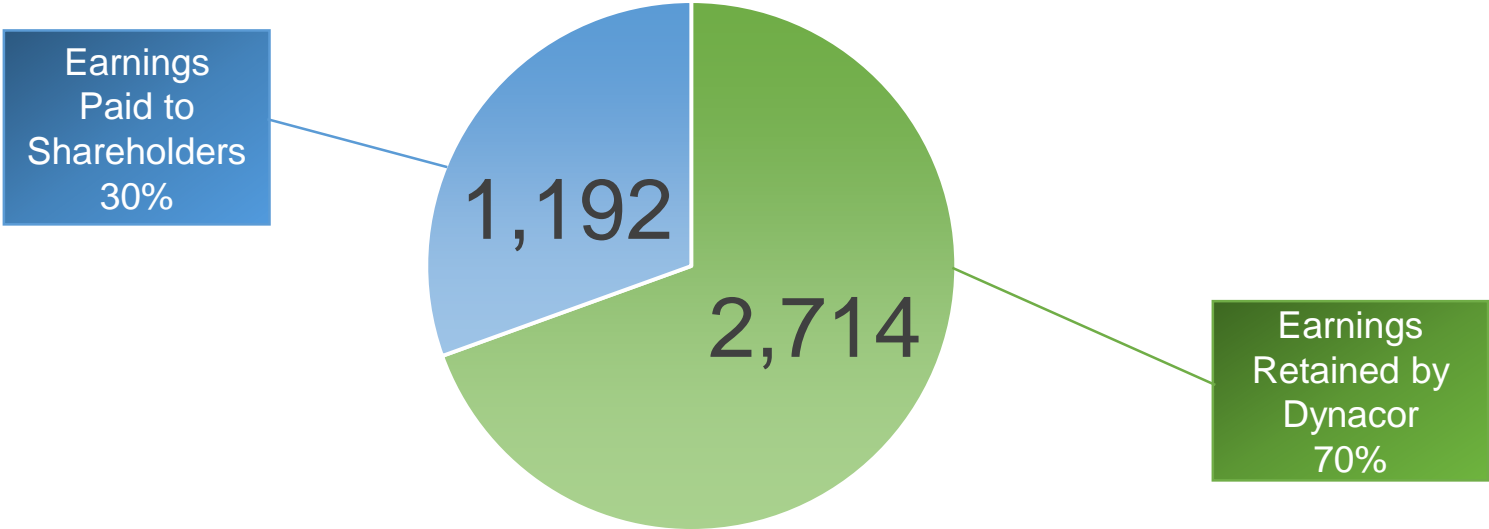
NCIB: Since April 23, 2018, the Company has repurchased 1,007,491 common shares for a total cash consideration of US **\$1,287,910**, at an average repurchase cost of \$1.28 (CA\$1.69) per share

For the six-month period ending June 30, 2019, the Company has repurchased 561,124 common shares for a total cash consideration of US **\$729,455**, an average repurchase cost of \$1.30 (CA\$1.73) per share.

DIVIDEND: The Company has returned US **\$1,192,490** to its shareholders in consecutive quarterly dividends since October 3, 2018

Current Dividend Yield: 2.30%

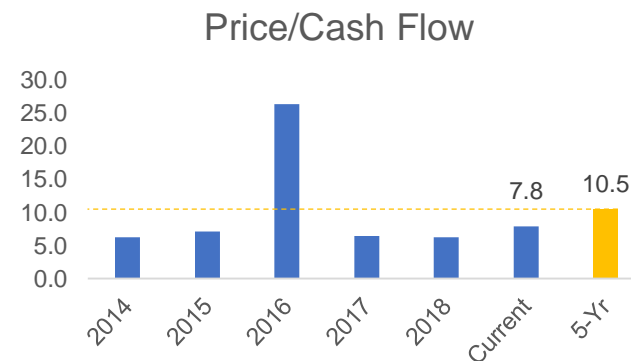
Current Payout To Shareholders USD (000s) TTM



Payout Ratio - 30%

(USD)	2014	2015	2016	2017	2018	Current	5-Yr Avg
Price/Sales	0.62	0.64	0.78	0.55	0.47	0.54	0.63
Price/Earnings	7.75	12.38	20.52	22.02	9.66	12.84	15.55
Price/Cash Flow	6.26	7.09	26.38	6.42	6.23	7.43	10.48
Price/Book	1.37	1.24	1.49	1.01	0.89	0.87	1.22
Earnings Yield%	12.90	8.08	4.87	4.54	10.35	7.79	7.77
Enterprise Value (Mil)	42.71	57.27	94.92	57.32	53.60	51.15	64.00
Enterprise Value/EBITDA	2.92	4.18	7.31	5.11	3.61	4.10	5.03

Source: <https://www.morningstar.com/stocks/xtse/dng/valuation> (2019-10-10)



Market Summary

Stock Price (52-Week High-Low)	\$1.84 - \$1.43 CAD
Ticker Symbol	DNG – TSX DNGDF - OTC
Shares Outstanding (Basic)	39.1M
Warrants	Nil
Quarterly Dividend	0.01 CAD
Dividend Yield	2.3%
Director & Senior Management Ownership	3.48%

Capital Structure

Market Capitalization	66.8M CAD
Debt	Nil

Recent Highlights (Q2 2019)

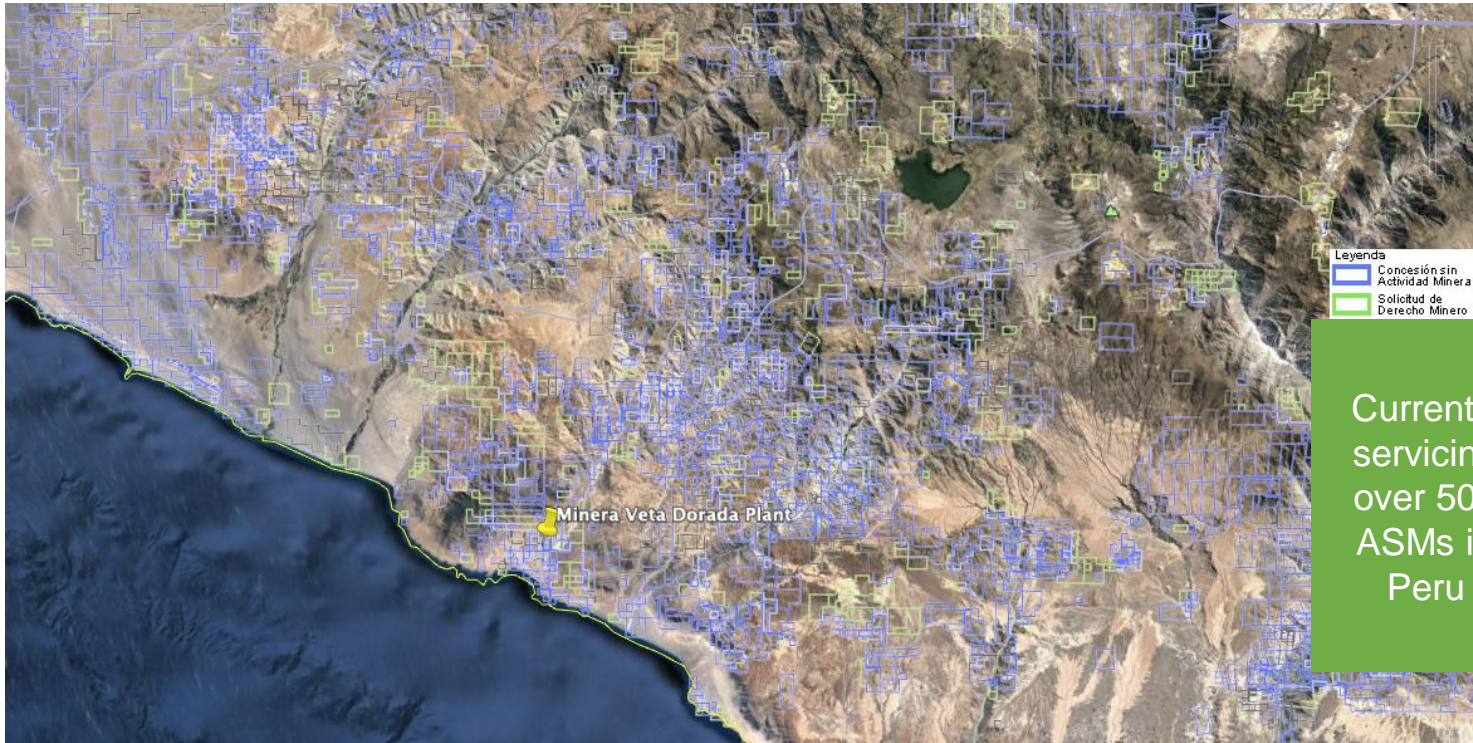
- Processed a total of 22,737 tonnes of ore;
- Gold production of 18,095 ounces;
- Tumipampa: Dynacor signed a mining and mineral purchase agreement with artisanal miners to begin extraction of materialized material from high-grade veins. The first deliveries occurred in June 2019;
- Dynacor signed a letter of intent to globally expand its ore-purchasing and processing business in Senegal.

Financial

- 33rd consecutive quarter of profits;
- Net income of \$0.8 million;
- EBITDA (1) of \$2.0 million;
- Cash flow of \$1.6 million and \$0.04 per share;
- Cash on hand of \$13.2 million.

Cash Return to Shareholders

- Quarterly dividend of CA\$0.01 per share;
- 247,224 shares repurchased.

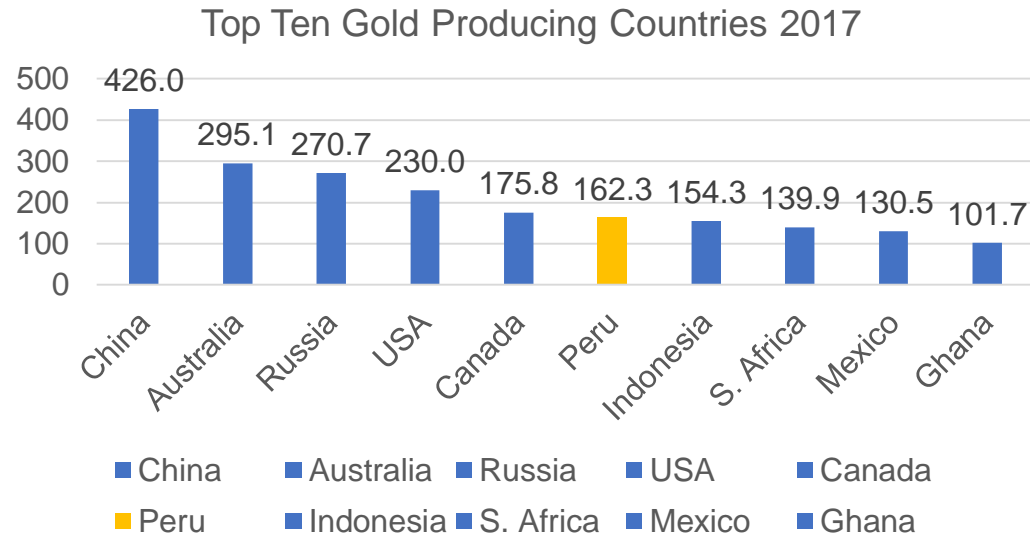


Currently servicing over 500 ASMs in Peru

- Hundreds of ASM operations near our plant;
- Significant number of high-grade gold mineralization concessions;
- Dynacor is set up to receive more ore from newly formalized ASMs;
- Informal ASMs can improve their gold recovery rates by formalizing and then selling to Dynacor;
- Dynacor is actively increasing its network of ASMs and ore supply

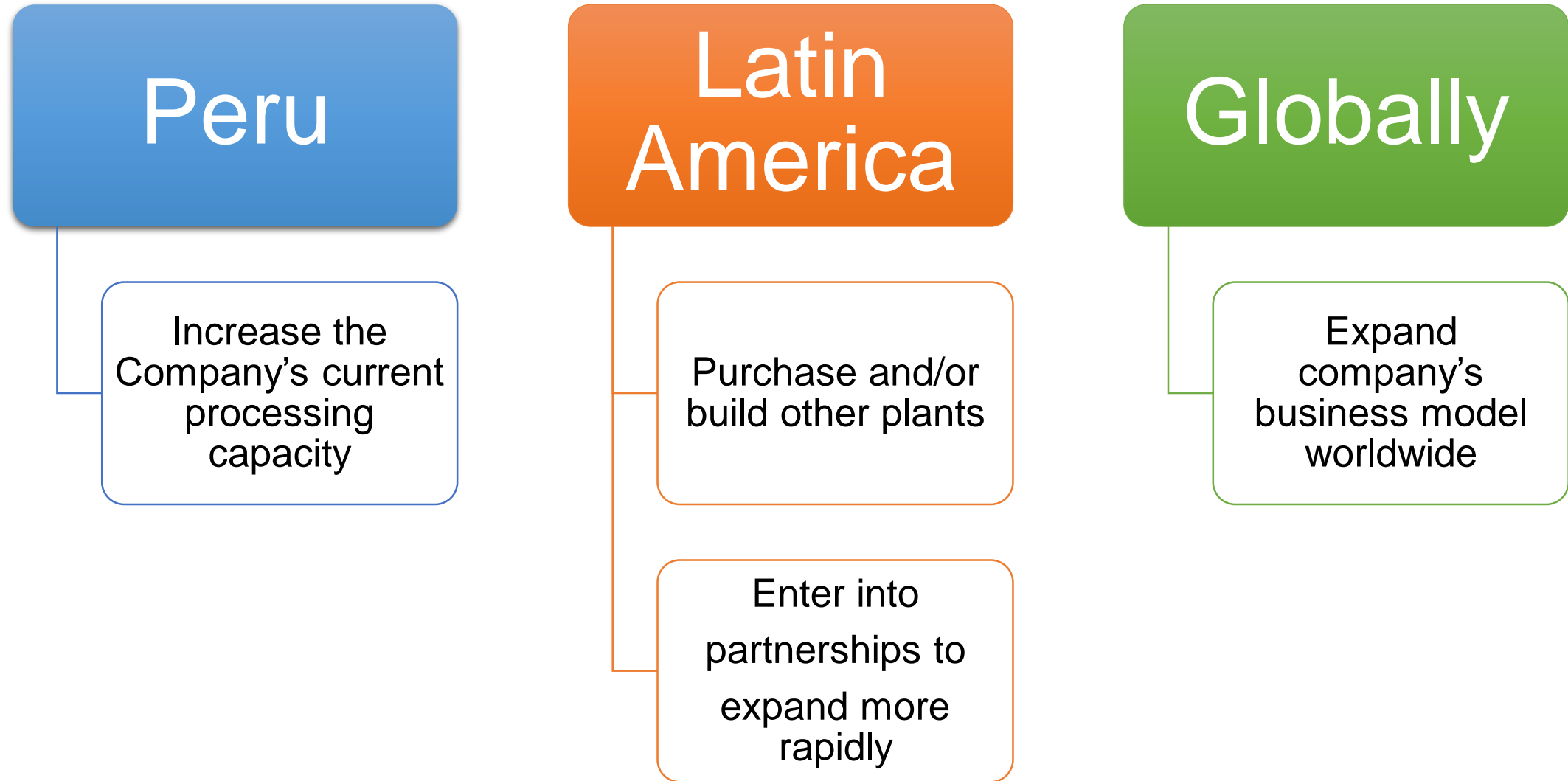
Untapped Resources Could Lead To New Partnerships

OUR HOME BASE PERU



Source: GFMS, Thompson Reuters, US Global Investors

- Gold exports amounted to 29% of all mining exports
 - Largest market destinations in 2017 – Switzerland; Canada, USA, India and the UK
- Mining contributes approximately 9% to GDP
- 6th largest gold producer in the world/1st in Latin America
- Active ASM formalization program
- ASM productivity amounts to 20% of Peru’s gold sales
- A central tenet of President Vizcarra’s administration is the promotion of the mining industry



PX Precinox

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

WWW.PXGROUP.COM



Providing incentives and funding to develop our ASM communities

- Developed PX Impact Gold program to improve education and health throughout our ASM communities
- End users of our gold pay a premium which is invested into our development projects
- With a clear focus to improving environmental, social and ethical practices with our ASMs

Actively promoting legal and regulatory framework

- Assisting our ASMs in the necessary step of formalization
- Increasing awareness and reaching out to the government
- Liaising with government officials, NGOs and international agencies such as AGC

Taking a lead in organizing ASM operations

- Maintaining an updated list of ASMs
- Actively taking a stance against child labour/ refuse to provide service and aid as a condition
- Improving and promoting gender equality throughout our ASM operations

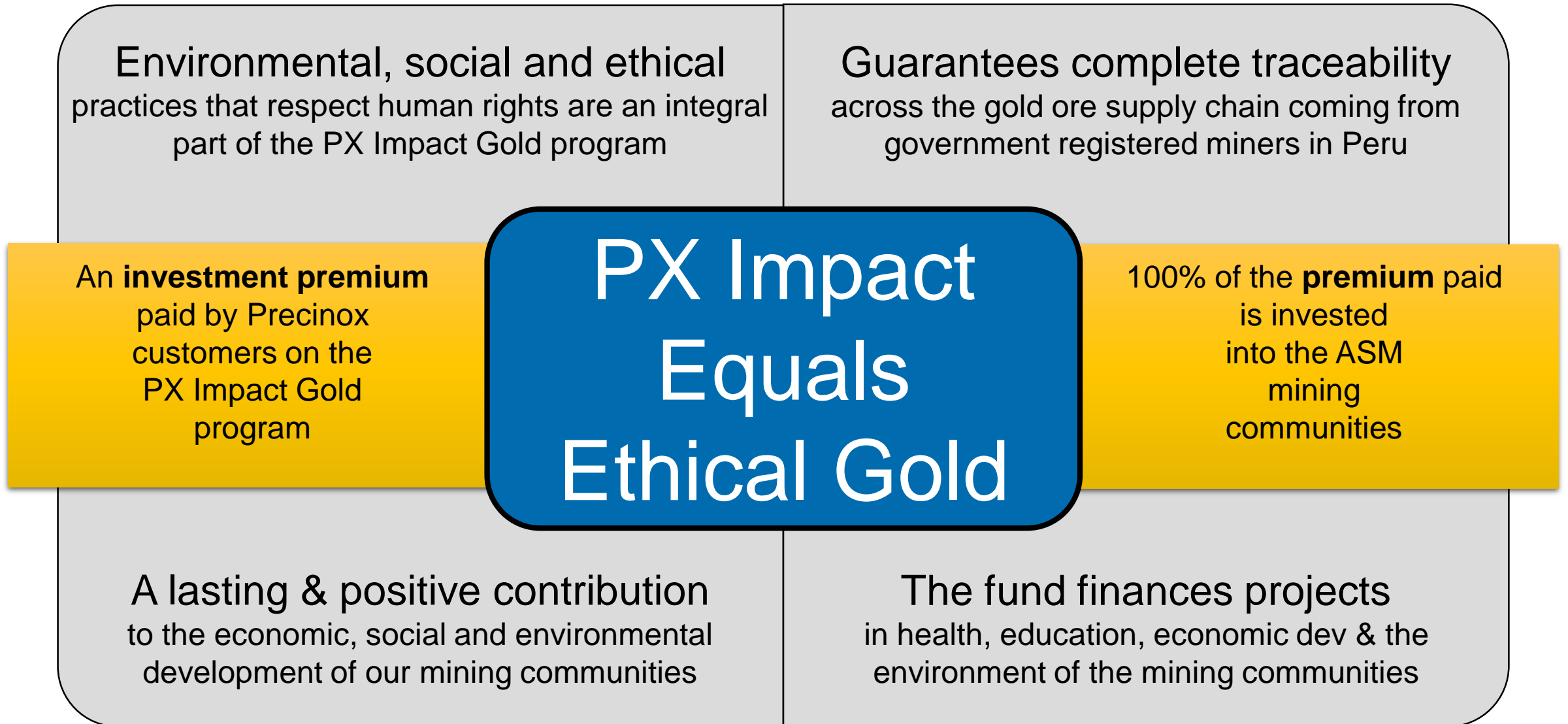
Providing technical assistance

- Upgrading their technical tools, means and practices
- Providing professional assistance and in some cases financing to further develop their mines and levels of productivity
- Training/assist ASMs on several issues (e.g. organizational/financial management, occupational health, reclamation and transportation)

Employing ASMs within our own Operations

- Hiring local ASMs to work at our flagship exploration project, Tumipampa
- Often local ASM communities are hired by Dynacor to assist in their own development projects which we fund for free
- Relationship of trust with our ASMs enable other business arrangements and an all around win-win operation





A small premium is paid by a growing number of supportive firms from the fine luxury jewelry, watchmakers and investment sectors

- These firms wish to start incorporating the use of responsibly sourced traceable gold that is produced from artisanal small-scale artisanal miners
- One hundred per cent of the premiums paid are used in the projects.
- The PX Impact program is behind the development of several CSR projects amounting to USD 160K.





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