

Investor Presentation

January 2025

28 YEARS' experience in the
ASM business.



CAUTION REGARDING FORWARD LOOKING STATEMENTS / NON-IFRS MEASURES

- ❑ Statements contained in this presentation that are not historical facts are regarded as forward-looking statements. These statements may involve risk, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Many factors could cause such differences, including: volatility in market metal prices; changes in foreign currency exchange rates and interest rates; unexpected variations in geological conditions of a property of erroneous geological data; environmental risks including increased regulatory constraints; unexpected adverse mining conditions; adverse political conditions, and changes in government regulations and policies. Although the Corporation believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Corporation has not committed to maintaining this forward-looking information unless so required by law.
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Dynacor Group Inc. is an industrial gold ore processor headquartered in Montreal, Canada.

Our company produces gold by processing ore purchased from the **ASM (artisanal and small-scale mining) industry.**

We currently operate in Peru, where we have decades of experience working with ASM miners.

28

YEARS OF LEADERSHIP
IN ASM BUSINESS

550+

EMPLOYEES

\$277M

Q3-2024 LTM SALES
(US\$)

\$31M

Q3-2024 LTM EBITDA
(US\$)

\$23M

Q3-2024 LTM Cash Flow
(excl. WC items) (US\$)

\$0.51

Q3-2024 LTM Fully Diluted EPS
(US\$)

130.0K

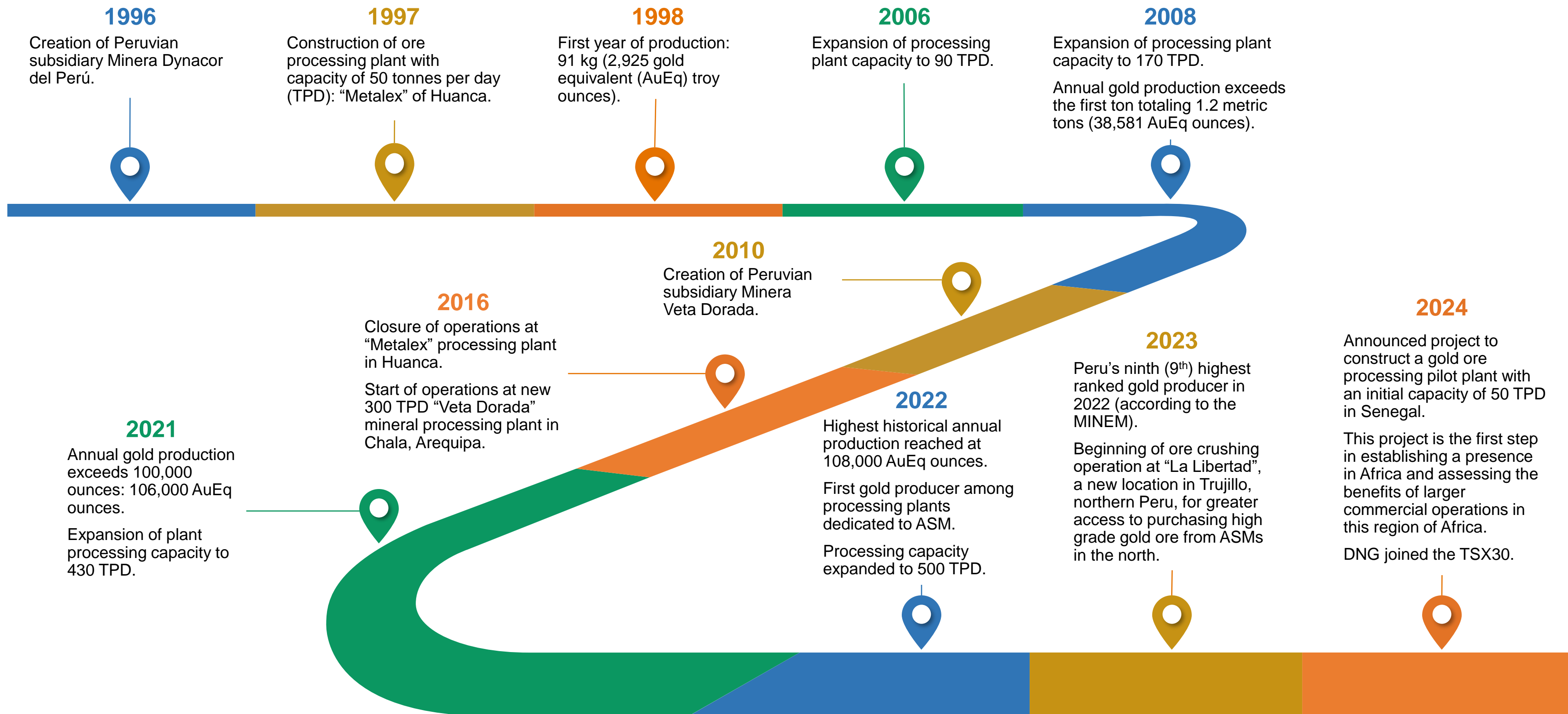
2023 GOLD EQUIVALENT
OUNCES PRODUCED

25%

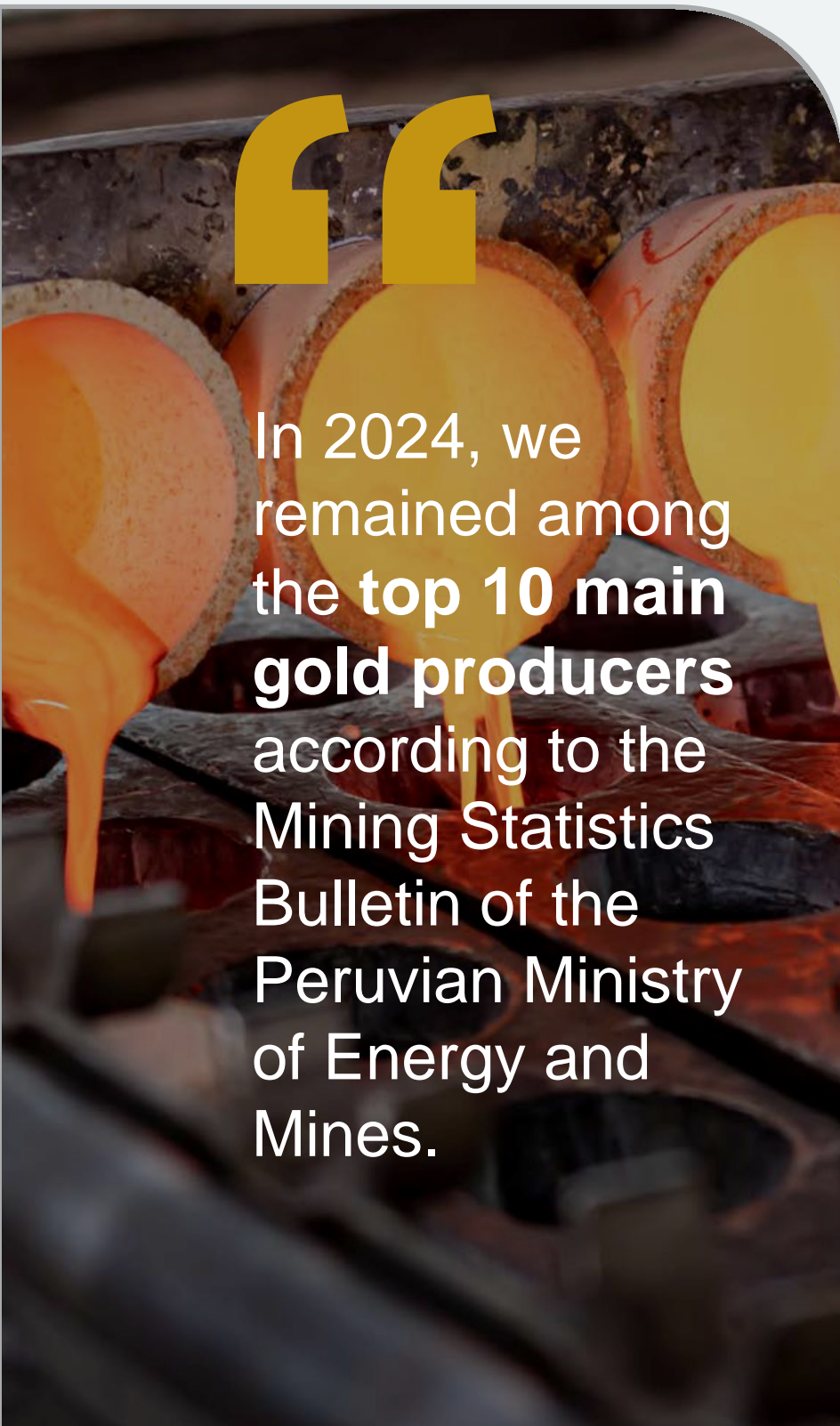
REVENUE CAGR
BETWEEN 2019 - 2023



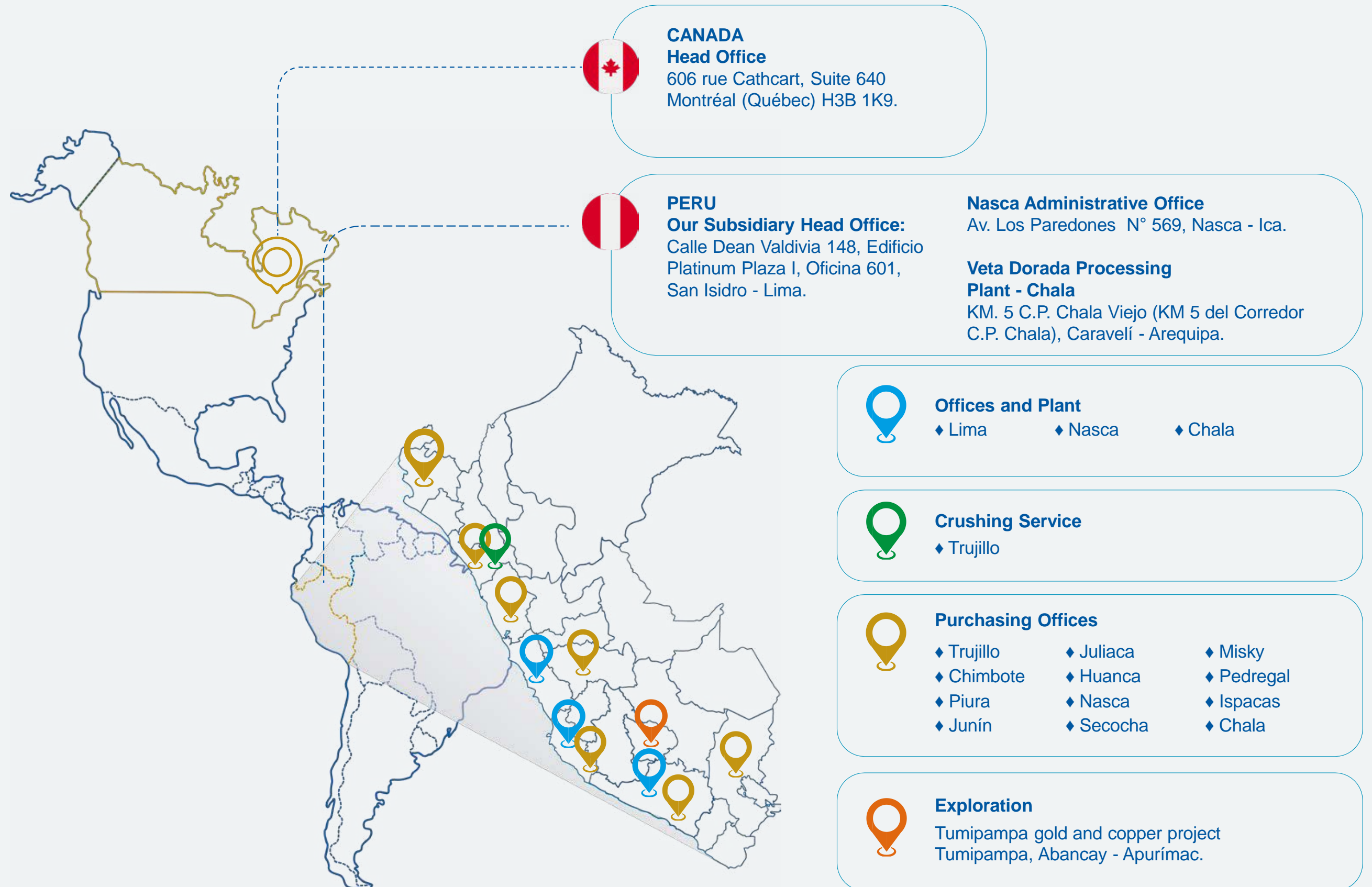
OUR STORY



DYNACOR IS A TOP-RANKING GOLD PRODUCER IN PERU



In 2024, we remained among the **top 10 main gold producers** according to the Mining Statistics Bulletin of the Peruvian Ministry of Energy and Mines.



WHY SHOULD I INVEST IN DYNACOR?

Dynacor is a leading industrial company, operating as a processor of gold, with a proven and consistently profitable business model



Leading processor of gold from artisanal miners

- ❑ Peru's largest artisanal and small-scale ore purchaser and processor
- ❑ Significant market potential globally – as ~25% of gold produced worldwide comes from artisanal miners



Highly compelling financial profile

- ❑ Highly attractive business model delivering consistent EBITDA, FCF, and earnings growth with 13 consecutive years of profit
- ❑ Debt-free capital structure
- ❑ 25% revenue CAGR ('19 - '23) through 5 phases of capacity expansion since 2018



Well defined growth strategy

- ❑ Organic growth strategy focused on capacity expansion
- ❑ Porting unique business model in other countries – focusing on LATAM and Africa
- ❑ Targeting sales of US\$1 billion by 2030



Track record of returning value to shareholders

- ❑ Consistently increasing dividend policy with 6 increases since 2018
- ❑ Active share buy-back program



ESG focused

- ❑ Environmental and socially responsible gold sourcing
- ❑ Annual investments in local communities' education and health system



DYNACOR'S BUSINESS MODEL AND COMPETITIVE STRENGTHS

Dynacor is a leading industrial company operating in gold production and has an attractive business model with a natural hedge on gold prices

1. SOURCING

- ✓ Dynacor has deep expertise in procuring gold ore from artisanal and small-scale miners (ASM)
- ✓ The ore is currently sourced from Peru, with a significant expansion opportunity in Africa
- ✓ We have a strict ESG program including a certified clean gold program demonstrating our active involvement in funding, participating, and developing education, health, and social services within ASM communities
- ✓ We maintain deep relationships with key stakeholders across the ASM ecosystem

2. PRODUCTION

- ✓ We have a long-standing track-record of operating gold refining facilities that processes gold ore into refined gold
- ✓ We have developed a unique know-how over 30 years of operations, resulting in increased efficiency of operations, and a higher and consistent yield of refined gold production

3. SALES

- ✓ The transportation and export of our refined gold product is serviced by third parties and sold as a “commodity” of refined gold into the Swiss industrial market
- ✓ Our refined gold is used by our business customers to serve the premium watch, aerospace and healthcare industries
- ✓ Our business model offers a natural hedge on gold price

OUR PRODUCTION PROCESS

1 PURCHASING AND ORE CONTROL

Through our subsidiary Veta Dorada, we buy ore from Artisanal and Small-Scale Miners (ASM) enlisted in the formalizing process of the Peruvian government.



Crushing Service
• Trujillo

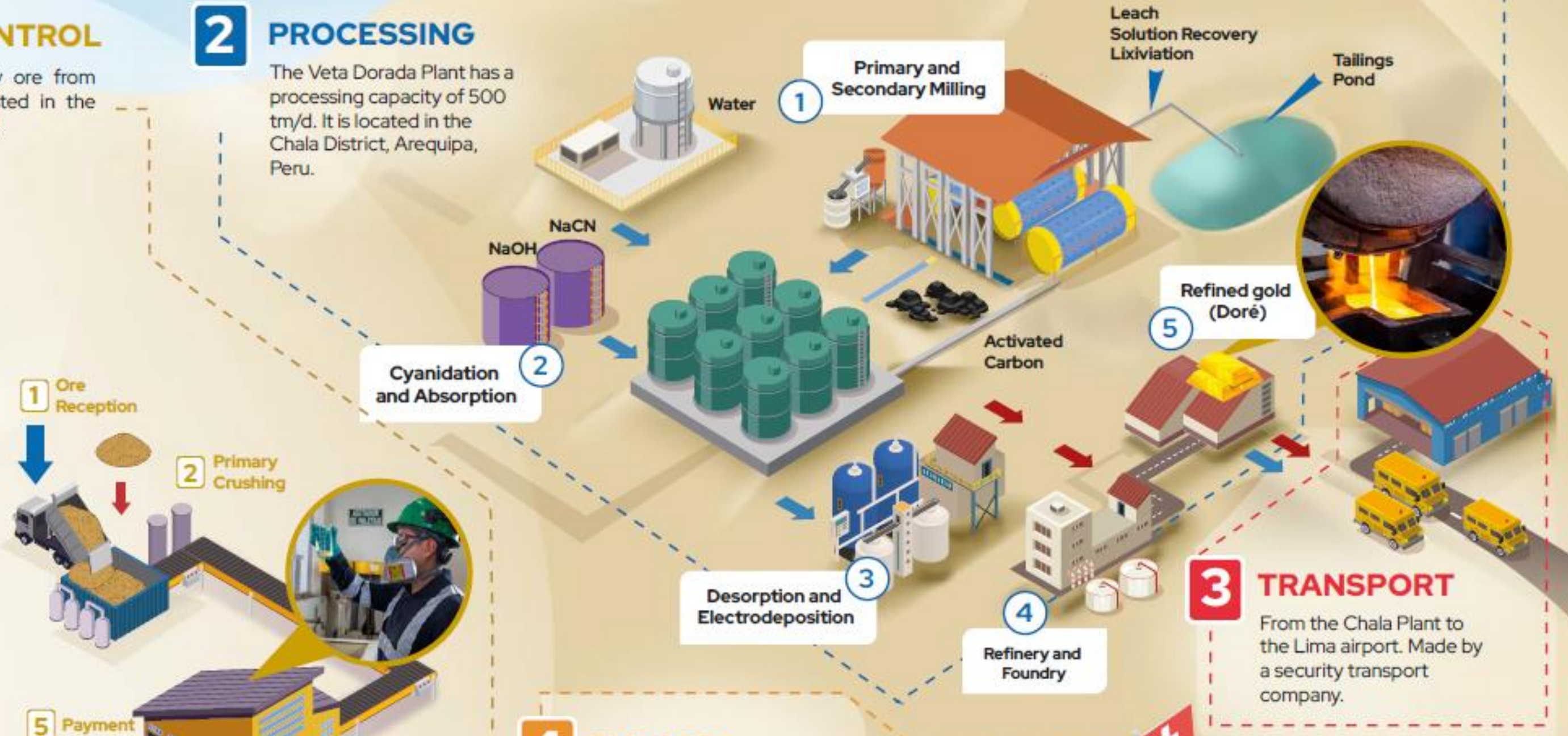
Purchasing Offices

- Trujillo
- Chimbote
- Piura
- Junín
- Juliaca
- Huanca
- Nasca
- Chala
- Pedregal
- Ispacas
- Secocha
- Misky



2 PROCESSING

The Veta Dorada Plant has a processing capacity of 500 tm/d. It is located in the Chala District, Arequipa, Peru.



4 EXPORT:

Gold: From the Lima airport to Switzerland, through a PX Precinox customs agent.

Silver: Based on buyers.

“ Dynacor has a risk management system for the prevention of money laundering and terrorism financing, and a code of conduct that guarantee sustainable practices that respect human rights. ”

INDUSTRY-LEADING AND WELL-TENURED MANAGEMENT TEAM



Jean Martineau

President & CEO

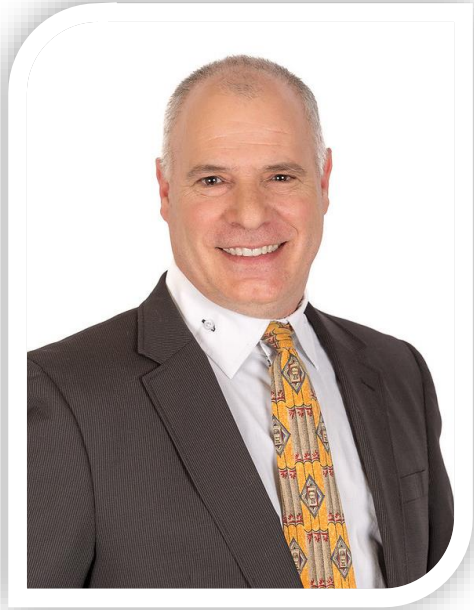
CEO since 2007



Pierre Lépine

Chairman of the Board

Director since 2014



Leonard Teoli

Vice President & CFO

CFO since 2011



Daniel Misiano

COO

Since 2024



Jorge Luis Cardenas

VP of Business Development in LATAM

Since 1996



Stéphane Lemarié

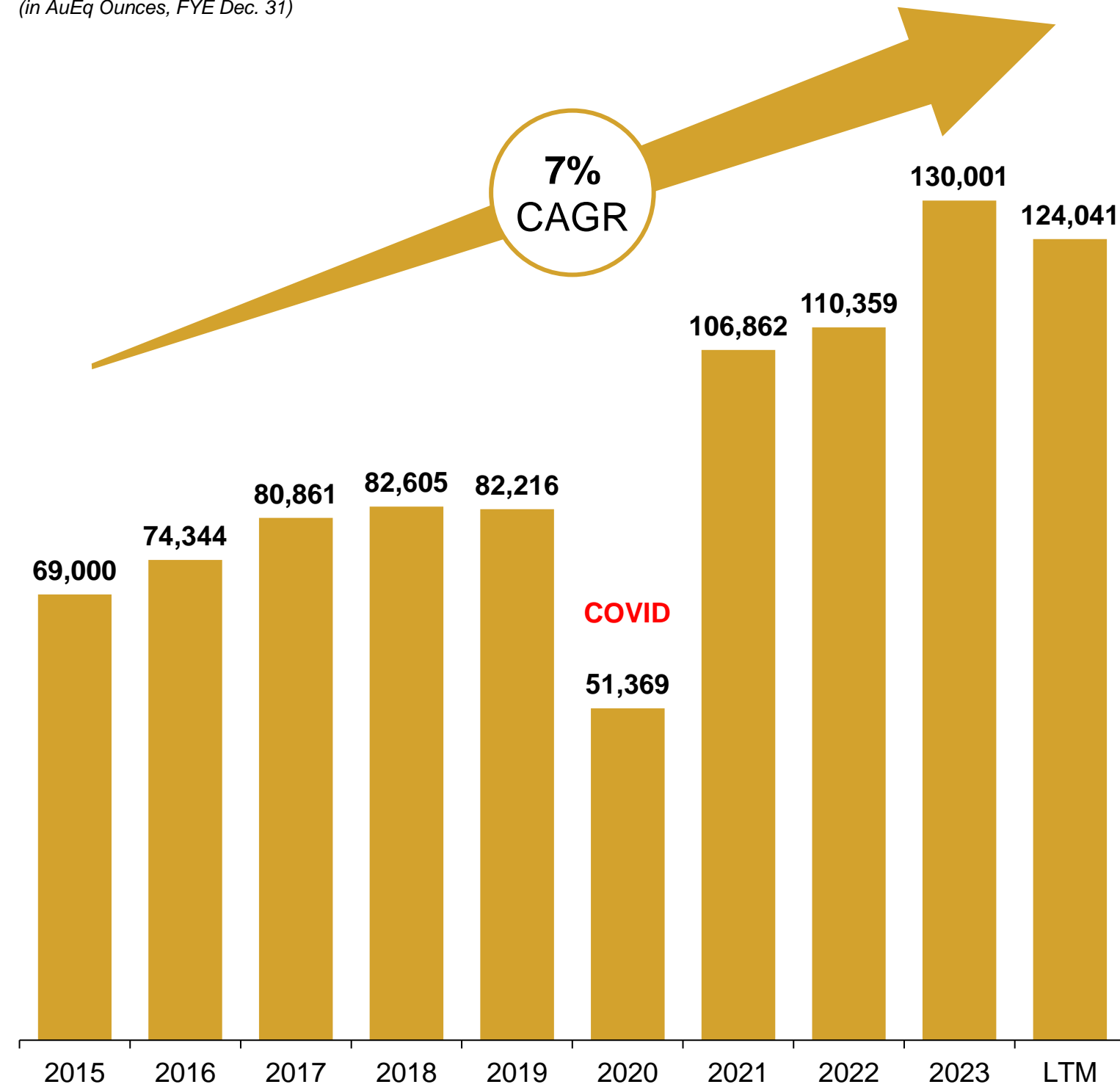
Director of Financial Information and Internal Controls

Since 2017

STRONG GROWTH DRIVEN BY PROCESSING CAPACITY EXPANSION

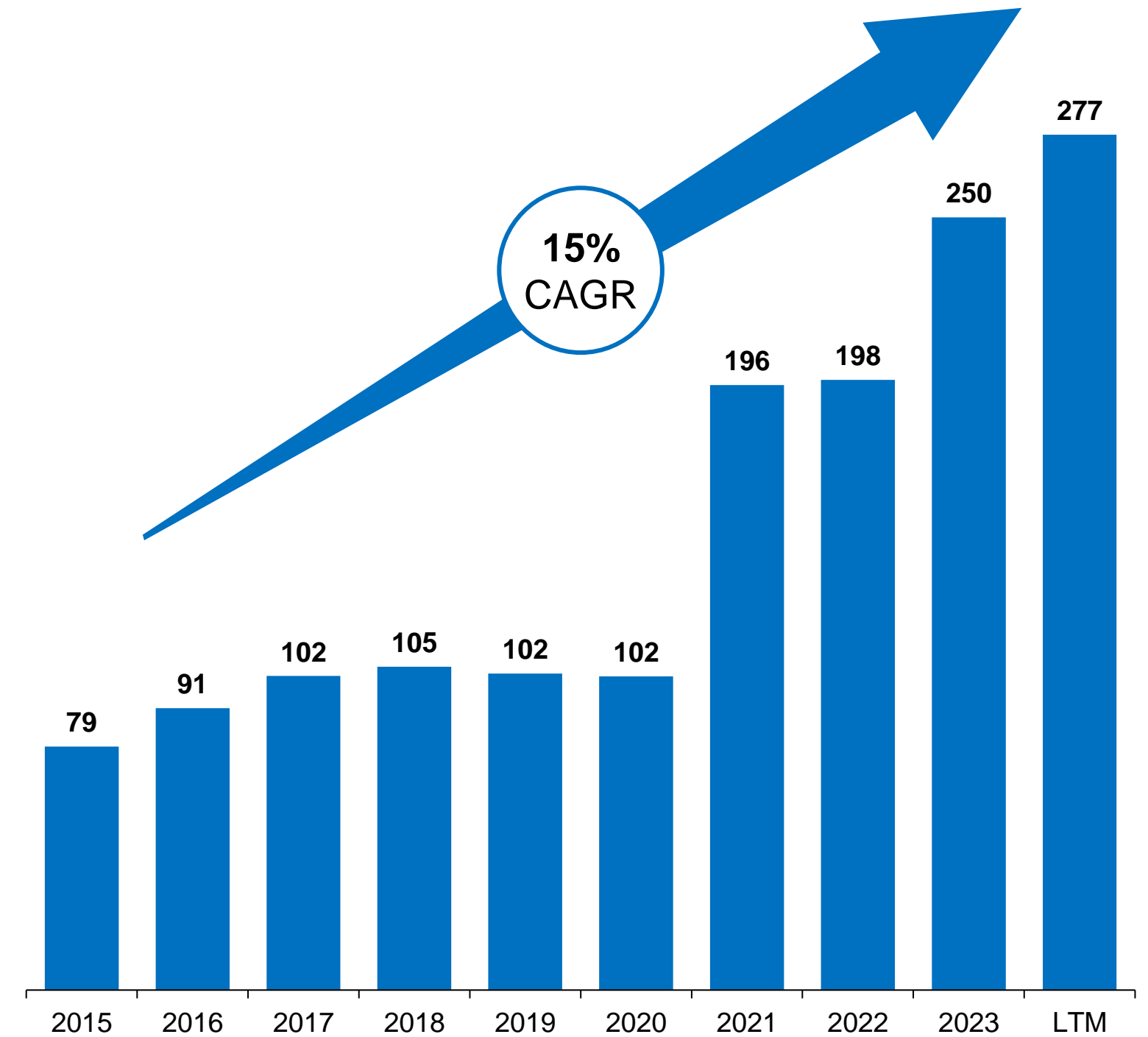
Gold Production

(in AuEq Ounces, FYE Dec. 31)



Sales

(in US\$ M, FYE Dec. 31)

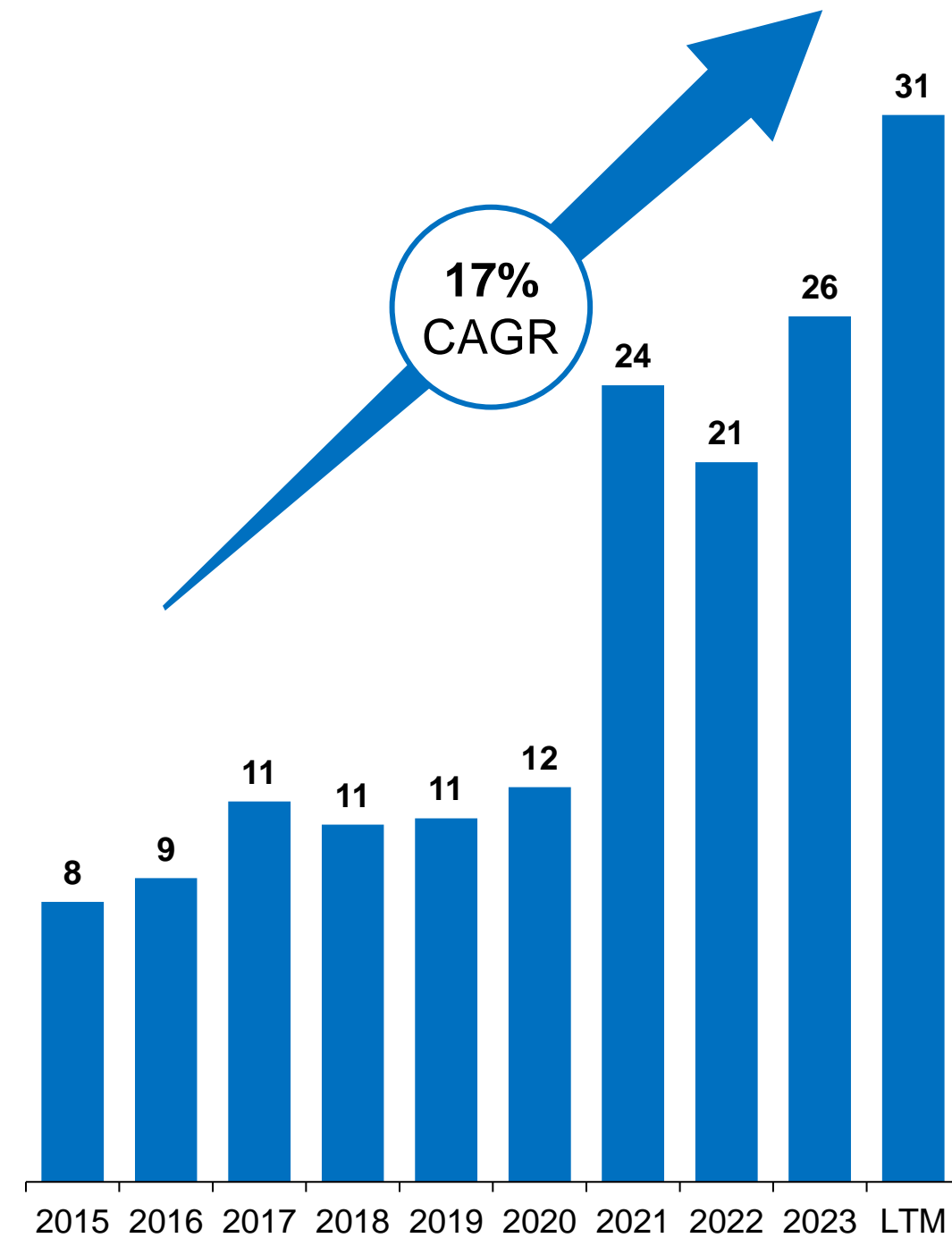


Note: LTM as of September 2024

TRACK RECORD OF CONSISTENT AND GROWING EBITDA, EARNINGS AND FCF GENERATION

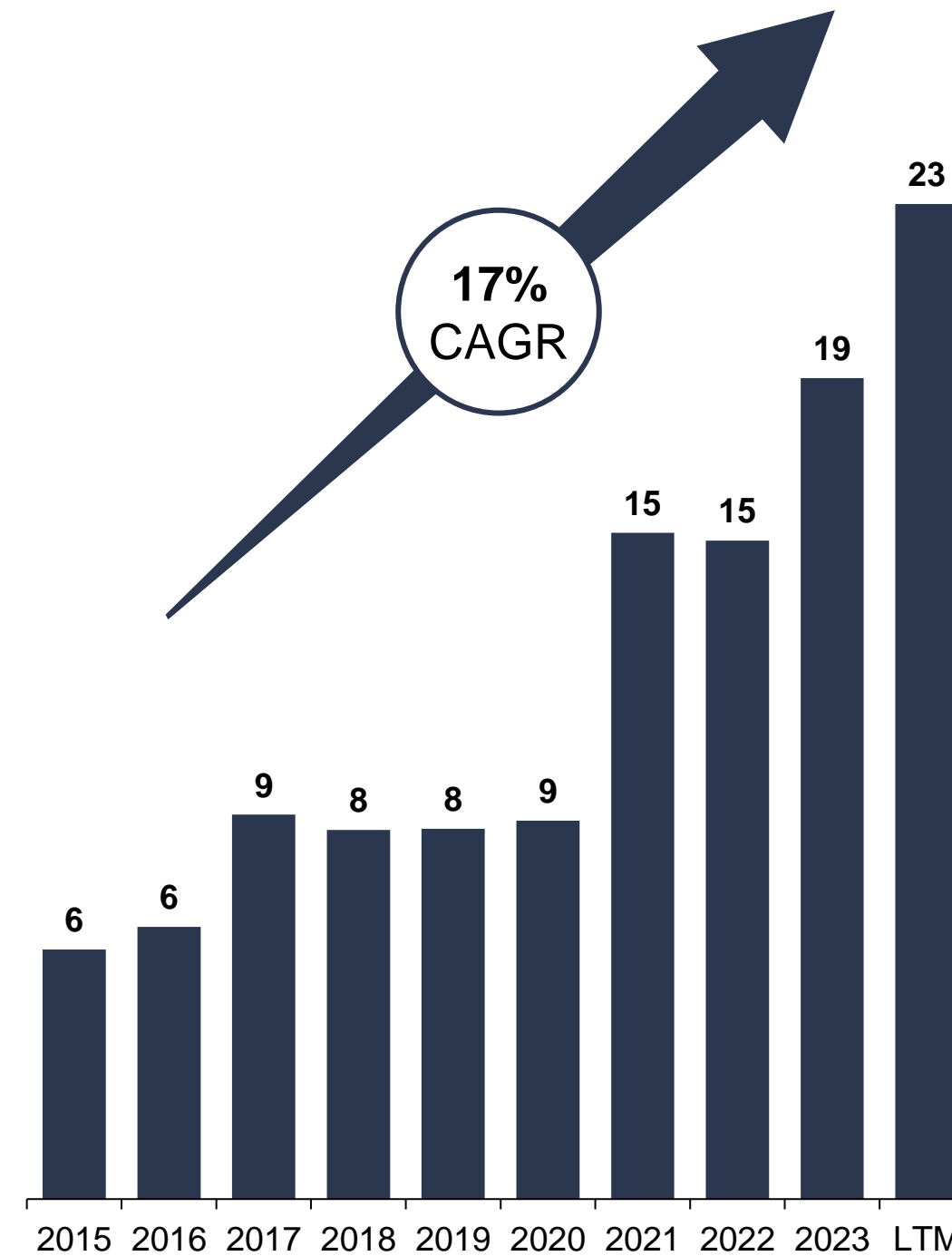
EBITDA

(in US\$ M, FYE Dec. 31)



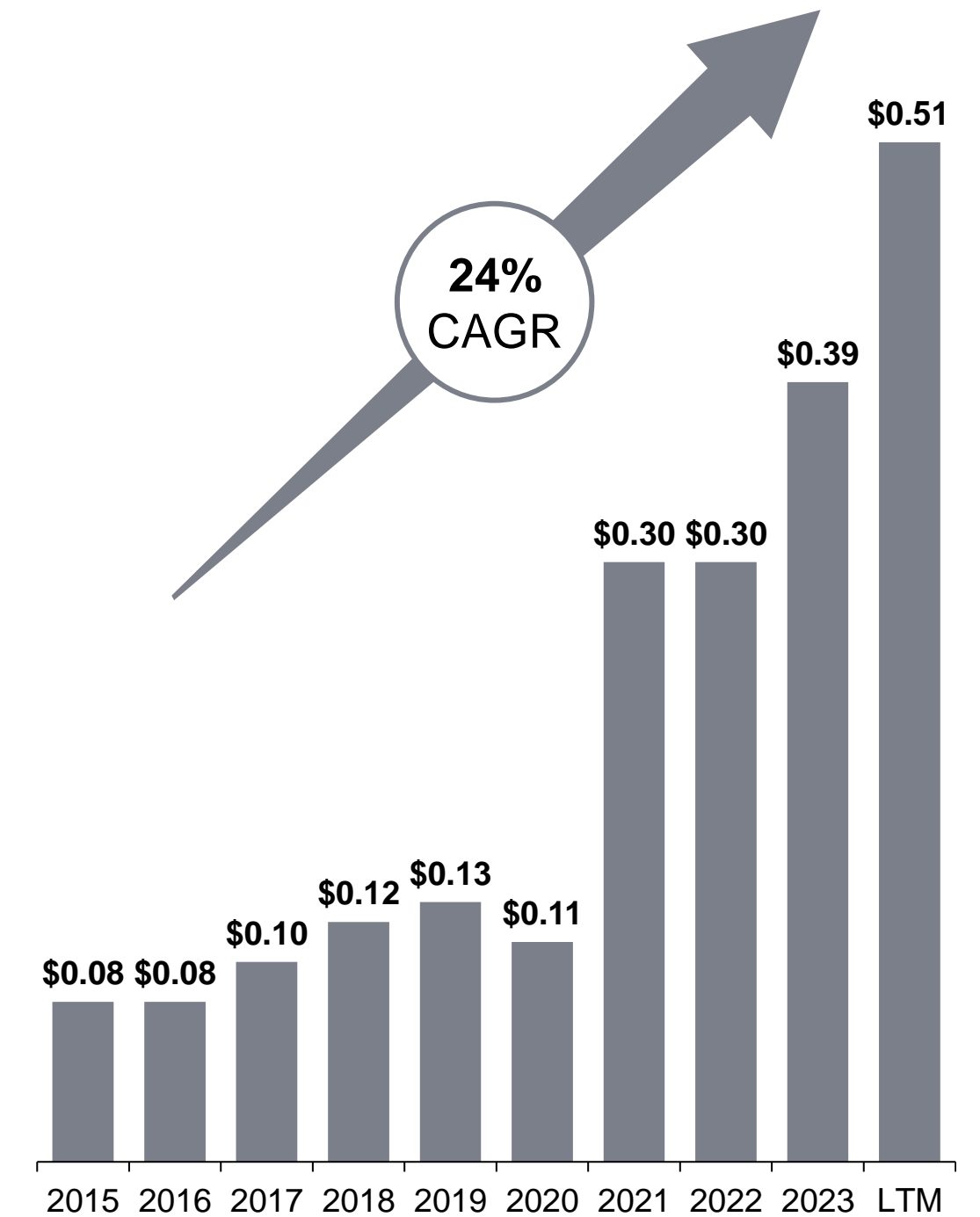
Cash Flow¹

(in US\$ M, FYE Dec. 31)



Fully Diluted EPS

(in US\$, FYE Dec. 31)



Note: LTM as of September 2024
1. Before changes in Working Capital

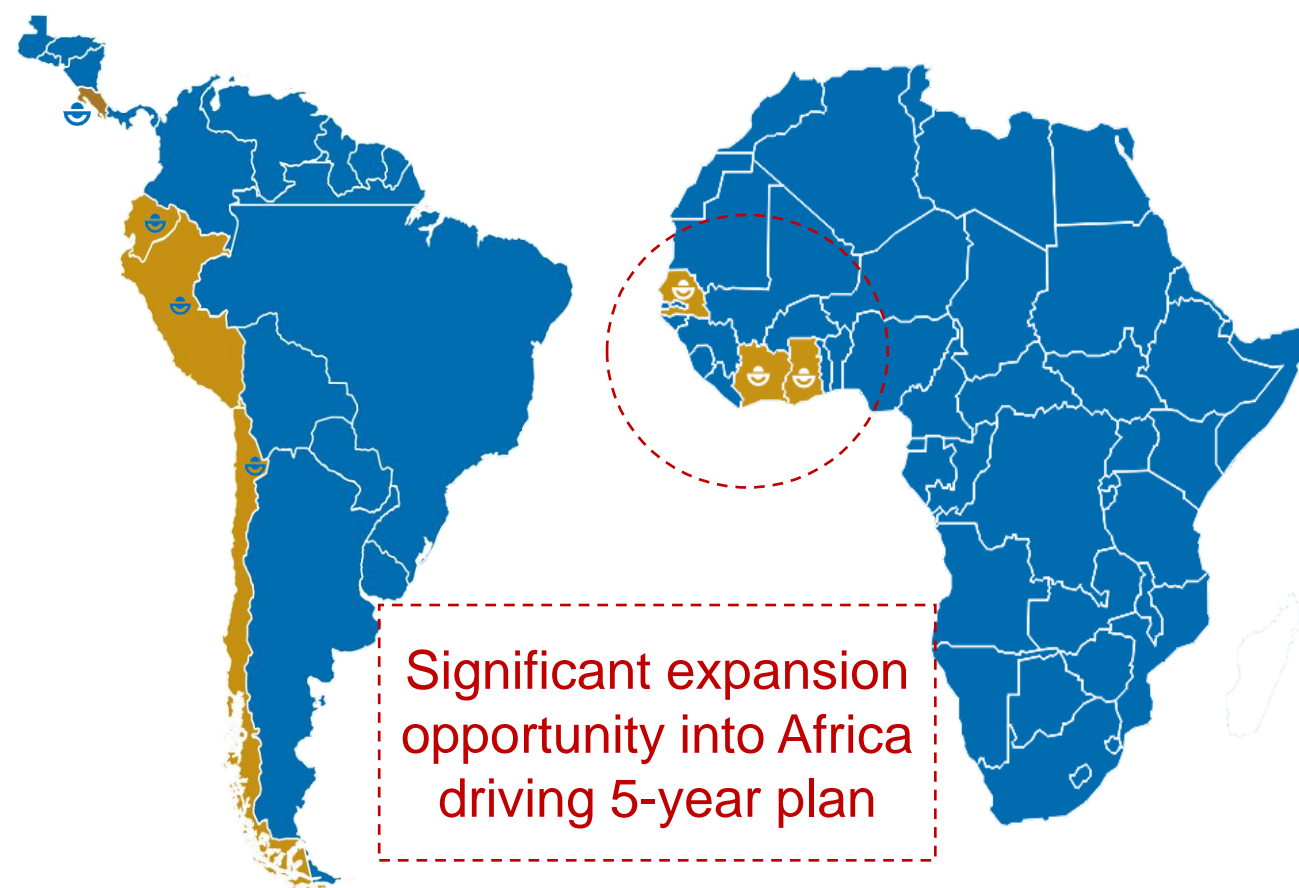
YTD Q3-2024 FINANCIAL HIGHLIGHTS

		YTD		YoY
		Q3-FY2024A	Q3-FY2023A	% Change
<i>(FYE Dec. 31)</i>				
		<i>Units</i>		
Tonnes Processed	TMS	134,662	126,832	+6.2%
TPD		491	465	+5.6%
Production	<i>AuEq oz</i>	90,135	96,095	-6.2%
Sales	US\$ M	211.3	184.6	+14.5%
Gross Profit	US\$ M	29.4	22.5	+30.7%
<i>Gross Margin (%)</i>		<i>14.0%</i>	<i>12.2%</i>	
EBITDA	US\$ M	25.3	19.3	+31.1%
Net Income	US\$ M	15.2	11.5	+32.2%
EPS (Basic)	US\$	0.41	0.30	+36.7%
Cash	US\$ M	42.0	33.0	+27.3%

5-YEAR STRATEGIC PLAN: DEVELOPMENT OF NEW PROCESSING ACTIVITIES IN OTHER JURISDICTIONS

Dynacor business model relies on:

- ❑ Natural hedge on gold price
- ❑ 25 years + experience in ore processing business and accumulated know-how
- ❑ Strong team at all level
- ❑ Mastering processing of different types of ore while maintaining high recovery and maximizing the resources available
- ❑ Maintaining and managing networks of ore suppliers' country wide



Targets by 2030:

- ❑ Significant expansion of operations into Africa
 - Senegal, Ghana, Ivory Coast with potential to expand further
 - Announced project to construct first processing pilot plant in Senegal
- ❑ Significant opportunity to increase footprint in the LATAM market as well
- ❑ 4 new processing plants (up to US\$100M investment in LATAM and Africa emulating proven business model)
- ❑ Sales of US\$1 Billion
- ❑ Yearly production of 500,000 Oz Au eq

GOLD PRICE PROGRESSION OVER 15 YEARS



- ❑ With gold price currently around US\$2,600 per ounce and Dynacor's natural hedge on gold price, market conditions are favorable to expansion projects.



MARKET SUMMARY (Symbol DNG –TSX)



Closing Share Price (December 31, 2024) – **C\$5.75**



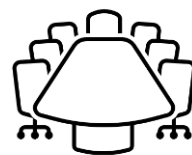
Shares Outstanding – **Approx. 36.4 million**



Market Cap – **Approx. C\$210 million**
No debt



1 year price returns **44%**, annualized 5 years price returns **28%** (December 31, 2024)



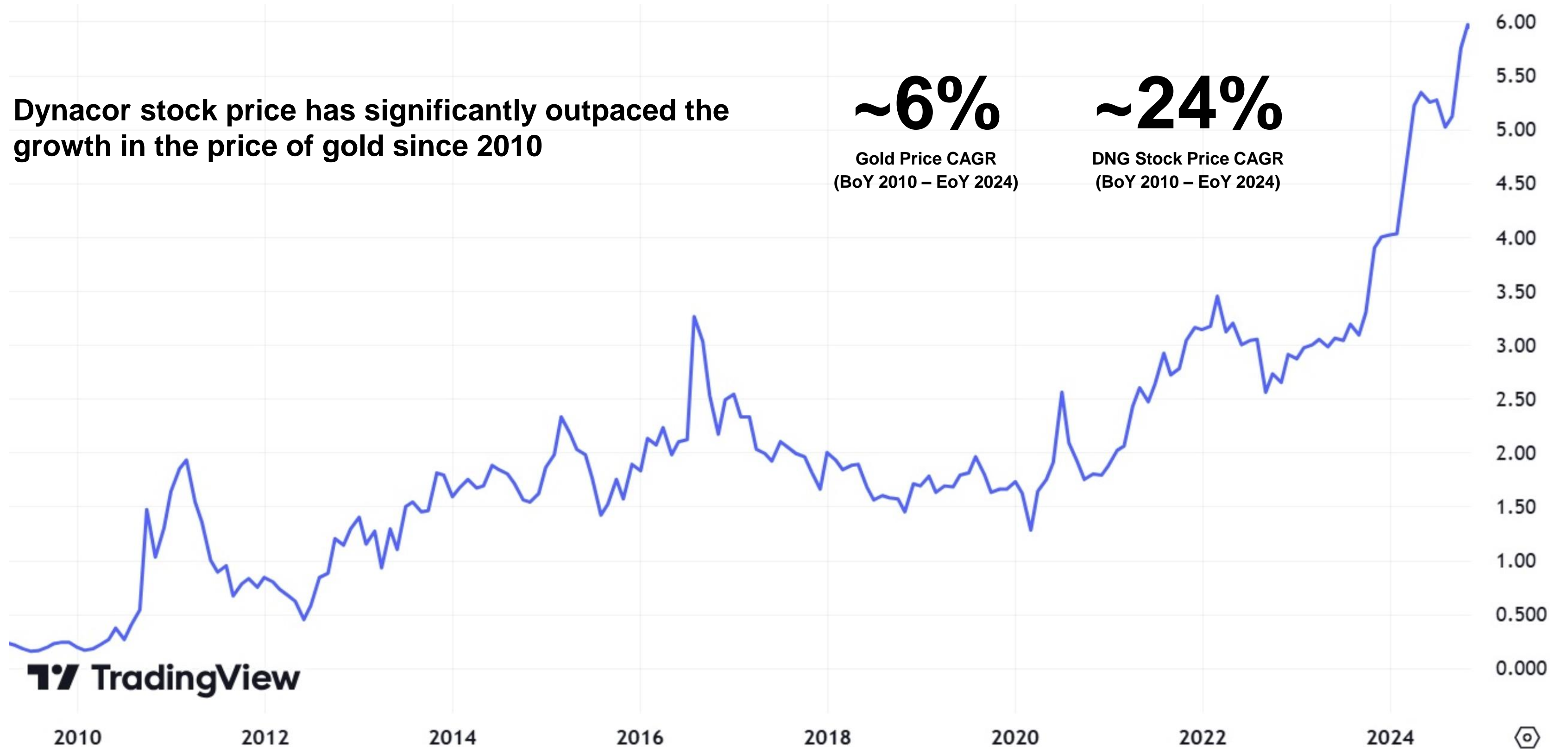
Monthly dividends C\$0.01333 per month (dividend yield 2.78%)

DNG - STOCK PROGRESSION OVER 15 YEARS

Dynacor stock price has significantly outpaced the growth in the price of gold since 2010

~6%
Gold Price CAGR
(BoY 2010 – EoY 2024)

~24%
DNG Stock Price CAGR
(BoY 2010 – EoY 2024)





■ DIVIDENDS AND SHARE BUYBACKS:

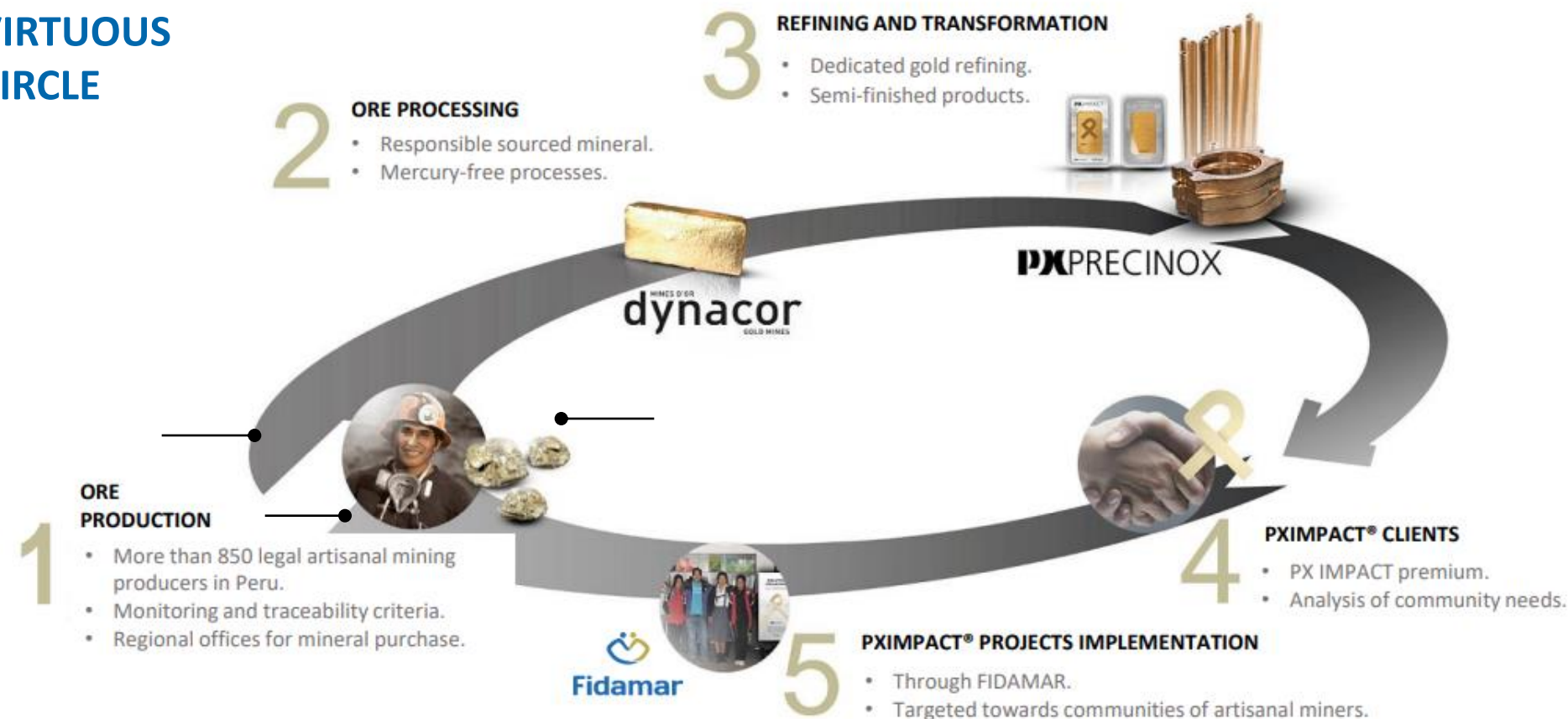
- ❑ **C\$0.16 per share** (C\$0.01333 per month). Dividend yield 2.78%.
- ❑ Sixth dividend increase since October 2018.
- ❑ Active share buyback program; ~1.1M shares purchased ~US\$3M in 2023 (~4.9M shares purchased ~US\$11M since 2018).

PROVEN LEADER IN CORPORATE SOCIAL RESPONSIBILITY:

➤ Our PX IMPACT® certified clean gold program demonstrates our active involvement in funding, participating, and developing education, health, and social services within ASM communities

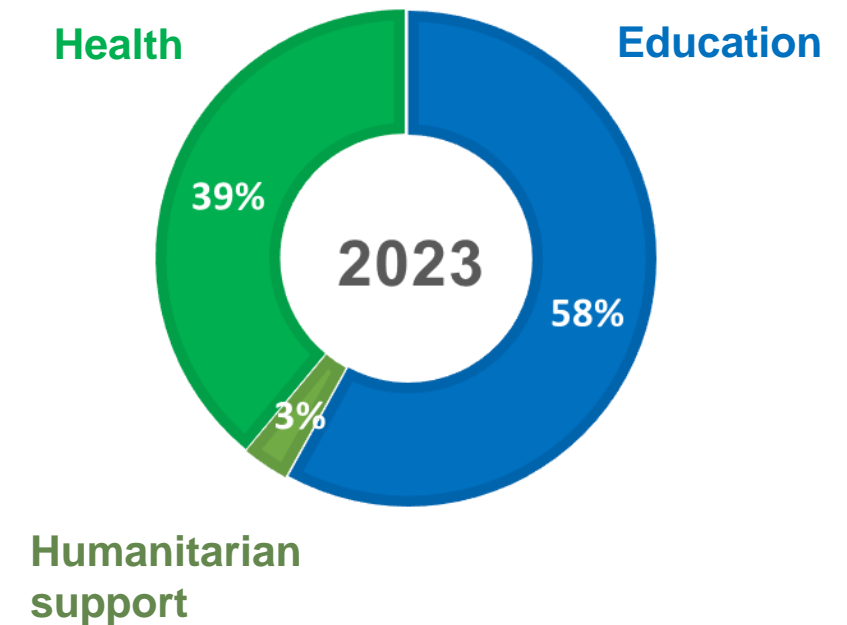


VIRTUOUS CIRCLE

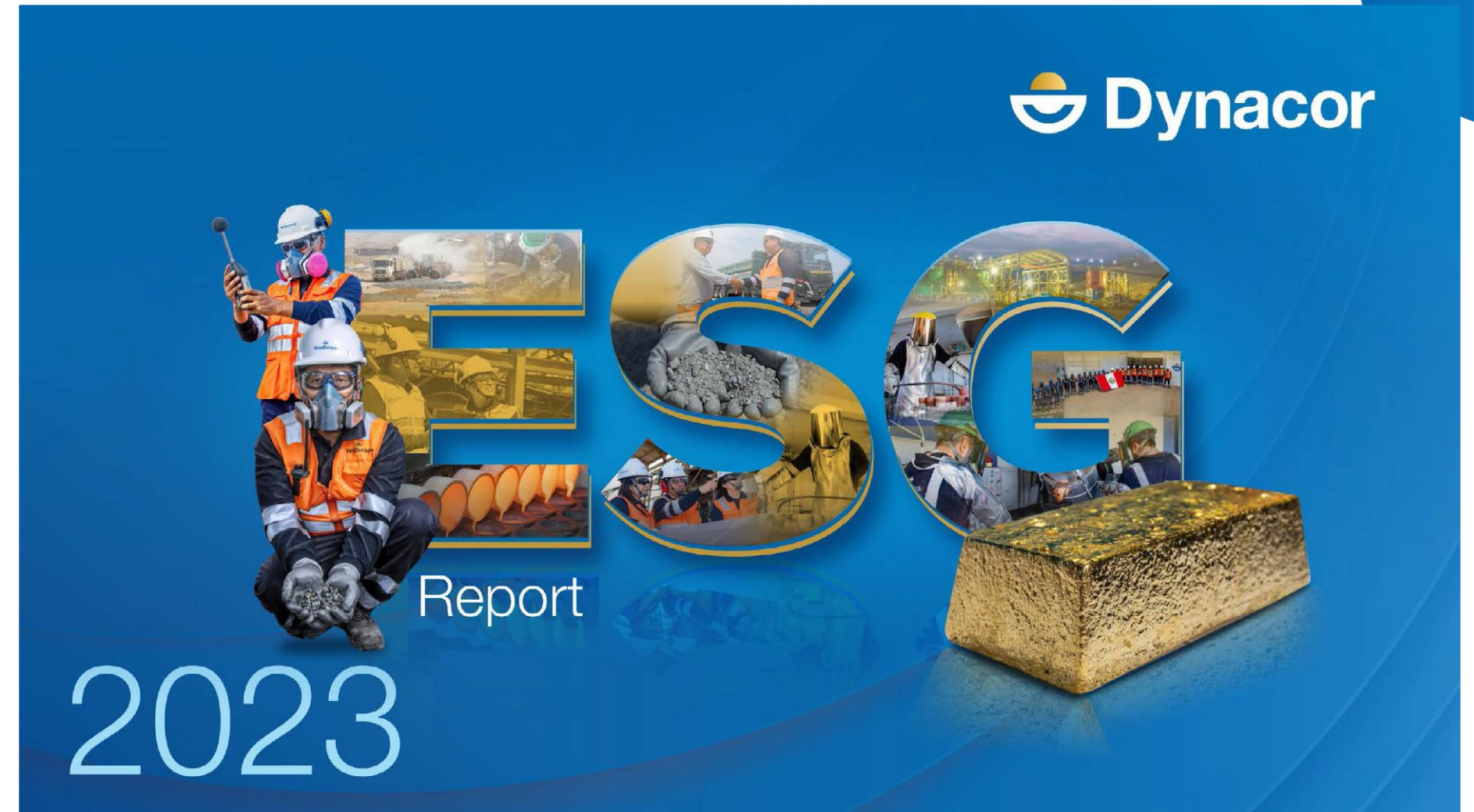


Fidamar 2023:

- Total investment exceeded **US\$ 520,000**, including operating expenses.
- Positive impact on more than **9,000 people** in health and education.



➤ We are dedicated to environmental compliance, as evidenced by our **Environmental Management Plan**, which ensures adherence to Peruvian mining laws.



➤ We have implemented **CSR activities** that demonstrate our commitment to social responsibility, being the only processing plant that has conducted **4 ESG reports complying with GRI standards** since 2020.





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