



## WHY SUPPORT DYNACOR'S VOTE RECOMMENDATIONS?

- iolite is acting in a self-serving manner that is not aligned with the interests of the Corporation and its shareholders. iolite expressed its opposition to dividend increases and mentioned supporting buybacks only if they do not lift share prices. These views conflict with the preference of many shareholders for tangible returns through dividends and enhanced value via buybacks.
- Leitz lacks the requisite skills and experience to serve as a director of the Corporation, nor does he have the trust of the Board members and the Corporation's management.
- The Requisitioned Meeting is both unauthorized and unnecessary due to Dynacor's imminent annual general meeting of shareholders to be held on June 17, 2025. Holding iolite accountable for the costs of the Requisitioned Meeting ensures prudent use of the Corporation's financial resources, prevents unnecessary costs from diminishing shareholder value, and reflects a fair and responsible approach to corporate governance.
- Leitz has called the Requisitioned Meeting for shareholders to vote on a matter that is not within shareholders' authority to act upon.
- The current directors offer a breadth of knowledge, diversity and strategically relevant backgrounds that align with the global scale of the challenges, risks, and opportunities facing our business.
- The Board is committed to executing the Corporation's strategic plan, which represents the best value-maximizing strategy today, and will continue to responsibly evaluate any potential value-creating opportunities.

**Dynacor's board of directors recommend shareholders vote:**

**AGAINST the Dissident's resolution to set the number of directors of the Corporation at nine.**

**AGAINST the Dissident's resolution to elect its Dissident Nominee.**

**FOR Management's resolution providing that the costs associated with the Requisitioned Meeting will be borne by iolite, who called the unnecessary Requisitioned Meeting.**

**Vote using only Management's GOLD Proxy.**

### **Dynacor's Envious Track Record**

Since it began operations in Peru in 1996, Dynacor has experienced enviable growth. Its production increased from 50 tonnes per day in 1997 to over 500 tonnes per day since 2022, making Dynacor the 9<sup>th</sup> largest gold producer in Peru in 2022.

In September 2024, Dynacor has distinguished itself by reaching the 27<sup>th</sup> position on the TSX30 2024 ranking, which recognizes the 30 best-performing companies over a three-year period on



the Toronto Stock Exchange in Canada. This ranking, established since 2019, shows that investors are increasingly focusing on value investing, with a preference for companies with strong cash flows and reliable dividends. This trend reflects the appeal of stable, cash-generating companies in a volatile market. This important achievement underscores the value Dynacor offers its shareholders.

Between June 2021 and June 2024, Dynacor enjoyed exceptional growth, with a 136% increase in share price and a 101% increase in market capitalization over the same period.

Dynacor is unwavering in its pursuit of shareholder value and strategic growth. We will continue to act decisively, informed by rigorous analysis and strategic foresight.

The Corporation is open to constructive dialogue with all shareholders, including iolite, but will not be diverted by baseless claims. Our focus remains on driving sustainable growth and maintaining robust governance practices.

### **Response to the Dissident's Allegations**

Dynacor is steadfast in its commitment to its fiduciary duties and the interests of all shareholders, unlike iolite who is pursuing a self-serving agenda aiming to privatise and acquire control of the Corporation. We categorically reject iolite's unfounded accusations of governance flaws and entrenchment. Our actions are guided by strategic foresight and a clear understanding of market dynamics.

### ***Capital Raise Justification***

The decision to proceed with the recent capital raise was made after a comprehensive analysis of the Corporation's growth strategy and financial outlook. This capital raise was not only necessary but also prudent, aimed at enhancing our financial agility to seize emerging opportunities. iolite's assertion that this capital raise was unnecessary is misinformed. We have always prioritized shareholder value, as evidenced by our enviable track record and strategic initiatives.

To further enhance its growth, Dynacor is always looking to undertake new projects, one of which is the construction of a pilot gold ore processing plant in Senegal (the "**Plant**"). The Plant will have an initial capacity of 50 tonnes per day and will aim to establish the financial and operational parameters for larger commercial operations in West Africa. The construction of the Plant is expected to begin during the second quarter of 2025.

By 2030, Dynacor plans to expand its operations not only in Senegal through the Plant but also in Ghana and Côte d'Ivoire.

In addition to developing the market in West Africa, Dynacor also aims to increase its market footprint in Latin America. To achieve this, Dynacor intends to build four new processing plants, with an investment that could reach up to 100 million U.S. dollars.

All of the aforementioned initiatives are aimed at enabling Dynacor to achieve an annual production of 500,000 ounces of gold, thereby potentially generating sales of over one billion U.S. dollars, based on the anticipated cost of gold.

### ***Financial Oversight and Strategic Vision***



Dynacor's leadership possesses significant expertise in M&A and international expansion, which positions the Corporation for sustainable growth. We are vigilant in our oversight of financial resources, ensuring that cash reserves are utilized effectively and strategically. The Corporation's strategic initiatives are designed to secure long-term profitability and shareholder value, contrary to claims of eroding profitability.

### ***Board Representation Process***

We have duly acknowledged and considered iolite's interest in board representation; however, Dynacor will not be pressured into decisions that do not align with the Corporation's long-term strategic vision. The board nomination process is robust and ensures that any additions to the board contribute positively to our governance and strategic objectives. Leitz's nomination was considered through the appropriate channels, ensuring that any decision serves the best interests of the Corporation. Leitz simply does not possess the required skills and experience.

### ***Misalignment Claims***

Contrary to iolite's claims of misalignment and poor communication, Dynacor has consistently engaged with its shareholders and remains transparent in its operations. Our strategic decisions are communicated effectively, ensuring accountability at all levels. The suggestion of dilatory tactics is not only unfounded but disregards the complex nature of corporate governance and strategic planning.