



# Acquisition of Arkham Metals SAS (Ecuador)

---

July 8, 2025

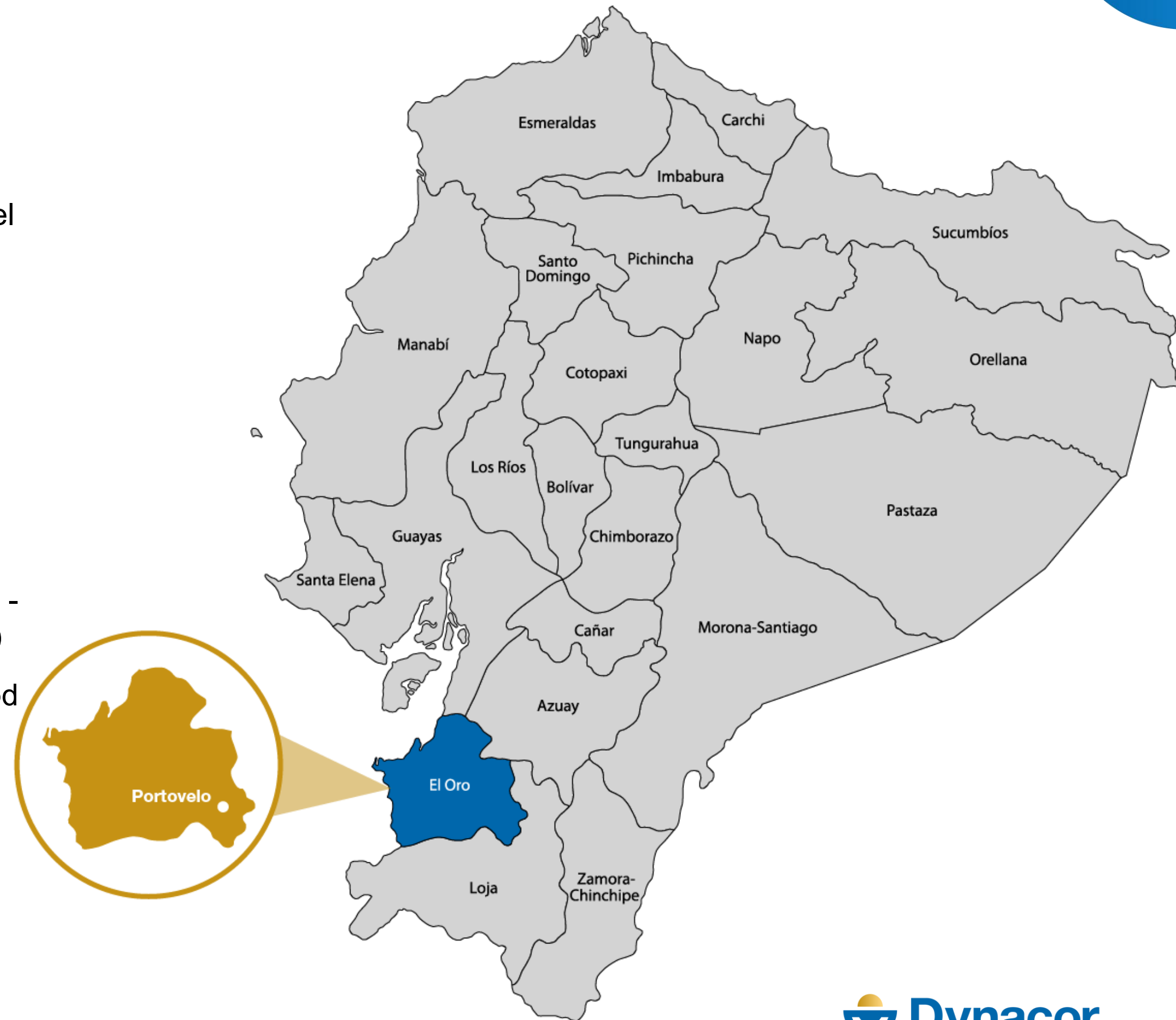


## CAUTION REGARDING FORWARD-LOOKING STATEMENTS / NON-IFRS MEASURES

- ❑ 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.
- ❑ Throughout this presentation, the Corporation has provided measures prepared according to IFRS Accounting Standards as well as some non-IFRS financial performance measures. Because the non-IFRS performance measures do not have any standardized definition prescribed by IFRS Accounting Standards, they may not be comparable to similar measures presented by other companies. The Corporation provides these non-IFRS financial performance measures as they may be used by some investors to evaluate our financial performance. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. Additional details for these non-IFRS measures can be found in sections 4, of Dynacor's MD&A, which is posted on Dynacor's website at [dynacor.com](http://dynacor.com), and filed with SEDAR+ at [sedarplus.ca](http://sedarplus.ca).

# INTRODUCING THE SVETLANA PLANT

Location	<ul style="list-style-type: none"> <li>❑ Portovelo, El Oro, Ecuador</li> <li>❑ 600 km SE of Quito</li> <li>❑ Elevation: +850m above sea level</li> </ul>
Land package	<ul style="list-style-type: none"> <li>❑ 33 hectares</li> </ul>
Processing method	<ul style="list-style-type: none"> <li>❑ Carbon in pulp (CIP)</li> </ul>
Plant design	<ul style="list-style-type: none"> <li>❑ Gravity recovery system with leaching and CIP circuits and Zadra elution circuit</li> </ul>
Historic production	<ul style="list-style-type: none"> <li>❑ Gold production of between 15K - 30K oz Au annually (excl. Ag oz)</li> </ul>
Throughput achieved	<ul style="list-style-type: none"> <li>❑ Maximum of between 700-800 tpd</li> </ul>
Government royalties	<ul style="list-style-type: none"> <li>❑ Royalty of 3% of the total gold sales payable</li> </ul>
Power generation	<ul style="list-style-type: none"> <li>❑ Grid with full genset backup</li> </ul>





# TRANSACTION SUMMARY



## Transaction

- ❑ Dynacor has signed a share purchase agreement to acquire “Svetlana”, the Arkham Metals SAS processing plant and assets in Portovelo, Ecuador.
- ❑ 100% equity interest from Pelorus Minerals Limited, wholly owned subsidiary of Arkham Metals Limited Australia.



## Consideration

- ❑ **Total consideration of \$25 million** includes the \$9.75 million purchase price and will be disbursed over a two-year period.



## Funding

- ❑ Cash on hand (proceeds from \$22.1 million financing of February 6, 2025).
- ❑ \$59 million in cash and short-term investments as of March 31, 2025.



## Timeline and Next Steps

- ❑ Transaction has been approved by the Dynacor board.
- ❑ Closing of share purchase agreement expected on ~July 14, 2025.
- ❑ Immediate priorities involve full assessment of plant and its upgrade before ramp-up (see slide 10).





# NEW PLANT WILL ENHANCE OPERATING FOOTPRINT

## Consistent with plan to become a multi-asset gold processor:

- ❑ Fully funded, permitted processing plant, that following initial ramp-up, is expected to increase annual production by >75,000 oz (300 tpd)<sup>1</sup>
- ❑ Strategic acquisition of Dynacor's second processing plant, and first in Ecuador, a country with a pre-Inca mining history.

## Located in Ecuador's gold mining district:

- ❑ Provides a platform for growth in a hotspot mining region.

## Quality operating plant that leverages Dynacor's strengths:

- ❑ Excellent fit with Dynacor's technical skill set.
- ❑ Multi-decade operating history of a carbon-in-leach (CIL) plant in Peru.
- ❑ New tailings pond built in 2019.

## Offers Upside:

- ❑ Plant is built and permitted for 1,500 tpd but only operated to ~730 tpd max. (non continuously).
- ❑ Purchase price includes processing plant, infrastructure, and 3 tailings storage facilities (2 inactive).
- ❑ Country offers potential for multiple plants.



<sup>1</sup>Assumes production and purchasing consistent with Veta Dorada post ramp-up



# ACQUISITION RATIONALE AND BENEFITS

## Strategic rationale

Adds a second, permitted processing plant in a location with significant ASGM miners

Adds up to +75K AuEq oz to annual production profile following ramp-up to 300 tpd, assuming production and purchasing consistent with Peru experience

Installed capacity gives platform for future growth in central mining district.

Fully funded mill with extensive infrastructure

## Other considerations

Expands presence into a new jurisdiction:

- Operating history
- Maintenance staff; new personnel required for overhaul and ramp-up

Senegal pilot plant construction:

- On track and fully funded for completion by Q1-2026

Ongoing generation of positive cash flow from Peru operations





# | SVETLANA MILL OVERVIEW



## Operations

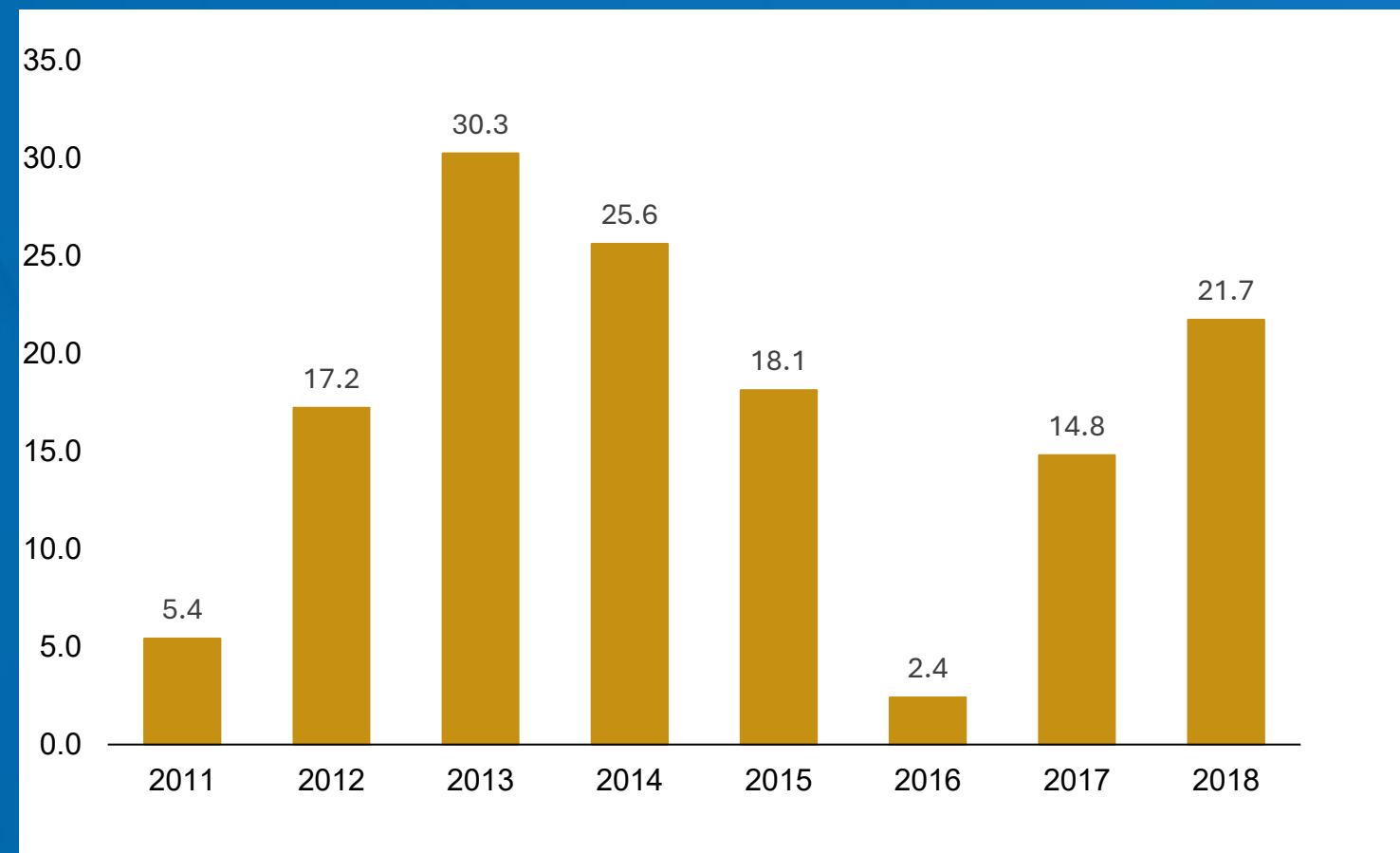
- Intermittent operations between 2011-2020; commercial production reached in Q4-2013
  - In 2018, a total of 249,753 tonnes were mined, and 21,748 oz Au produced (3.02 g/t).
  - Sold to Titan Minerals Ltd. in Feb 2020 and placed in care and maintenance.
  - In July 2021, sold to Pelorus Minerals.
- Ore sourced from a single mining concession – a different business model.



## Improvements

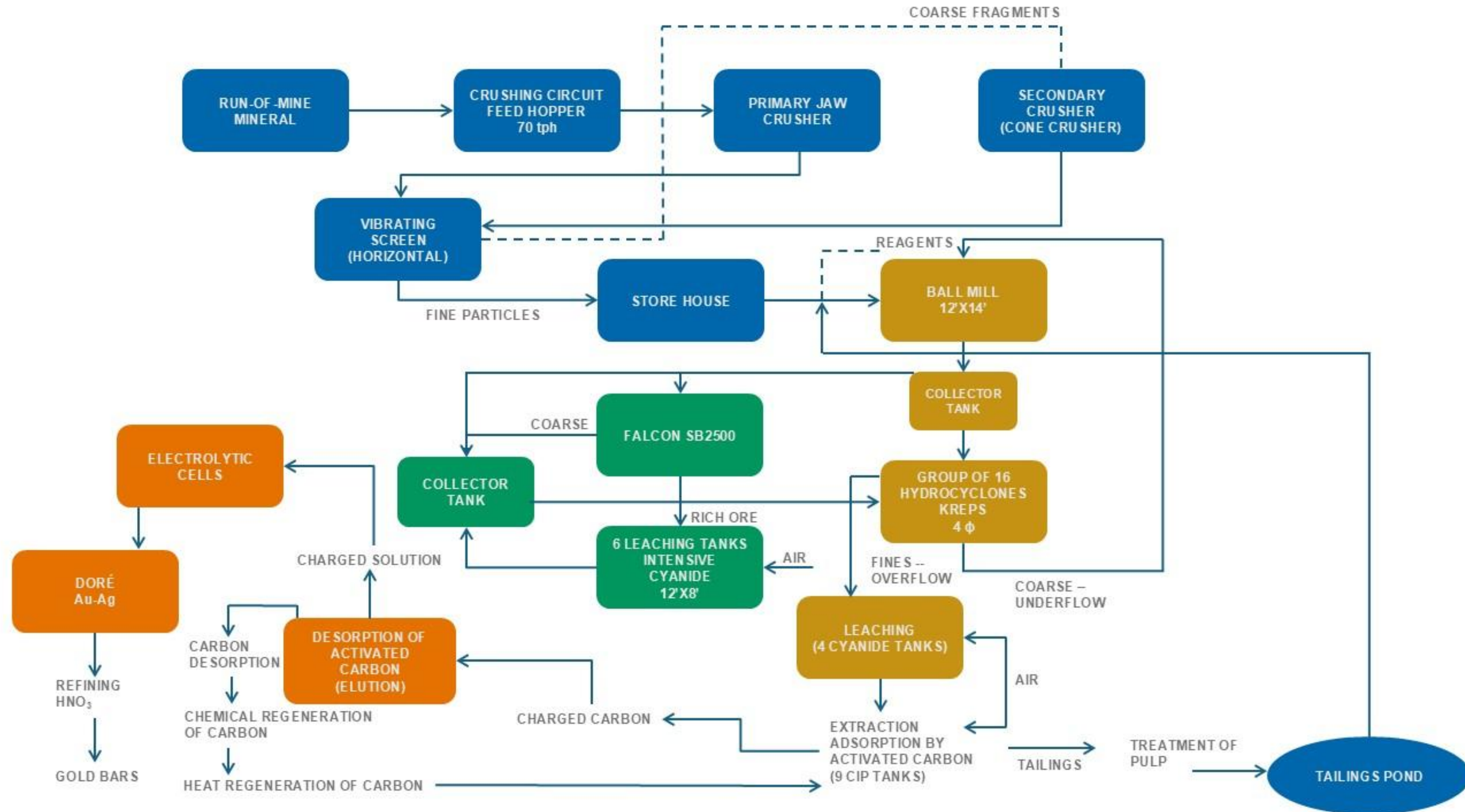
- New tailings facility became operational in 2019.

**Historical Gold Production ('000 oz)**





# CURRENT PLANT FLOWSHEET





# ECUADOR'S STRONG ASGM POTENTIAL



## Svetlana located in the heart of Ecuador's gold processing ecosystem:

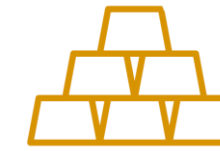
- Existing gold processing plants are predominately located in Zamora Chincipe, Azuay, El Oro, Tungurahua, Cotopaxi and Guayas
- Portovelo** in El Oro seen as THE main mining location in Ecuador due to presence of multiple high-tech processing plants

## Under the current ASGM model in Ecuador,

- Most miners either process ore themselves or send to a flotation toll mill**, which processes it into a concentrate that is sold to aggregators or exported internationally.
- Formalised miners and legal processing plants have the option of selling doré** to the Central Bank of Ecuador (CBE).
  - Under the CBE's buying programme from ASGM, local processing plants act as official intermediaries.

## Dynacor's model is supported by the Ecuador government:

- Plan to buy fresh ore from miners and transform into doré.
- Miners no longer have to resell their concentrate to an aggregator for international export.



85%<sup>1</sup>

OF NATIONAL GOLD  
PRODUCTION FROM ASGM



100K+

ASGM MINERS



171

MILLS NATIONWIDE



100

TOLL PROCESSORS  
(MINIMUM)

OF WHICH



CBE

GOLD ACQUISITION  
PROGRAMME FROM ASGM



90%

MAXIMUM GOLD RECOVERED  
FROM CURRENT MILL  
OPERATIONS



## 2025 PRIORITIES

### Upgrade processing plant:

- ☐ Assess mechanical equipment, electrics, site, structural and buildings, piping and foundations for upgrade.
- ☐ Review flowsheet, mass and water balance, and design criteria.
- ☐ Conduct an in-depth evaluation of optimal upgrade solutions for equipment and manage the tender process.

### Secure and upgrade tailings storage capacity:

*In partnership with a reputable geotechnical firm,*

- ☐ Safely decommission 2 historic tailing ponds in line with international structural stability and environmental practices.
- ☐ Restart third tailings pond:
  - ☐ Implement monitoring and inspection plan.
  - ☐ Assess expansion of pond.
- ☐ Evaluate existing opportunities for a new tailing facility.

### Prepare operational readiness:

- ☐ Develop ore purchasing network.
- ☐ Establish operating, safety and quality procedures.
- ☐ Prepare training and upskilling of personnel.





## QUESTIONS ON ECUADOR?

[investors@dynacor.com](mailto:investors@dynacor.com)

514.393.9000 #236

[www.dynacor.com](http://www.dynacor.com)

