



# Acquisition of Arkham Metals SAS (Ecuador)

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July 8, 2025

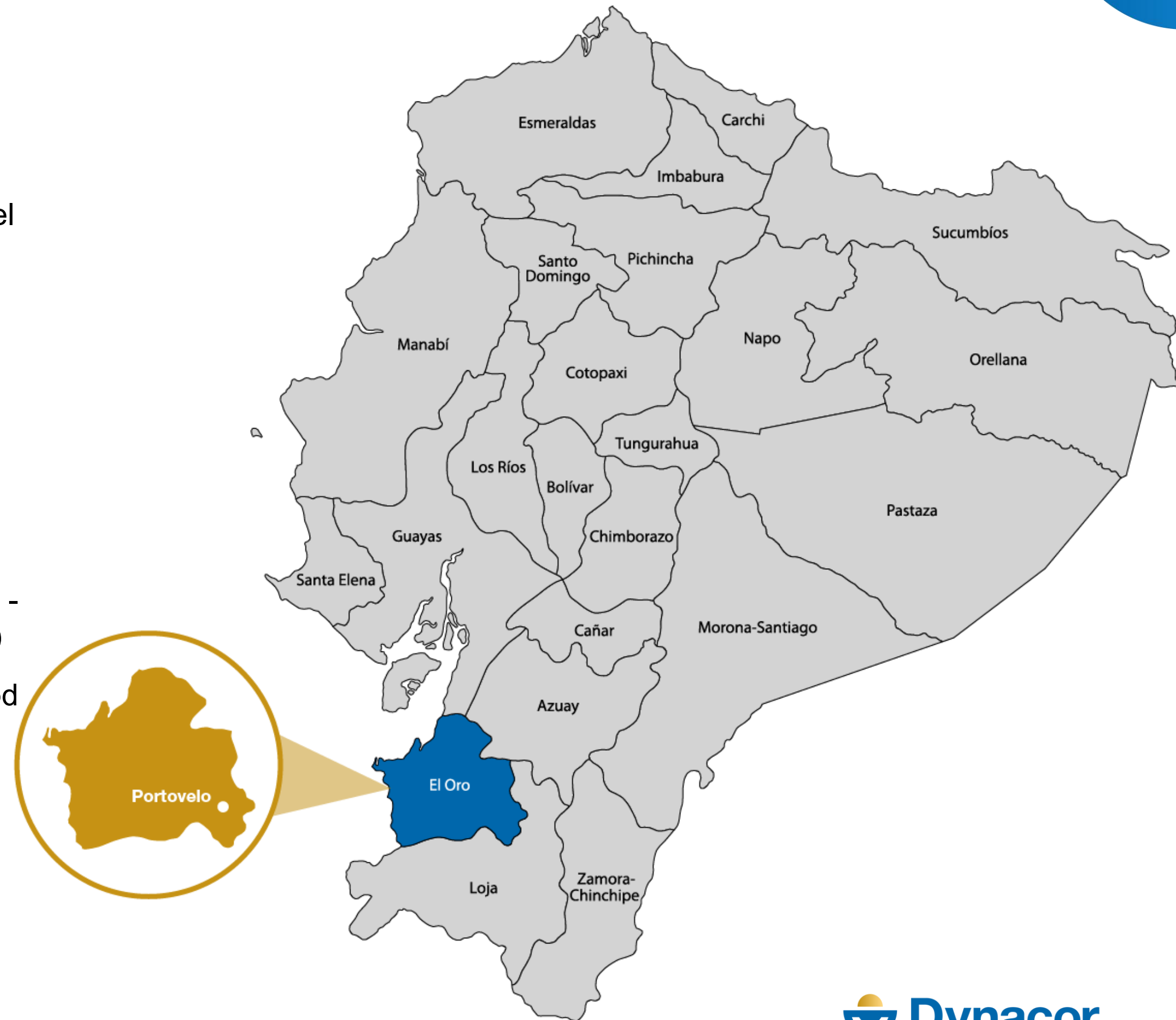


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# INTRODUCING THE SVETLANA PLANT

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

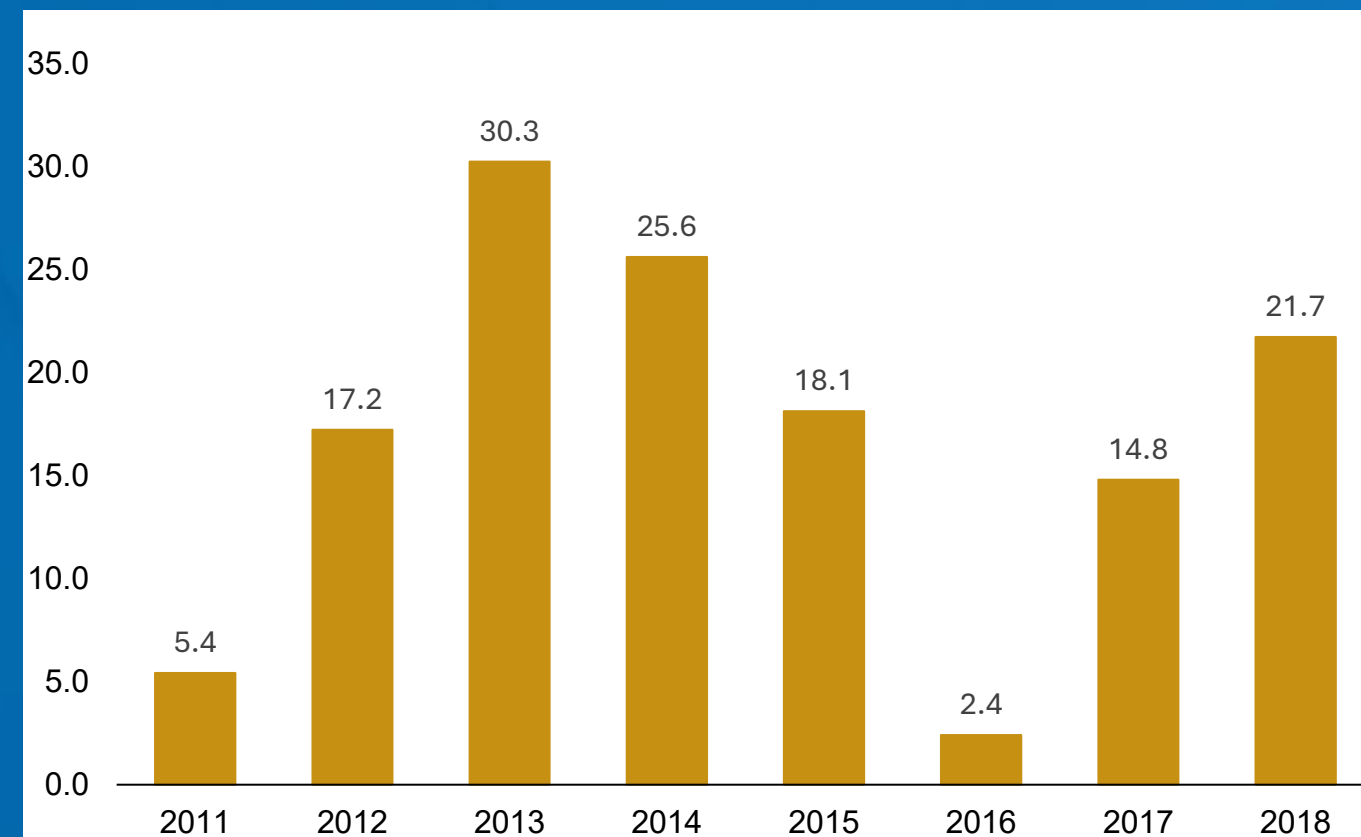
- Intermittent operations between 2011-2020; commercial production reached in Q4-2013
  - In 2018, a total of 249,753 tonnes were mined, and 21,748 oz Au produced (3.02 g/t).
  - Sold to Titan Minerals Ltd. in Feb 2020 and placed in care and maintenance.
  - In July 2021, sold to Pelorus Minerals.
-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



## Improvements

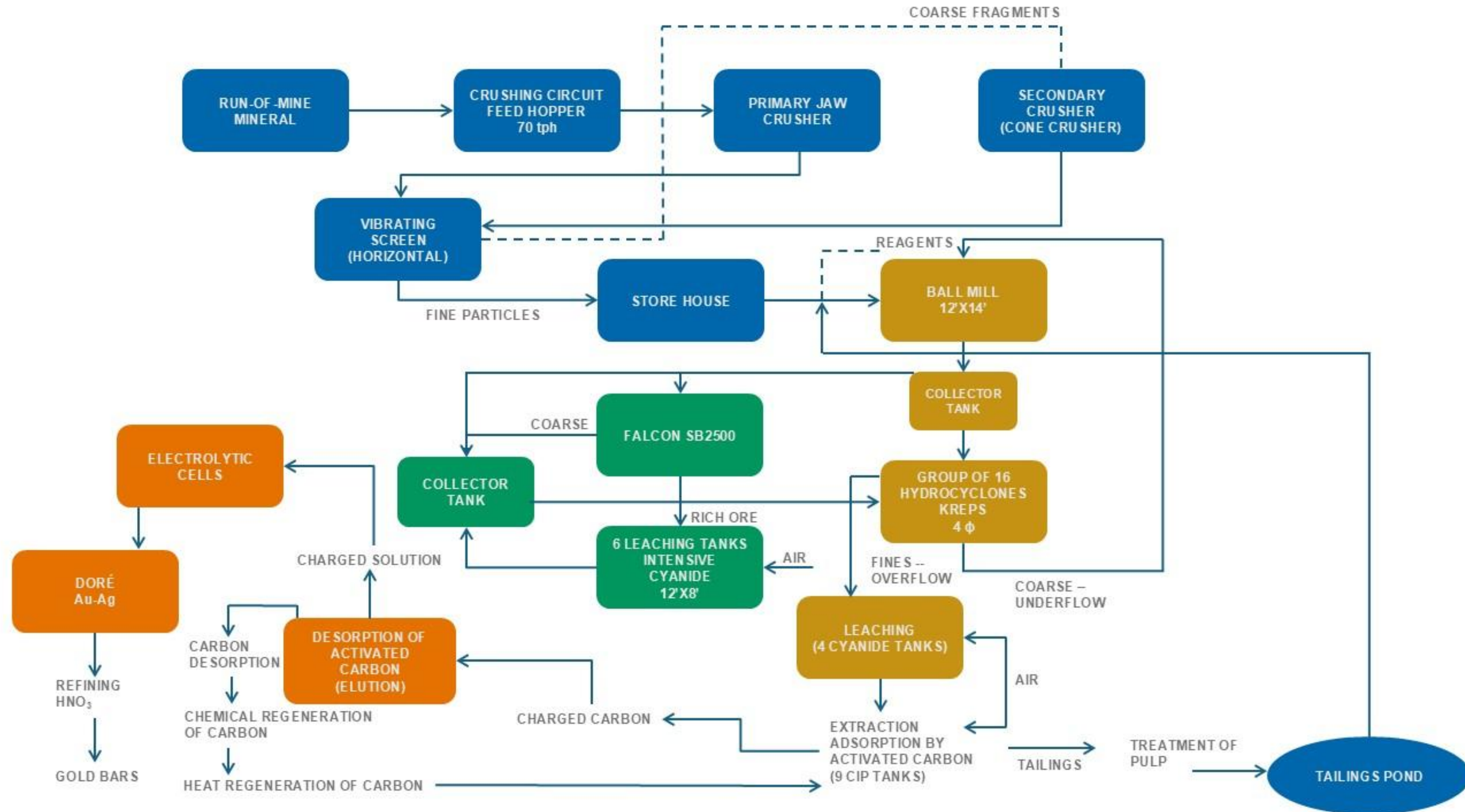
- New tailings facility became operational in 2019.

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





# CURRENT PLANT FLOWSHEET





# ECUADOR'S STRONG ASGM POTENTIAL



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

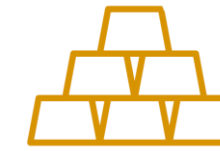
- Existing gold processing plants are predominately located in Zamora Chincipe, Azuay, El Oro, Tungurahua, Cotopaxi and Guayas
- Portovelo** in El Oro seen as THE main mining location in Ecuador due to presence of multiple high-tech processing plants

## 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?

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