

# Management Discussion and Analysis

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For the year ended  
December 31, 2025



**DYNACOR GROUP INC.**  
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## **MANAGEMENT DISCUSSION AND ANALYSIS**

Message from the President,

Dear Fellow Shareholder,

I am pleased to reflect on this year of steady, strategic progress for Dynacor. Following a record year in 2024, 2025 was defined by material expansion progress, operational excellence, record cash flow generation and balance sheet strength that supported record returns to our shareholders.

### **Maintaining our disciplined execution**

Operationally, the past year exemplifies Dynacor's long track record of resilience and consistent execution. Full year production of 113,791 gold-equivalent ounces was lower than initially guided due to ore supply disruptions in the second and third quarters. Despite the external challenges, we delivered a near record second-half operational performance, reflecting the professionalism and dedication of our team.

The revised guidance beat was underpinned by the launch of continuous improvement projects that improved plant performance and productivity and are expected to impact for the long term.

Coupled with record high gold prices, our operational delivery translated into record revenue of \$397.6 million and record operating cash flow of \$25.4 million. The balance sheet strength supported record returns to our shareholders, with dividends increasing for a seventh consecutive year to CA\$0.16 annually.

### **Accelerating our growth pipeline**

In parallel to meeting guidance and key operational milestones, we set the stage in 2025 for our bold expansion plan. Key achievements in this regard were the strengthening of our internal capacity through reorganisation of our Peruvian subsidiary and new hires in Canada, and our acquisition of the 1,500-tpd, permitted Svetlana plant in Ecuador. When relaunched in Q4-2026, Svetlana will bring a material increase in our installed capacity, while enriching the geographic diversity of our business.

In the year, our seasoned construction team also made substantive progress in building our pilot plant in Senegal, which is expected to begin ore feed in Q2-2026. The project represents an important milestone in our African expansion, designed to confirm the key data to inform decisions and approaches for potential commercial hard rock plants in Africa. This includes in Ghana, a cornerstone country in our African growth strategy, where we are in discussions with GoldBod regarding our investment proposal.

### **Expanding our sustainable practices**

At Dynacor, we are resolved to build and conduct our operations to the highest international standards while minimizing their environmental impact. In Senegal and Ecuador, we have chosen to comply with the Global Industry Standard on Tailings Management (GISTM), the strictest international standard, to prioritize safety at every stage of the design of their tailings storage facilities (TSFs). Once in operation, we will gradually align management of the TSFs with the requirements of the GISTM. Moreover, the Senegal "dry-stack" TSF is being built with the use of filtered tailings technology, resulting in economic, safety and environmental benefits for our stakeholders. Going forward, we expect to invest in filtered dry stack in each of our African new builds.

Beyond responsible production, our operations in new host countries will enhance our social impact through the significant economic contributions made through taxes, local procurement and hires, and community investment.

### **Investing in growth enablers**

In addition to our international expansion, we are investing in technology, digitalisation and AI, enhancing operational efficiency and integrity, and accelerating our value creation to stakeholders. Our pilot project with aXedras' xTrace™ verification technology on our supply chain will provide scientific provenance control data from the rock face to our mill, further augmenting the traceability of our gold and underpinning our mercury-free approach. In our operations, the automation initiated by certain optimisation projects accelerates our efficiency, lowering consumption of reagents and our long-term costs. And our plan to implement an ERP system has the aim of standardising processes, boosting operational efficiency and data reliability, and reinforcing our controls and growth capacity.

### **Growing our credibility**

From a corporate perspective, 2025 was also a year of strong external validation. The oversubscribed equity financing by institutional investors was a meaningful endorsement of our expansion strategy and management team credibility. Our deepening cooperation with World Gold Council and LBMA underscore the growing international interest in leveraging our leadership to help regulate ASGM. Together, these back our expansion in Africa and Latin America and place us at the forefront for what we believe is becoming a new era in the ASGM space.

### **Looking back, building forward**

Last year's achievements stem from the collective strength and dedication of our strengthened team, the loyalty of our suppliers, and the ongoing support and trust of our shareholders. I would particularly like to thank Len Teoli for his long-serving tenure at Dynacor. From 2011 to 2025, Len spearheaded our corporate finance function through a period of significant company growth, most recently serving as our CFO and VP, Finance. We wish Len the very best in his next chapter.

We enter this 30th anniversary year from a position of strength that includes a talented and committed team, the momentum of a transformational year, and a debt-free balance sheet to support our strategic vision. We look forward to sharing continued progress in 2026 as we work to deepen long-term value for our shareholders and advance towards our goal of becoming a multi-asset processor.

Sincerely,

**(S) Jean Martineau**

President & CEO, Dynacor Group Inc.

## Dynacor Group Inc.

Management Discussion and Analysis

December 31, 2025

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### Introduction

This Management Discussion and Analysis (the “MD&A”) for Dynacor Group Inc. (“Dynacor” or the “Corporation”) is intended to help the reader understand the strategy, continuing operations and financial performance of the Corporation and comment on the Corporation’s major activities which have occurred during the year ended December 31, 2025 as well as the subsequent period up to March 24, 2026. This MD&A should be read in conjunction with Dynacor’s audited consolidated financial statements as at the year ended December 31, 2025 (the “Annual Financial Statements”).

The Corporation has prepared the MD&A with reference to National Instrument 51-102, “Continuous Disclosure Obligations” of the Canadian Securities Administrators.

All amounts are in United States dollars (in “US dollars”), unless otherwise indicated, which is the Corporation’s presentation and functional currency.

Where we say “we”, “us”, “our”, the “Corporation” or “Dynacor”, we mean Dynacor Group Inc. and/or one or all of its subsidiaries, as it may apply. The information provided herein, effective as of March 24, 2026, is based on assumptions related to future events and results, which may vary. Further information on the Corporation and its operations has been filed electronically on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at [www.sedarplus.ca](http://www.sedarplus.ca).

### Responsibility of financial reports

Management is responsible for the preparation of the Financial Statements and the MD&A. The Corporation’s Board of Directors (the “Board”) has the responsibility to ensure that management assumes its responsibilities with regard to the preparation of the Financial Statements and the MD&A. To assist management, the Board has created an Audit and Risk Management Committee “Audit Committee”. The Audit Committee meets with management to discuss the operating results and the financial situation of the Corporation. It then makes its recommendations and submits the Financial Statements and the MD&A to the Board for their review and approval. Following the recommendation of the Audit Committee, the Board approved the Financial Statements and the MD&A on March 24, 2026.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). Consequently, all comparative financial information presented in the MD&A reflects the consistent application of IFRS Accounting Standards. The Financial Statements have been filed electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Listing

Dynacor is a publicly traded corporation listed on the Toronto Stock Exchange (“TSX”) under the ticker “DNG”.

### Business and strategy

The Corporation's main activities consist of:

- the production of gold and silver from the processing of mineralized ore purchased from small-scale artisanal miners ("ASM") registered with the Peruvian government;
- the development of new processing activities in Peru, Senegal, Ecuador and in other jurisdictions;
- the exploration of its mining properties located in Peru, with the potential for commercial extraction of gold and other precious metals.

The Corporation purchases ore from local government-registered ASM from various regions of Peru which it then processes at its wholly owned milling facility to produce gold bars and silver pellets which are sold internationally at market prices. All of the Corporation's gold sales are with one sole customer. However, management considers economic dependence does not exist as the Corporation can sell its gold to numerous clients worldwide. The Corporation also owns the rights on several mining properties which are at the exploration stage, including its gold, copper, and silver exploration prospect, the Tumipampa property ("Tumipampa").

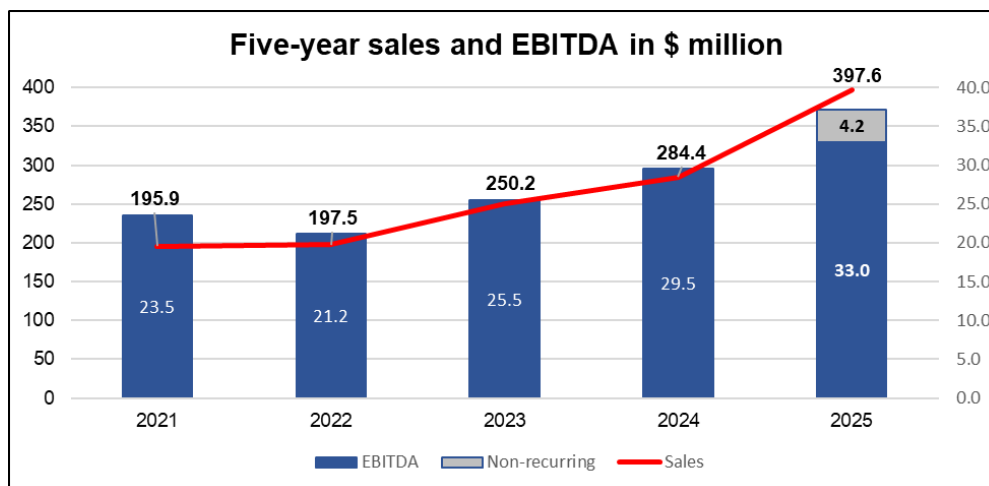
The Corporation's strategy is to maximize shareholders' value by effectively managing its existing assets as well as pursuing organic and strategic growth opportunities. The solid cash flow generated by its ore-processing activities enable Dynacor to fund its current capital needs, exploration/development programs for its exploration assets and explore growth opportunities. It also enables it to face difficult market conditions without relying on the equity markets to raise capital for current activities in Peru. The Corporation's plant in Chala, Peru has an ore-processing capacity of 500 tonnes per day ("tpd"). The development of new activities in other jurisdictions may require additional funding depending on the timing of such growth.

## 1-2025 OVERVIEW AND HIGHLIGHTS

(Variance % compared to 2024 are calculated based on rounded figures.)

### OVERVIEW

Dynacor recorded in 2025, sales of \$397.6 million, net income of \$21.3 million (US\$0.51 per share) and EBITDA of \$33.0 million, compared with sales of \$284.4 million, net income of \$16.9 million (US\$0.46 per share) and EBITDA of \$29.5 million in the prior year.



### HIGHLIGHTS

- **Production** of 113,791 gold-equivalent ounces (“AuEq ounces”), exceeding revised annual guidance, and in line with historical levels.
- **Record financial results driven by strong gold pricing and execution:**
  - Sales of \$397.6 million in 2025 (increasing 39.8% over 2024) at an average realised gold price of \$3,497/oz.
  - Operating cash flows before changes in working capital items of \$25.4 million (\$0.61 per share) compared to \$21.0 million (\$0.57 per share) in 2024.
  - EBITDA<sup>1</sup> of \$33.0 million in 2025 compared to \$29.5 million in 2024.
    - Excluding non-recurring expenses of \$4.2 million (\$1.9 million non-cash), EBITDA would have totaled a record \$37.2 million.
  - Net income of \$21.3 million compared to \$16.9 million in 2024 and diluted EPS of \$0.50.
- **Strategic acquisition of the Svetlana plant in Ecuador secured with Q1-2025 financing of \$22.1 million (CA\$31.6 million).**

<sup>1</sup> EBITDA: “Earnings before interest, taxes and depreciation” is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another corporation. The Corporation uses this non-IFRS measure as an indicator of the cash generated by the operations and allows investor to compare the profitability of the Corporation with others by canceling effects of different assets basis, effects due to different tax structures as well as the effects of different capital structures. EBITDA is calculated on page 20 of this MD&A, with additional information provided in section 17, “Non-IFRS Measures.”

### HIGHLIGHTS (continued)

- **Fast-tracked international expansion:**
  - Launched integration and operations upgrade of Svetlana. First ore is scheduled for Q4-2026.
  - Advanced the pilot plant in Senegal from planning to on-site delivery of equipment. First ore is expected in Q2-2026.
  - Signed an MOU with a potential joint venture partner and submitted proposal to Ghana's GoldBod.
  - Reinforced management capacity and processes in Peru.
- **Increased monthly dividends** to CA\$0.16 per share per year, a 14.3% increase from 2024.
- **Strong safety performance**, with a 23% improvement in lost-time injury frequency rates ("LTIFR").
  - Preventative measures prioritized, with 31,000 hours of health and safety training provided to the Veta Dorada team and 8,500 hours to artisanal miners.
- **Strengthening of leadership team in Canada:** Expansion of Montreal leadership team with key appointments aimed at strengthening operational excellence and driving business expansion in addition to a planned CFO transition.

### Q4-2025 Highlights

- Record revenue of \$137.4 million, an 88.0% increase compared to Q4-2024.
- Record operating cash flows before changes in working capital items of \$8.8 million (\$0.21 per share), a significant increase compared to \$2.8 million (\$0.08 per share) in the prior-year period.
- Record net income of \$7.2 million (+\$5.5 million versus Q4-2024), and diluted EPS of \$0.17 (+\$0.13 versus Q4-2024).
- Production of 32,838 AuEq ounces, a 20.0% increase compared to Q4-2024.

*(Detailed variance calculations and explanations are contained in section 6)*

## 2-UPDATE ON INTERNATIONAL EXPANSION

•**Senegal** – Work on the pilot plant is advancing on schedule with site work continuing in tandem with shipments on site. Deliveries of the modular plant made so far on site include the Merrill Crowe circuit, jaw crusher, leaching tanks, offices and laboratory. All remaining equipment is either in Dakar or in transit to it.

Site preparations to host the plant are progressing to plan. Work includes the concrete foundation pour, tailings pond cells, fencing and the access road. The water borehole to supply the plant has been completed. Building on its multi-year discussions with key players, the Corporation is in pricing discussions with local ASM sites to supply the ore feedstock needed for the pilot plant. Processing of first ore remains on track for Q2-2026.



*Figure 1: March 2026 overview of the pilot plant site in Senegal.*

## **2- UPDATE ON INTERNATIONAL EXPANSION (continued)**

• **Ecuador** – On July 14, 2025, the Corporation completed the acquisition of 100% of the shares of the Svetlana processing plant and related assets for a total cash consideration of \$9.75 million. The acquisition includes plans to upgrade and ramp up the facility to a production capacity of 300 tpd, before progressively increasing to 500 tpd. Currently, first ore is expected to be processed in Q4-2026. Since its closing, the Dynacor team has been integrating the new subsidiary in Ecuador on multiple fronts:

- Process plant retrofit - The detailed engineering contract has been awarded for the remediation of the historical tailings ponds and the upgrade of the active tailings pond. Dynacor's self-performing project team is already on site, which will favour local Ecuador suppliers. The main Requests for Quotation are being prepared for the critical path activities.
- Dynacor's subsidiary in Ecuador was set up and named Sumacor-EC after quarter-end, recruitment of key personnel has begun, and first operational hires are already on site.

For more details on the acquisition, refer to the July 8, 2025 news release and related presentation <https://dynacor.com/acquisition-of-arkham-metals/>.

• **Ghana** – Dynacor has submitted investment proposals to GoldBod, Ghana's government-owned entity with authority over gold trading and export activities involving ASM, regarding its establishment in country. Discussions are advancing.

• **Peru** – In 2025, the Corporation launched the reorganization of its Peruvian subsidiary with the aim of strengthening its internal capacity and performance in support of its international expansion initiatives. The reorganization involves a framework of systems, policies and procedures designed to enhance management expertise, processes, and governance, in alignment with Dynacor's core values. Implementation of the transformation plan is progressing and is strengthening teams in both Peru and Canada.

## **3-ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) UPDATE**

Dynacor tracks its sustainability performance to understand progress and achievements across a range of material topics and indicators and draws upon internationally recognized methodologies such as the Global Reporting Initiative ("GRI") to guide its ESG Report:

- In June 2025, the Corporation released its annual ESG report, outlining its 2024 sustainability performance.
- In Q2-2025, Dynacor published its 2024 Report on Modern Slavery and its 2024 report under the Extractive Sector Transparency Measures Act

### **Health, Safety and Environment – Peru**

- Strong safety performance includes a 23.0% improvement in LTIFR:
  - The Accident Severity Rate ("ASR") fell by 14.0% during 2025, reflecting continued improvement compared to recent years.
- Preventative approach to health and safety (H&S) focuses on training and workshops:
  - Provided 31,000 hours of H&S and environmental training to the Veta Dorada team.
  - Provided 8,500 hours of on-site H&S training to over 2,900 artisanal miners.
- Recorded zero environmental incidents across Dynacor's operations and projects.

### **3-ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) UPDATE (continued)**

#### **Health, Safety and Environment – Ecuador and Senegal**

- Ecuador - Repurposed on-site metal waste by its delivery to authorised recycling companies.
- Ecuador - Complementary environmental permit in final stages.
- Ecuador - Initiated training in Ecuador on environmental regulations and occupational risk prevention.
- Senegal - Launched update of the environmental impact study and began preparing for public consultation.
- Recorded zero environmental incidents across Dynacor's operations and projects.

#### **Communities –**

- Impacted more than 10,000 Peruvians through investments in ASM community education, health and natural resource protection initiatives.
- Began providing as-needed support to local communities in Ecuador in order to build local capacity. Initiatives include promotion of employment for single mothers, training in solid waste management, and improvement of road infrastructure.



*Figure 2: Donation of Christmas baskets to families from Svetlana communities in Ecuador.*

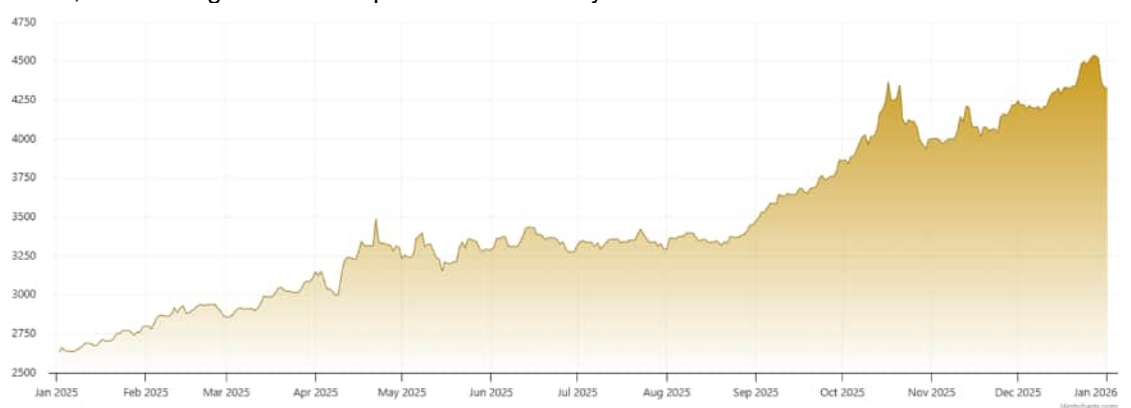
- Signed a partnership agreement between Galam S.A., Dynacor's subsidiary in Senegal, and a local, technical, industrial and mining high school with an aim of creating internship opportunities for local youth and fostering local wealth creation.

## 4-KEY ECONOMIC TRENDS

### Gold market price

In 2025, the market price of gold increased gradually throughout the year, with stronger momentum beginning in September. The gold market price in 2025 averaged \$3,435/oz which is higher than the preceding four years (\$2,387/oz in 2024, \$1,943/oz in 2023, \$1,801/oz in 2022 and \$1,800/oz in 2021).

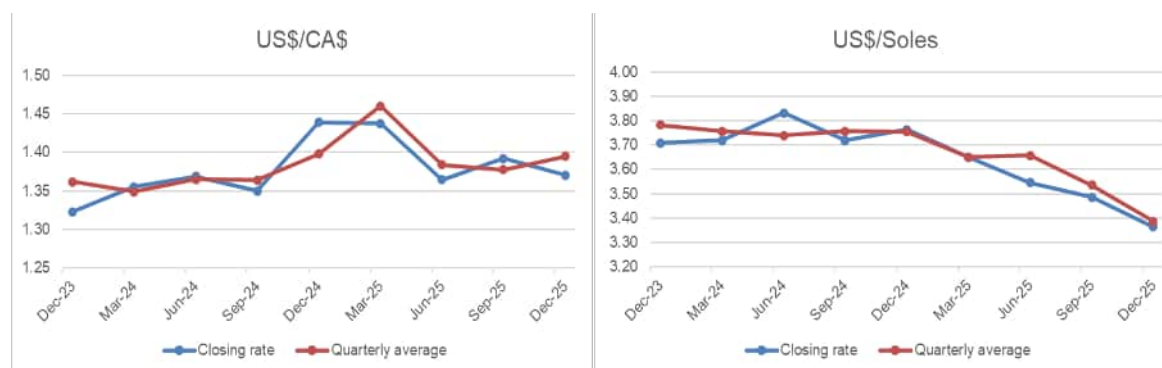
Below, a chart of gold's market price over the last year.



### Exchange rates

The quarter-end and quarterly average exchange rates for 2025 and 2024 were as follows:

	US\$/CA\$		US\$/Soles	
	2025	2024	2025	2024
December 31 (closing rate)	1.371	1.439	3.365	3.764
Q4 (average rate)	1.395	1.398	3.387	3.754
September 30 (closing rate)	1.392	1.350	3.485	3.719
Q3 (average rate)	1.377	1.364	3.535	3.757
June 30 (closing rate)	1.364	1.369	3.546	3.832
Q2 (average rate)	1.384	1.365	3.657	3.740
March 31 (closing rate)	1.438	1.355	3.651	3.718
Q1 (average rate)	1.460	1.349	3.701	3.756
Total year (average rate)	1.404	1.369	3.570	3.752

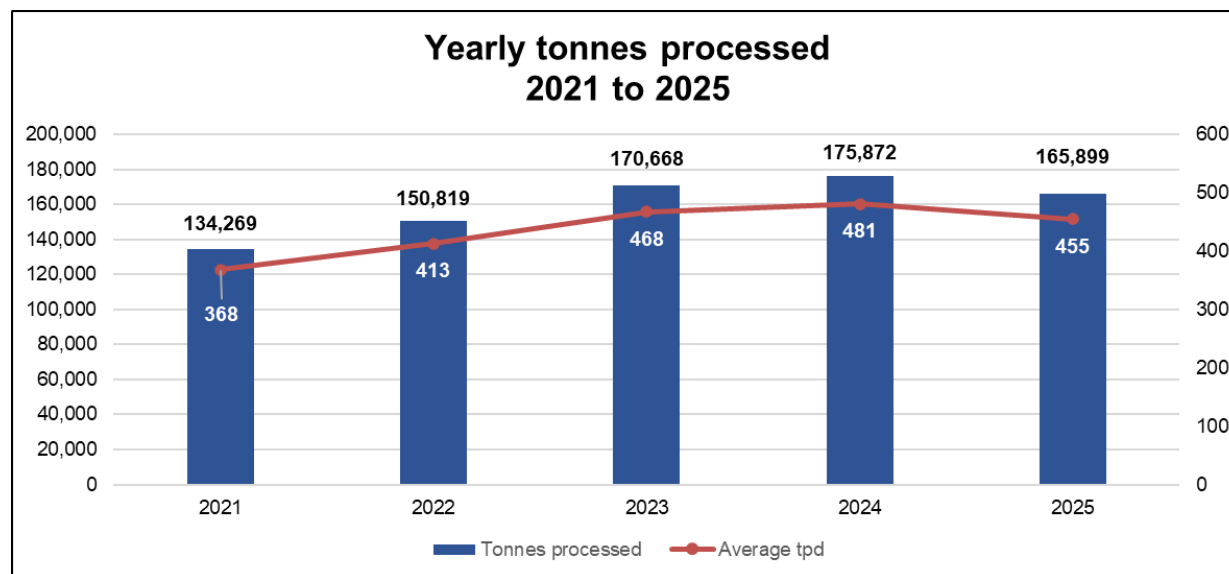


The Peruvian sol decreased consistently through 2025. The Canadian dollar also decreased in early 2025, then recovered through the second half of the year, ending close to its long-term range.

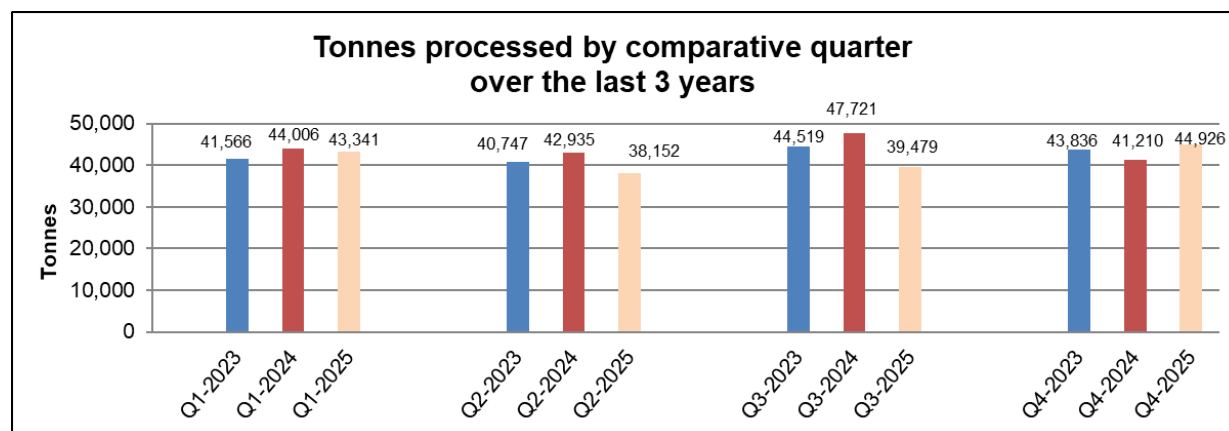
The Corporation does not have any hedging contracts.

**5-OVERALL PERFORMANCE**

In 2025, more than 162,000 tonnes of ore were delivered to the Veta Dorada plant, enabling the plant to process over 165,000 tonnes of ore, slightly below 2024 levels. The latter is primarily due to a one-month government curfew affecting regional ASM activities, planned maintenance in Q2-2025, and two weeks of ASM road blockades in July.

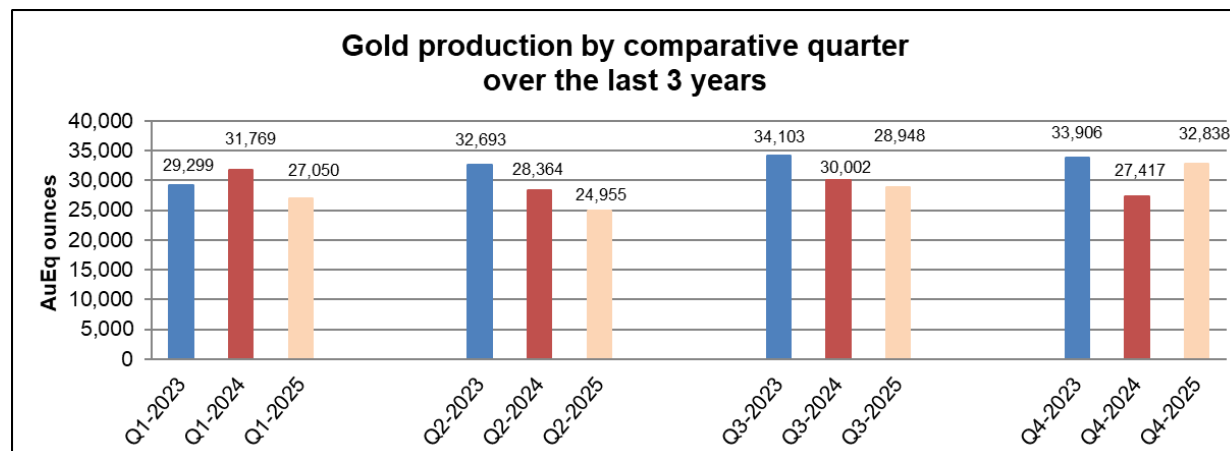


The Chala plant processed the following tonnage over the last three years.

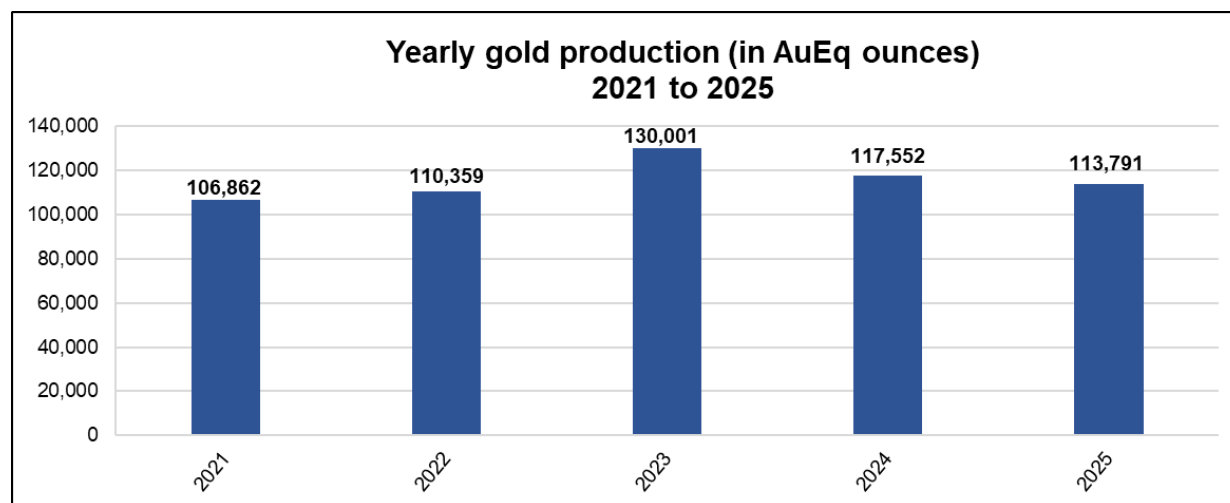


During 2025, the daily production rate averaged 455 tpd. The quarterly tonnage processed can vary due to planned plant maintenance.

**5-OVERALL PERFORMANCE (continued)**



In Q4-2025, the Corporation delivered strong operational results with production of 32,838 AuEq ounces, in line with historical levels.



From 2021 to 2023, gold-equivalent production at the Veta Dorada plant increased because of its expanded processing capacity. Production levels in 2024 and 2025 were lower, primarily reflecting reduced ore supply and lower grades delivered to the plant.

The Corporation's sales and gross margins are impacted by both gold's market price and its trend (upward or downward).

## Dynacor Group Inc.

Management Discussion and Analysis  
December 31, 2025

### 6-CONSOLIDATED RESULTS AND GOLD ORE PROCESSING OPERATIONS

#### Consolidated statement of net income and comprehensive income

(in \$'000)	Three-month periods ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024
<b>Sales</b>	<b>137,406</b>	73,060	<b>397,595</b>	284,405
Cost of sales	<b>(121,942)</b>	(66,748)	<b>(354,287)</b>	(248,608)
<b>Gross operating margin</b>	<b>15,464</b>	6,312	<b>43,308</b>	35,797
General and administrative expenses	<b>(4,826)</b>	(2,434)	<b>(14,058)</b>	(8,305)
Other project expenses	<b>(1,284)</b>	(516)	<b>(2,509)</b>	(1,377)
<b>Operating income</b>	<b>9,354</b>	3,362	<b>26,741</b>	26,115
Financial income net of expenses	<b>(10)</b>	253	<b>721</b>	864
Write-off of exploration and evaluation assets	-	-	<b>(8)</b>	(18)
Foreign exchange gain (loss)	<b>558</b>	(30)	<b>2,236</b>	(206)
<b>Income before income taxes</b>	<b>9,902</b>	3,585	<b>29,690</b>	26,755
Current income tax expense	<b>(3,282)</b>	(1,813)	<b>(9,385)</b>	(9,990)
Deferred income tax (expense) recovery	<b>595</b>	(48)	<b>984</b>	112
<b>Net income and comprehensive income</b>	<b>7,215</b>	1,724	<b>21,289</b>	16,877
<b>Earnings per share</b>				
Basic	<b>\$0.17</b>	\$0.05	<b>\$0.51</b>	\$0.46
Diluted	<b>\$0.17</b>	\$0.04	<b>\$0.50</b>	\$0.45

#### 2025 Annual Results

- In 2025, the gold price increased from approximately \$2,700/oz in January to approximately \$4,300/oz in December which positively impacted the 2025 financial performance.
- Total sales amounted to \$397.6 million compared to \$284.4 million in 2024. The \$113.2 million increase is explained by a higher average gold price (+\$127.4 million), partially offset by lower quantities of gold ounces sold (-\$14.2 million) due to the lower tonnage of ore processed.
- The 2025 gross operating margin reached \$43.3 million (10.9% of sales) compared to \$35.8 million (12.6% of sales) in 2024. The increase reflects the higher average gold price and the upward trend in gold prices during the year. Gross operating margin in 2025 was partially impacted by non-recurring items, including reorganization expenses.
- General and administrative expenses totaled to \$14.1 million in 2025 compared to \$8.3 million in 2024. The increase is primarily attributable to the expansion of the management team and the higher salaries reflecting the enhanced management capacity and processes in the context of its international expansion. The increase is also attributable to non-recurring expenses related both to the reorganization of the Peruvian subsidiary and to the legal and other costs incurred in relation to the dissident shareholder.
- Other projects represent the expenses incurred by the Corporation to duplicate its unique business model in the same or other jurisdictions including the write-off of certain capitalized costs.

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### ***2025 Annual Results (continued)***

- The foreign exchange gain is mainly attributable to the variance throughout the year of the Canadian dollar against the US dollar.
- An \$8.4 million income tax expense was also recorded in 2025, compared to \$9.9 million in 2024. The income tax expense is impacted by the variance throughout the period of the Peruvian Sol against the US\$ which is the Corporation's functional currency. Future fluctuations will positively or negatively affect the current and deferred tax expense at the end of each period.

### ***Q4-2025 Quarterly Results***

- During Q4-2025, the gold price increased from approximately \$4,100/oz in October to approximately \$4,300/oz in December. This positively impacted the Q4-2025 financial performance.
- Total sales amounted to \$137.4 million compared to \$73.1 million in Q4-2024. The \$64.3 million increase is explained by the higher average sales gold price (+\$49.7 million), combined with a higher quantity of gold ounces sold (+\$14.6 million).
- The Q4-2025 tax expense (current and deferred) was positively impacted by the variance throughout the period of the Peruvian Sol against the US\$ which is the Corporation's functional currency.

### Production, sales and gross operating margin

Gold production and sales for the years and fourth quarters ended December 31, 2025 and 2024, are summarized as follows:

	Fourth quarters ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024
	<b>ounces</b>	ounces	<b>ounces</b>	ounces
Gold production (AuEq ounces)	<b>32,838</b>	27,417	<b>113,791</b>	117,552
Gold sales (AuEq ounces)	<b>33,000</b>	27,506	<b>113,702</b>	119,702
	<b>(\$'000)</b>	(\$'000)	<b>(\$'000)</b>	(\$'000)
<b>Total sales</b>	<b>137,406</b>	73,060	<b>397,595</b>	284,405
Total cash cost of sales <sup>(1)</sup>	<b>(120,937)</b>	(65,914)	<b>(350,612)</b>	(245,285)
Cash gross operating margin <sup>(2)</sup>	<b>16,469</b>	7,146	<b>46,983</b>	39,120
Depreciation	<b>(1,005)</b>	(834)	<b>(3,675)</b>	(3,323)
<b>Gross operating margin</b>	<b>15,464</b>	6,312	<b>43,308</b>	35,797
Gross operating margin per AuEq ounce sold (\$/ounce)	<b>469</b>	229	<b>381</b>	299
Average gold market price (\$/ounce)	<b>4,142</b>	2,662	<b>3,435</b>	2,387
<b>Cash gross operating margin per AuEq ounce sold</b>	<b>\$/ounce</b>	\$/ounce	<b>\$/ounce</b>	\$/ounce
	<b>(*)</b>	(*)	<b>(*)</b>	(*)
Average selling price	<b>4,164</b>	2,656	<b>3,497</b>	2,376
Average cash cost of sales <sup>(3)</sup>	<b>(3,665)</b>	(2,396)	<b>(3,084)</b>	(2,049)
<b>Cash gross operating margin <sup>(4)</sup></b>	<b>499</b>	260	<b>413</b>	327

(\*) per AuEq ounce sold

The cash gross operating margin amounted to \$413/oz in 2025 compared to \$327/oz in 2024, a 26.3% increase.

In Q4-2025, the cash gross operating margin was at a record high of nearly \$500/oz.

<sup>(1)</sup> Cash cost of sales is the cost of sales excluding depreciation and is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another corporation. See "Non-IFRS Measures" in section 17 of this MD&A.

<sup>(2)</sup> Cash gross operating margin is calculated by deducting the cash cost of sales from the sales and is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another corporation. See "Non-IFRS Measures" in section 17 of this MD&A.

<sup>(3)</sup> Average cash cost of sales is calculated by dividing the cash cost of sales by the sales volume in ounces and is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another company. See "Non-IFRS Measures" in section 17 of this MD&A.

<sup>(4)</sup> Cash gross operating margin per AuEq ounce is calculated by subtracting the average cash cost of sale per equivalent ounces of Au from the average selling price per equivalent ounces of Au and is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another company. See "Non-IFRS Measures" in section 17 of this MD&A.

These non-IFRS measures are used by management as indicators of the gross amount of cash which could be generated from the production of one unit (ounce) of gold.

## Dynacor Group Inc.

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### Net income and comprehensive income variance analysis

The variance in the net income and comprehensive income between 2024 and 2025 are as follows:

(in \$ million)	2024 vs. 2025
<b>Net income 2024</b>	<b>16.9</b>
Increase in gross operating margin	7.5
Increase in general and administrative expense	(5.8)
Increase in other project expenses	(1.1)
Decrease in financial income, net of expenses	(0.1)
Increase in foreign exchange gain	2.4
Decrease in income tax expenses (current and deferred)	1.5
<b>Total variance</b>	<b>4.4</b>
<b>Net income 2025</b>	<b>21.3</b>

The variance in the net income and comprehensive income between Q4-2024 and Q4-2025 is as follows:

(in \$ million)	Q4-2024 vs. Q4-2025
<b>Net income Q4-2024</b>	<b>1.7</b>
Increase in gross operating margin	9.2
Increase in general and administrative expense	(2.4)
Increase in other project expense	(0.8)
Decrease in financial income, net of expenses	(0.3)
Increase in foreign exchange loss	0.6
Increase in income tax expenses (current and deferred)	(0.8)
<b>Total variance</b>	<b>5.5</b>
<b>Net income Q4-2025</b>	<b>7.2</b>

The gross operating margin variance represents the main variance in net income and was explained in the previous page.

## Dynacor Group Inc.

Management Discussion and Analysis  
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### Reconciliation of non-IFRS measures

(in \$'000)	Three-month periods ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024
<b>Reconciliation of net income and comprehensive income to EBITDA <sup>(1)</sup></b>				
Net income and comprehensive income	7,215	1,724	21,289	16,877
Income tax expense (current and deferred)	2,688	1,861	8,401	9,878
Financial income net of expenses	10	(253)	(721)	(864)
Depreciation	1,087	909	4,031	3,647
<b>EBITDA <sup>(1)</sup></b>	<b>11,000</b>	<b>4,241</b>	<b>33,000</b>	<b>29,538</b>
<b>Reconciliation of net cash flows from operating activities before change in working capital items per share <sup>(2)</sup></b>				
Net cash flows from operating activities before change in working capital items (in \$'000)	8,802	2,817	25,358	20,961
Basic weighted average number of common shares outstanding ('000)	41,900	36,340	41,456	36,551
<b>Net cash flows from operating activities before change in working capital items per share <sup>(2)</sup></b>	<b>\$0.21</b>	<b>\$0.08</b>	<b>\$0.61</b>	<b>\$0.57</b>

<sup>(1)</sup> EBITDA: "Earnings before interest, taxes and depreciation" is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. The Corporation uses this non-IFRS measure as an indicator of the cash generated by the operations and allows investors to compare the profitability of the Corporation with others by canceling effects of different asset bases, effects due to different tax structures as well as the effects of different capital structures. See "Non-IFRS Measures" in section 17 of this MD&A.

<sup>(2)</sup> Net cash-flows from operating activities before change in working capital per share is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure may not be comparable with a similar measure of another Corporation. See "Non-IFRS Measures" in section 17 of this MD&A. The Corporation uses this non-IFRS measure which can also be helpful to investors as it provides a result that can be compared with the Corporation's share price.

## Dynacor Group Inc.

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### Ore processing production statistics and financial summary

Below is the recapitulative table explaining the variances between the twelve-month periods ended December 31, 2025 and 2024.

Operational summary	Year 2025	Comments and explanations for variances	Year 2024	Variance in %
Tonnes processed	165,898	Tonnage processed was slightly lower than in 2024 primarily due to a one-month government curfew affecting regional ASM, planned maintenance in Q2-2025, and two weeks of ASM road blockades in July 2025.	175,872	-5.7%
Average daily tonnes processed (tonnes per day) <sup>(1)</sup>	455	In line with the variance in tonnes processed.	481	-5.4%
Ounces produced (AuEq ounce)	113,791	In line with the variance in tonnes processed.	117,552	-3.2%
Ounces sold (AuEq ounce)	113,702	In line with production and variance in inventories.	119,702	-5.0%
<b>Financial summary</b>				
Sales (\$ million)	397.6	Increase due to higher average gold price (\$+127.4 million) partially offset by lower quantities sold (-\$14.2 million).	284.4	+39.8%
Average selling price per AuEq ounce sold (\$)	3,497	Consistent with the average gold market price and the timing of exports.	2,376	+47.2%
Gross operating margin (\$ million)	43.3	Increase attributable to the higher sales, partially offset by non-recurring costs.	35.8	+20.9%
Gross operating margin (% of sales)	10.9%	Mainly attributable to trend in the gold market price, the level of ore inventory at the beginning of the period, and the level of ore supplied during the period.	12.6%	-13.5%
Gross operating margin per AuEq ounce sold (\$)	381	In line with the variance in gross operating margin, and lower AuEq ounces sold.	299	+27.4%
Cash gross operating margin per AuEq ounce sold (\$)	413	In line with the variance in gross operating margin, and lower AuEq ounces sold.	327	+26.3%
EBITDA (\$ million)	33.0	In line with the increase in gross operating margin, partially offset by the increase in general and administrative expenses.	29.5	+11.9%
Cash flows before changes in working capital items (\$ million)	25.4	In line with the variance in EBITDA.	21.0	+21.0%
Net cash flows from operating activities before changes in working capital items per share (\$)	0.61	In line with the variance in cash flows from operating activities and the higher number of outstanding shares.	0.57	+7.0%
Net income (\$ million)	21.3	Mainly due to the increase in gross operating margin (+\$7.5 million) and the foreign exchange gain (+\$2.4 million), partially offset by higher general and administrative expenses (-\$5.8 million).	16.9	+26.0%
Earnings per share (basic) (\$)	0.51	In line with the variance in net income and the higher number of outstanding shares.	0.46	+10.9%

(Variance % are calculated based on these rounded figures)

(1) Assuming 365 days in 2025 and 366 days in 2024.

**Ore processing production statistics and financial summary (continued)**

Below is the recapitulative table explaining the variances between the three-month periods ended December 31, 2025 and 2024.

Operational summary	Q4-2025	Comments and explanations for variances	Q4-2024	Variance in %
Tonnes processed	44,926	Strong operations in Q4 due to lower planned maintenance compared to Q4-2024.	41,210	+9.0%
Average daily tonnes processed (tonnes per day) <sup>(1)</sup>	488	In line with the variance in tonnes processed.	448	+8.9%
Ounces produced (AuEq ounces)	32,838	Due to increase in tonnes processed, to higher ore grades supplied and a higher recovery rate.	27,417	+19.8%
Ounces sold (AuEq ounces)	33,000	In line with production.	27,506	+20.0%
<b>Financial summary</b>				
Sales (\$ million)	137.4	Increase due to higher average gold price (\$+49.7 million) and quantities sold (+\$14.6 million).	73.1	+88.0%
Average selling price per AuEq ounce sold (\$)	4,164	Consistent with the average gold market price and the timing of exports.	2,656	+56.8%
Gross operating margin (\$ million)	15.5	Positive impact from higher sales, due to the production increase and trend in gold market price.	6.3	+146.0%
Gross operating margin (% of sales)	11.3%	In line with the variance in gross operating margin and the trend in gold market.	8.6%	+31.4%
Gross operating margin per AuEq ounce sold (\$)	469	In line with the variance in gross operating margin.	229	+104.8%
Cash gross operating margin per AuEq ounce sold (\$)	499	In line with the variance in gross operating margin.	260	+91.9%
EBITDA (\$ million)	11.0	In line with the variance in gross operating margin, partially offset by the increase in general and administrative expense.	4.2	+161.9%
Cash flows before changes in working capital items (\$ million)	8.8	In line with the increase in EBITDA.	2.8	+214.3%
Net cash flow from operating activities before change in working capital items per share (\$)	0.21	In line with the variance in cash flows from operating activities and the higher number of outstanding shares.	0.08	+162.5%
Net income (\$ million)	7.2	Mainly due to the increase in gross operating margin (+\$9.2 million), partially offset by higher general and administrative expenses (-\$2.4 million).	1.7	+323.5%
Earnings per share (basic) (\$)	0.17	In line with the variance in net income and the higher number of outstanding shares.	0.05	+240.0%

(Variance % are calculated based on these rounded figures)

(1) Assuming 92 days.

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### 7-CONSOLIDATED CASH FLOWS AND LIQUIDITY

The impacts of activities on the Corporation's cash flows are summarized below:

(in \$'000)	Three-month periods ended		For the years ended	
	December 31,		December 31,	
	2025	2024	2025	2024
<b>Operating activities</b>				
Net income, adjusted for non-cash items	8,802	2,817	25,358	20,961
Changes in working capital items	(7,275)	(16,294)	(13,385)	(4,826)
Net cash from (used in) operating activities	1,527	(13,477)	11,973	16,135
<b>Investing activities</b>				
Acquisition of the Svetlana plant	-	-	(9,948)	-
Change in short-term investments	-	(5,999)	5,999	(5,999)
Acquisition of property, plant and equipment, net of proceeds from disposal	(3,533)	(1,531)	(8,904)	(5,135)
Additions to exploration and evaluation assets	-	(4)	(13)	(22)
Net cash used in investing activities	(3,533)	(7,534)	(12,866)	(11,156)
<b>Financing activities</b>				
Repayment of lease liabilities and interests' payments	(169)	(9)	(187)	(64)
Proceeds from the exercise of stock options	69	42	265	240
Issuance of common shares	-	-	20,433	-
Repurchase of common shares	-	(141)	(1,703)	(3,970)
Dividends paid	(1,199)	(921)	(4,742)	(3,762)
Net cash from (used in) financing activities	(1,299)	(1,029)	14,066	(7,556)
<b>Change in cash during the period</b>	<b>(3,305)</b>	<b>(22,040)</b>	<b>13,173</b>	<b>(2,577)</b>
Effect of exchange rate fluctuations on cash	(84)	(93)	496	(85)
<b>Cash, beginning of the period</b>	<b>36,877</b>	<b>41,952</b>	<b>19,819</b>	<b>22,481</b>
<b>Cash, end of the period</b>	<b>33,488</b>	<b>19,819</b>	<b>33,488</b>	<b>19,819</b>

#### Operating activities

For the year ended December 31, 2025, the cash flows from operations, before changes in working capital items, amounted to \$25.4 million compared to \$21.0 million for the year ended December 31, 2024.

For the year ended December 31, 2025, total cash flows from operating activities amounted to \$12.0 million compared to \$16.1 million for the year ended December 31, 2024. Changes in working capital items totaled -\$13.4 million compared to -\$4.8 million in 2024, mainly reflecting higher sales tax receivables and inventories due to the increase in gold prices.

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### Investing activities

- On July 14, 2025, the Corporation completed the acquisition of 100% of the shares of the Svetlana processing plant and related assets for a total consideration of \$9.75 million, paid in cash, and incurred transaction costs of \$0.2 million.
- In 2025, Dynacor invested \$8.9 million in capital expenditure of which \$3.9 million was applied toward the construction of the ore-processing pilot plant in Senegal and \$4.6 million in Peru, mainly to sustain or improve plant efficiency.

### Financing activities

In Q1-2025, the Corporation closed an offering of 5,750,000 common shares at a price of \$3.84 (CA\$5.50) per share, generating gross proceeds of \$22,081,414 (CA\$31,625,000) and incurring transaction costs of \$1,648,652.

### Use of proceeds

	Anticipated amount	Expenditures to date
Senegal – Pilot plant (50 tpd)	\$8.7 million	\$3.9 million
Other opportunities in Latin America	\$3.8 million	\$10.3 million
Other opportunities in Africa	\$0.3 million	\$0.3 million
General corporate purposes	\$7.6 million	\$4.7 million
<b>Total</b>	<b>\$20.4 million <sup>(1)</sup></b>	<b>\$19.2 million</b>

(1) Represents gross proceeds of \$22,081,414, net of \$1,648,652 in transaction costs.

- The Corporation expects to deploy the remaining proceeds originally allocated to the Senegal pilot plant during 2026, as construction activities continue.
- The variance in 'Other opportunities in Latin America' primarily reflects the acquisition of the Svetlana plant in Ecuador in Q3-2025, which was not specifically considered in the initial use of proceeds.
- Proceeds initially intended for general corporate purposes and working capital were partially redirected toward the Svetlana acquisition.

## Dynacor Group Inc.

### Management Discussion and Analysis

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#### Financing activities (continued)

- In 2025, monthly dividends of CA\$0.01333 representing an annual total of CA\$0.16 per share were disbursed for a total consideration of \$4.8 million (CA\$6.7 million). In 2024, monthly dividends of CA\$0.01167 representing a total of CA\$0.14 per share were disbursed for a total consideration of \$3.8 million (CA\$5.2 million).
- In 2025, 508,500 common shares were repurchased under the Corporation's normal course issuer bid share buyback program for a total cash consideration of \$1.7 million (CA\$2.3 million) (1,244,800 shares for a total cash consideration of \$4.0 million (CA\$5.4 million) in 2024).

#### Working capital and liquidity

- Higher gold prices contributed to stronger sales, while also increasing working capital requirements, mainly due to higher sales tax receivables and inventories.
- As at December 31, 2025, the Corporation's working capital amounted to \$81.9 million, including \$33.4 million in cash (\$58.9 million, including \$25.8 million in cash and short-term investments as at December 31, 2024).

### 8-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in \$'000)	As at December 31,	As at December 31,
	2025	2024
Cash	33,488	19,819
Short-term investments	-	5,999
Accounts receivable	37,221	23,747
Inventories	39,016	29,376
Prepaid expenses and other assets	516	361
Current tax assets	2,158	-
Property, plant and equipment	49,442	26,160
Exploration and evaluation assets	18,575	18,570
Right-of-use assets	625	1,070
Deferred tax assets	418	-
Other non-current assets	-	159
<b>Total assets</b>	<b>181,459</b>	<b>125,261</b>
Trade and other payables	30,417	18,185
Asset retirement obligations	14,830	3,732
Current tax liabilities	-	2,125
Deferred tax liabilities	-	565
Lease liabilities	520	1,108
Share unit plan liabilities	790	389
Shareholders' equity	134,902	99,157
<b>Total liabilities and shareholders' equity</b>	<b>181,459</b>	<b>125,261</b>

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### Assets and short-term liabilities

As at December 31, 2025, total assets amounted to \$181.5 million (\$125.3 million as at December 31, 2024). Major variances since year-end 2024 come from the significant increase in cash; the increase in accounts receivable and inventory; and additions to property, plant and equipment stemming from the acquisition of the Svetlana processing plant. The increase in total liabilities mainly results from the recognition of asset retirement obligations recorded as part of the Svetlana acquisition and the increase in accounts payable reflects the higher inventory levels.

Short-term investments are marketable securities with investment periods exceeding 90 days which can be redeemed at any time without penalties.

Accounts receivable amount to \$37.2 million (\$23.7 million as at December 31, 2024) and mainly comprise trade receivables that were substantially collected in early January (\$7.3 million), four months of current sales taxes (IGV) (\$27.3 million) of which \$23.6 million were collected subsequent to year-end and net advances to suppliers for ore purchases (\$1.9 million).

Inventories total \$39.0 million, including \$22.1 million of ore inventories (\$18.8 million as at December 31, 2024). The Corporation aims to maximize ore inventories at the end of the year in preparation for the rainy season.

Property, plant and equipment amount to \$49.4 million (\$26.2 million as at December 31, 2024) and mainly comprise the Veta Dorada plant and capitalized rehabilitation costs, the Svetlana plant acquired in Q3-2025, and construction costs related to the Senegal pilot plant.

Total exploration and evaluation assets total \$18.6 million (same amount as at December 31, 2024) and mainly comprise accumulated capitalized exploration work performed at Tumipampa.

### Long-term liabilities and contractual commitments

#### Payment due by period (in \$'000)

	Within 1 year	1 to 2 years	2 to 5 years	Beyond 5 years	Total
<b>Contractual commitments</b>					
Accounts payable and accrued liabilities	25,559	-	-	-	25,559
Other commitments with suppliers	6,277	1,320	874	-	8,471
Lease liabilities <sup>(1)</sup>	66	66	211	338	681
Short-term leases	291	209	-	-	500
Asset retirement obligations <sup>(2)</sup>	8,599	-	2,138	7,974	18,711
<b>Total</b>	<b>40,792</b>	<b>1,595</b>	<b>3,223</b>	<b>8,312</b>	<b>53,922</b>

<sup>(1)</sup> The amount is different from the amount disclosed in the Financial Statements as it includes overall interest calculated to the term of the related agreement.

<sup>(2)</sup> The amount is different from the amount disclosed in the Financial Statements as it represents the undiscounted value of the remaining proposed work program as per the supporting valuation report.

In 2025 and 2024, the Corporation continued to meet all its obligations. The Corporation's operations are governed by regulations regarding the protection of the environment. Subject to these regulations, the Corporation must implement progressive measures for rehabilitation work as part of its operations. Management reviews its asset retirement obligations ("ARO") on a regular basis.

**Long-term liabilities and contractual commitments (continued)**

As of December 31, 2025, the provision for asset retirement obligations amounted to \$14.8 million, of which \$3.9 million relates to the Veta Dorada plant and \$10.9 million to the Svetlana plant acquired in Q3-2025 (\$3.7 million as at December 31, 2024, for the Veta Dorada plant). The provision related to the Svetlana plant is based on preliminary estimates and may be adjusted as management reviews the underlying assumptions and obtains additional information.

These estimates are subject to change following developments on each site, modifications to laws and regulations or as new information becomes available. As at December 31, 2025, and December 31, 2024, the Corporation had constituted letters of credit in favor of the Ministry of Energy and Mines (“MEM”) in Peru for \$5.1 million to secure closure plans of the Veta Dorada plant.

As at December 31, 2025, the future value of the provision for the closure of the Veta Dorada plant was \$5.3 million (\$4.9 million as at December 31, 2024), which is expected to be disbursed over periods of up to 13 years, and \$13.2 million for the Svetlana plant, which is expected to be disbursed over periods of up to 20 years. The latter includes \$8.6 million related to the rehabilitation of two historical tailing ponds that were operated in the past.

Other commitments with suppliers include \$3.8 million in capital expenditures for construction and equipment purchases, mainly related to the ore-processing pilot plant in Senegal.

**Contingencies**

On October 26, 2021, October 28, 2022 and December 29, 2022, and August 29, 2025, respectively, a Corporation subsidiary received notices of assessment from the Peruvian tax authorities, in Peruvian sol, for each of the 2015, 2016, 2017 and 2019 fiscal years in the aggregate amount equivalent to \$22.6 million including \$16.2 million in penalties and interests. Additional penalties and interests since the notices of assessment are estimated at \$2.2 million. The main item of the assessment relates to the ore purchased from certain suppliers, qualified as non-genuine transactions by the local tax authorities and therefore considered by the authorities as non-deductible expenses.

The Corporation and its legal tax counsel strongly believe that ore purchases are genuine and fully supported deductible transactions. Therefore, the Corporation contested these claims.

The Corporation recorded a tax provision related to uncertain tax position for items other than ore purchases, for the amount of \$0.8 million (including \$0.6 million in penalties and interest). Although the Corporation considers that the judgments and estimates made are reasonable, actual results could differ and resulting adjustments could materially affect the consolidated financial statements.

**Shareholders' equity**

In Q1-2025, the Corporation completed an offering of 5,750,000 common shares at a price of \$3.84 (CA\$5.50) per share, generating gross proceeds of \$22,081,414 (CA\$31,625,000) and incurring transaction costs of \$1,648,652. The offering was conducted pursuant to a prospectus supplement to the Corporation's base shelf prospectus. Certain related parties acquired an aggregate of 219,000 common shares as part of the offering.

In 2025, a total of 288,666 common shares were issued as a result of the exercise of share purchase options and the settlement of deferred share units, resulting in a \$0.6 million share capital increase and 508,500 common shares were repurchased under the Corporation's normal course issuer bid share buyback program for a total cash consideration of \$1.7 million (CA\$2.3 million).

Other than results from operations and capital increases, transactions affecting the shareholders' equity are reflected in the financing activities' section.

## Capital resources and capital management

The Corporation generates cash flows from its ore processing activities. This positive cash flow is re-invested into its commercial operations, capital investments and exploration activities. The Corporation has access to the capital market and may eventually need from time to time to turn to the financial market in order to fund any exploration program, capital requirement and project or investment opportunities. As at December 31, 2025, the Corporation consider it has sufficient resources to meet its commitments for the upcoming year, however it may consider financing that could support its growth or new investment opportunities.

The Corporation's capital structure consists of common shares, stock options and deferred share units ("DSUs"). The Corporation manages its capital structure and makes changes pursuant to economic conditions and conditions related to its assets. The Corporation has the ability to raise capital when it is necessary to meet its requirements and therefore, it does not have a specific target debt to capital ratio.

The Corporation's objectives in managing capital are the following:

- i. to preserve the capacity to continue its operations in order to maximize the return to its shareholders and maintain an optimal capital structure in order to increase the shareholders' equity in the long term.
- ii. to ensure the Corporation has sufficient capital to meet its short-term needs and ensure the development of its projects, ore processing activities and mining activities.
- iii. to satisfy the external requirements with regards to capital needed in respect of any lending agreements.
- iv. to maintain an optimal capital structure in order to minimize the cost of debt financing.

The Corporation is not subject to any externally imposed capital requirements. However, for the Corporation's Peruvian subsidiaries, the General Corporate Law (Peru) establishes that a minimum of 10% of the distributable profit of each year must be allocated to a legal reserve account, until this account reaches 20% of its capital (\$3.0 million as at December 31, 2025 and December 31, 2024). The Corporation may transfer the funds from this legal reserve account, but the Corporation will be obliged to replace these funds in the subsequent year.

## Off-balance sheet transactions

The Corporation did not have any off-balance sheet transactions in 2025.

## 9-SELECTED ANNUAL INFORMATION AND QUARTERLY REVIEW

### Selected annual information

Financials (in \$ Million)	2025	2024	2023
Total sales	397.6	284.4	250.2
Net income	21.3	16.9	15.1
Net income per share (basic) (in US \$)	\$0.51	\$0.46	\$0.39
Total assets	181.5	125.3	111.8

Sales are driven by the volume of gold produced and sold and by the fluctuation of gold market pricing. The net income is mainly impacted by the trend of gold market price.

## Dynacor Group Inc.

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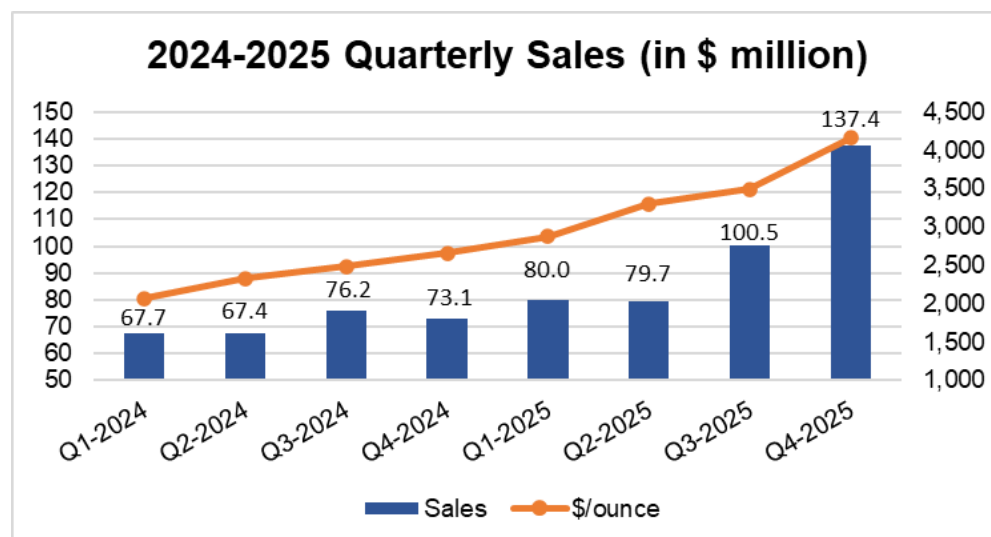
December 31, 2025

### Quarterly review

(Unaudited, in accordance with IAS 34)

Financials (in \$'000)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales	137,406	100,515	79,706	79,968	73,060	76,181	67,431	67,733
Cost of sales	121,942	88,793	72,560	70,992	66,748	65,838	57,437	58,585
Depreciation	1,087	1,036	996	912	909	942	911	885
General and administrative expenses	4,826	3,513	3,315	2,404	2,434	2,040	2,127	1,704
Loss (gain) on foreign exchange	(558)	(13)	(1,390)	(276)	30	(8)	125	59
Income tax expenses	2,687	2,751	1,529	1,434	1,861	2,374	3,082	2,561
Net income	7,215	5,456	3,469	5,149	1,724	5,871	4,501	4,781
Acquisition of property, plant and equipment, net of proceeds from disposals	3,533	3,262	805	1,304	1,531	1,322	1,568	714
Additional exploration and evaluation	-	-	13	-	4	-	14	4
Gross operating margin (%)	11.3%	11.7%	9.0%	11.2%	8.6%	13.6%	14.8%	13.5%
<b>Earnings per share (\$)</b>								
Basic	0.17	0.13	0.08	0.13	0.05	0.16	0.12	0.13
Diluted	0.17	0.12	0.08	0.13	0.04	0.16	0.12	0.13

Sales are driven by the volume of gold produced and sold and by the fluctuation in gold market pricing. The net income is mainly impacted by the trend in the gold market price.



For fourth quarter results, refer to section 6 for variance analysis.

## 10-INFORMATION ON OUTSTANDING SHARES

Data concerning outstanding shares (as at March 24, 2026)

	<u>Number</u>
Common shares	41,942,472
Share purchase options	885,300
DSUs	507,009

## 11-TRANSACTIONS WITH RELATED PARTIES

### Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that key management personnel consist of members of the Corporation's Board of Directors, corporate officers, including the Corporation's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Vice President Business development, Latin America up to April 2025.

Remuneration recorded to key management personnel can be summarized as follows:

<u>(in \$)</u>	<b>Years ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Salaries, benefits and directors' fees	<b>1,578,898</b>	1,523,912
Share-based compensation <sup>(1)</sup>	<b>518,256</b>	670,712
	<b>2,097,154</b>	2,194,624

<sup>(1)</sup> Represents the share-based compensation expense charged to the consolidated statement of comprehensive income during the period.

### Other related parties

In the normal course of operations and at fair value, being the amount of consideration determined and agreed to by the related parties:

A firm of which an officer of the Corporation is a partner, charged legal professional fees amounting to \$508,985 for the year ended December 31, 2025 (\$114,495 for the year ended December 31, 2024). The increase is mainly driven by the financing, the special and annual shareholder meetings, and other corporate expenses.

A director charged consulting fees related to the revision of ESG procedures amounting to \$5,506 for the year ended December 31, 2025 (\$12,840 for the year ended December 31, 2024).

The Corporation's gold sales, at market price in effect at the time of delivery, were achieved with one sole customer of which its co-president sits on the Corporation's Board of Directors.

## **12-MINING EXPLORATION PROPERTIES**

### **Tumipampa**

#### ***Location and geological context***

Tumipampa is located 500 km from Lima, Peru, in the Circa district, province of Abancay, in the department of Apurimac. Tumipampa's concessions cover an area of 4,000 hectares and are located geographically on the eastern slopes of the Andes Mountain Range between 4,200 and 4,800 metres above sea level. The northern part of Tumipampa straddles the limestones of the host Ferrobamba deposit 'Tintaya' skarn-type (copper-gold), which is recognized as a major world class deposit of this type with more than 139 million tonnes at 1.23% Cu and 0.23 g/t Au. The Tintaya mine is located 197 km northeast of Tumipampa. Moreover, major deposits have been recently unearthed at Los Chancas (355 million tons at 0.62% Cu, 0.05% Mo and 0.039 g/t Au) (Southern Copper); Las Bambas (1.13 billion tonnes of 0.77% Cu, 0.05 – 0.068 g/t Au and 0.01% Mo) (MMG Limited) and Constanca (Hudbay), which are located on either side and near Tumipampa, respectively. All these major deposits are part of a belt of porphyry type deposits Cu-Au Skarn-related batholiths Andahuaylas-Yauri, an intrusive that is 300 km long and 150 km wide.

Currently, all of the land surrounding Tumipampa is claimed by major mining companies such as Southern Copper, MMG Limited, Buenaventura, Golden Ideal Gold Mining (China), Super Strong Mining (China) and Bear Creek Mining.

#### ***2025 updates***

The Corporation renewed direct dialogue with the new community chief and received his positive support. Dynacor has offered to help build community infrastructure and is optimistic that the community leader's approval will be supported by a clear majority of community members at a near-future meeting. A community agreement is a precondition to obtaining an exploration permit from the Ministry of Mines and Energy, which is needed to carry out the drilling exploration program approved by the Corporation's Board.

The drilling targets were defined in 2017 and 2018 and were informed by the available geological and geochemical sampling data, by reinterpretation of the geophysical data, and by the recommendations of independent experts (in disseminated gold deposits) who visited the property in the fall of 2017.

The Corporation has deferred its exploration budget until the exploration permit is obtained.

## 13-2026 OUTLOOK

	<b>2026 guidance</b>
Sales (in millions of \$ (“\$M”))	530 - 580
Production (in thousands of AuEq oz)	125 - 135
Net income (in \$M)	22 - 26
<b>Capital expenditure</b>	
Sustaining capex (in \$M) – Peru	6 - 8
Capex (in \$M) - Senegal	4 - 5
Capex (in \$M) - Ecuador	22 - 25
Capex (in \$M) - Other	0.5 - 1

### *Production*

- Production range of 125,000-135,000 AuEq ounces includes first ore from the Senegal and Ecuador plants. This estimate assumes that the Svetlana plant processes first ore in Q4-2026 and that operations exit the year at a throughput rate of approximately 150 tpd. Svetlana operations will be relaunched at 300 tonnes per day, and commercial production is expected to be achieved in Q1-2027. The Corporation expects to ramp up the facility to a production capacity of 300 tpd, before progressively increasing to 500 tpd.

### *Capital expenditures*

- Sustaining capital expenditures for 2026 in Peru are expected to be approximately \$7 million, of which the majority is related to upgrade of the tailings pond, employee and water supply facilities.
- Capital expenditure in Ecuador includes capital investment of \$7 million that was deferred from 2025. The bulk of the expenditure relates to the upgrade of the Svetlana plant tanks, cyclones, tailings and laboratory. Capex expenditure does not include the rehabilitation of two historical tailings ponds.
- Capital expenditure in Senegal includes a portion of the Engineering, Procurement and Construction cost for the pilot plant and laboratory, and acquisition of a mobile fleet for the 50 tpd pilot plant.
- Other capex includes capital expenditure on other projects in West Africa.

### *Net income*

- Net income guidance includes the impact of the production ramp-ups in Ecuador and Senegal.

### *Other capital requirements*

- Delivery of shareholder returns through monthly dividends of CA\$0.01333 per common share (CA\$0.16 annually)

A number of assumptions were made in preparing the 2026 outlook including

- Price of gold: \$4,200 per ounce
- No increase in installed operating capacity in Peru and steady ore supply.
- The ore grade supplied may vary with the evolution of the gold price and the purchasing conditions. Final purchasing conditions in Ecuador and Senegal are yet to be determined.

As most of the Corporation's cost of sales relate to the daily purchasing of ore, its margin (and net income) is impacted by the inventory level at quarter-start, the favourable, gradual appreciation of the gold price, and by the ore supply in the period.

## **14-RISKS AND UNCERTAINTIES**

The Corporation's main activities consist of:

- the production of gold and silver from the processing of mineral material purchased from ASM registered with the Peruvian government;
- the development of new processing activities in Peru, Senegal, Ecuador and in other jurisdictions; and
- the exploration of its mining properties located in Peru, with the potential for commercial extraction of gold and other precious metals. There have been very limited to no exploration activities during the last three years. Such activities involve a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the exploration and development of its mineral resource properties.

The inherent risks of the Corporation's activities may affect its profitability and level of operating cash flows. Prospective buyers of the common shares of the Corporation should give careful consideration to all information contained or incorporated by reference in this document and, in particular, the following risk factors:

### **OPERATIONAL RISKS**

#### ***Environmental matters***

The Corporation's operations, and its current projects in Ecuador and Senegal are subject to environmental regulations, which can make operations expensive or prohibit them altogether. The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of current or past production, mineral exploration and development.

In addition, other environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas and dust pollution from current or past processing activities. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation.

If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation.

The Corporation performs regular testing of its critical business environmental factors in order to prevent risk and is subject to regular government inspections. However, those procedures do not eliminate the potential risks.

Additionally, the countries in which the Corporation is present may be subject to regulatory responses to the impact of climate change, which may result in increased costs for the Corporation or for its projects.

### ***Licenses and permits***

As part of its ore processing activities, current or future projects, the Corporation is required to obtain several permits. Although the Corporation believes it will obtain the required permits, there is no assurance it will receive such permits or it may face administrative delays in doing so, which could impact its current or future operations.

As at December 31, 2025, the Corporation operated a plant located on land owned by the regional government of Arequipa with a right of use valid until March 23, 2036. Although the Corporation believes it will be able to renew this right of use after March 23, 2036, it may face administrative delays in doing so, which could impact its future operations.

As at December 31, 2025, the Corporation was refurbishing a processing plant located in Southern Ecuador and building a pilot processing plant in Southern Senegal. In both cases, all permits are up to date. Although the Corporation considers it will obtain all necessary future approvals to operate the plants, purchase mineral and sell gold, it may face administrative delays in doing so, which could impact its future operations.

Should the exploration activities of the Corporation be successful, it may not be able to obtain the necessary licenses or permits to conduct or pursue its exploration and mining operations on its properties and thus would realize no benefit from its exploration activities on its properties. As at December 31, 2025, the Corporation is seeking an agreement with local communities to enable it to launch the anticipated drilling campaign on the disseminated portion of the Tumipampa project. Although the Corporation considers it will obtain the required approval, there is a risk that its exploration activities could be further delayed, impacting the value of its exploration properties.

### ***Political, country and exportation risks***

The Corporation's operating processing plant and principal mineral property interests are currently located in Peru. The Corporation believes that the Peruvian government supports the development of its natural resources by treating national and foreign companies as equals. However, there is no assurance that current or future political and economic conditions in Peru will not result in the government adopting different policies regarding foreign ownership of mineral resources, tax regime, exchange rates, environmental protection, labour relations and the repatriation of capital and earnings. The possibility that the current or a future government may adopt extreme policies such as expropriation of assets, cannot be ruled out. The Corporation's processing activities and current and future mineral exploration could be impacted by widespread civil unrest, rebellion and government curfews. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, nationalization, or social stability factors such as mass riots, civil war and other potential events help increase companies' operational risks. It is important to point out that since its operation began in Peru, the Corporation has not suffered from any of these risks.

The Corporation currently exports all its gold production from Peru, on a regular basis. Any control or event which may delay temporarily the Corporation's ability to export its production could have a significant impact of its working capital and financial situation.

The Corporation is currently refurbishing a processing plant in Ecuador and building a pilot plant in Senegal. The risks described for Peru are also applicable for other jurisdictions.

The Corporation is also working on expanding its processing activities in other jurisdictions. The risks described for Peru are also applicable for other jurisdictions.

***Supply and quality of feedstock***

The Corporation's operations involve the purchase of mineral ore from ASM which it uses to feed production at its Chala plant in southern Peru. Any increase in the Corporation's production and revenues will notably depend on the availability of the mineral ore supplied by local producers. To mitigate this risk, the Corporation works with several hundreds of suppliers of mineral ore and continues to expand its supplier network in Peru.

As the Corporation does not mine its own ore, it does not have entire control over the volume of mineralized material, ore grade and quality purchased from its suppliers. Therefore, the ore supply can have an impact on the volume of gold produced and gold sales. With the support of its experienced purchasing team located throughout Peru, the Corporation mitigates this risk by working with a minimum cut-off purchase grade and metallurgical testing, when possible, to ensure best efficiency and profitability of its ore processing operations.

The Corporation is actively working on building a network of ore suppliers for its future operations in Ecuador and Senegal. The Corporation's production and revenue in these countries will notably depend on the availability of the ore supplied by local producers.

***Water supply***

Our operations require significant quantities of water for ore processing and related support facilities. Our operations in Peru may be in areas where water is scarce. Continuous production at our plant site is dependent on our ability to access an adequate water supply. The Corporation has been able to obtain sufficient water supply over the past years for its increasing processing capacity at its Peruvian plant and continues to assess additional future sources if required. Insufficient water supply, as a result of new regulations or otherwise, could materially adversely affect our financial condition and results of operation.

The Corporation's plant in Ecuador previously operated with locally sourced water, and there is a water source on its land in Senegal.

Water supply is a key factor when selecting potential sites for future processing activities.

***Labour and employment relations***

Dynacor is dependent on its workforce to process its mineralized material. The Corporation has a strong, long-established relationship with its local employees and workforce. However, this current state may not prevent a future strike or work stoppage at its facilities. Labour disruptions could have a material adverse impact on its financial condition and results of operation.

***Production and cost estimates***

No assurance can be given that the intended or expected production schedules or the estimated cash costs and capital expenditure will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on its future cash flows, profitability, results of operations and financial condition. Many factors may cause delays or cost increases, including the competition (see specific paragraph), labour issues, disruptions in power, transportation or supplies, and mechanical failure. In addition, short-term operating factors, such as the processing of new or different ore material and ore grades, may cause a mining operation to be less profitable in any particular period.

### ***Competition***

The Corporation is in competition with other processing companies in Peru. Although the Corporation has been able in the past, to maintain and even increase its market share and build a solid reputation with its suppliers and in its field of operation, there can be no assurance that it will indefinitely retain its position in this market. The Corporation is increasing efforts on the ground to grow its processing business. The Corporation is also in competition with other mining companies for the acquisition of interests in precious and base metal mining exploration properties. In the pursuit of such acquisition opportunities, the Corporation competes with Canadian and foreign companies that may have greater financial and other resources. Although the Corporation has acquired many such assets in the past, there can be no assurance that its acquisition efforts will succeed in the future.

In the new jurisdiction of Ecuador, the Corporation will be in competition with other processors, notably with toll processing plants.

### ***Dependence on management***

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management team. See "Directors and Officers" for details of the Corporation's current management. The Corporation does not maintain key employee insurance for any of its officers and employees. The Corporation depends on key personnel and cannot provide assurance that it will be able to retain such personnel. Failure to retain such key personnel could have a material adverse effect on the Corporation's business and financial condition.

### ***Insurance risk***

The mining industry is subject to significant risks that could result in damage to or destruction of property and facilities, personal injury or death, environmental damage and pollution, delays in production, expropriation of assets and loss of title to mining claims. No assurance can be given that insurance to cover the risks to which the Corporation's activities are subject will be available at all or at commercially reasonable premiums. The Corporation currently maintains available insurance within ranges of coverage that it believes to be consistent with industry practice for companies with comparable activities. The Corporation carries liability insurance with respect to its mineral exploration and industrial operations, but it is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from its activities is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Corporation.

The development of new processing activities in other jurisdictions may also lead to an increased insurance risk as the Corporation could face similar or more important risks than those currently encountered.

### ***Litigation***

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation may, in the future, be involved in various legal proceedings. While the Corporation believes it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on the financial position or results of operations, defense costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Corporation's future cash flows, results of operations or financial condition.

### ***Anti-corruption laws***

The Corporation's operations are governed by, and involve interactions with, many levels of government in different countries. Its operations take place in jurisdictions ranked unfavorably under Transparency International's Corruption Perception Index. The Corporation is required to comply with anti-corruption and anti-bribery laws, including the Criminal Code, the Canadian Corruption of Foreign Public Officials Act, as well as similar laws and compliance statements notably in Peru, Ecuador and Senegal where the Corporation conducts the majority of its business.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anticorruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Corporation is implementing policies to mitigate such risks, including internal monitoring, reviews and audits, and policies to ensure compliance with such laws, such measures may not assure permanent, total effectiveness in ensuring that the Corporation, its employees, contractors or third-party agents comply strictly with such laws. If the Corporation finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation resulting in a material adverse effect on the Corporation's reputation, business, financial condition and results of operations.

### ***Stage of development***

Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements. Mining projects frequently require a number of years and significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies, obtention of necessary governmental permits and securing necessary financing. The economic feasibility of such development projects is based on many factors such as estimation of reserves, metallurgical recoveries, future metal prices, and capital and operating costs of such projects. Exploration and development of mineral deposits thus involve significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. In fact, a mine must generate sufficient revenues to offset operating and development costs such as the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore. At December 31, 2025, the Corporation has no exploration project at the development stage.

Industrial development projects generally have a lower risk level than mining projects but involve certain additional risks, such as access to a network of mineral suppliers and the working capital required for inventory.

### ***Mining industry and mining projects***

Although the Corporation is mainly engaged in the processing of ore, it is also subject to risks and hazards inherent to the mining industry, including fluctuations in metal prices, costs of constructing and operating processing and refining facilities in a specific environment, availability of chemical products and economic sources of energy and adequacy of water supply, adequate access to the site, unanticipated transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment (including regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands), and industrial accidents and labour actions or unrest. The occurrence of any of these factors could materially and adversely affect the development of a project and, as a result, materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

***Mining industry and mining projects (continued)***

The Corporation is also subject, through its activities, to risks normally encountered in exploration operations. Blasting, drilling, mining and processing of ore comprise risks and hazards such as environmental hazards, including discharge of pollutants or hazardous chemicals, unanticipated grade and tonnage of ore to be mined and processed, unusual or unexpected adverse geological or geotechnical formation, or unusual or unexpected adverse operating conditions, slope failure, rock bursts, cave-ins, failure of pit walls or dams, fire, and natural phenomena and "acts of God" such as inclement weather conditions, floods, earthquakes and other hazards. These occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Corporation may incur liability as a result of pollution and other casualties and may not be able to insure fully or at all against such risks, due to political reasons, unavailability of coverage in the marketplace or other reasons or may decide not to insure against such risks as a result of high premiums or for other reasons. This can result in delayed production, increase in production costs or liability. Paying compensation for obligations resulting from such liability may be very costly and could have an adverse effect on the Corporation's financial position.

***Risks related to statutory and regulatory compliance***

Existing and possible future laws, regulations and permits governing operations and activities of ore processing and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation business and cause increases in capital expenditures or require abandonment or delays in a plant establishment or exploration.

The current and future operations of the Corporation, from processing or from exploration through development activities and commercial production, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions there under, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of its mineral processing or exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. The Corporation is not currently covered by any form of environmental liability insurance. See "Insurance Risk" above.

The Corporation is subject to income taxes and other taxes in foreign jurisdictions. The Corporation's tax structure is subject to review by foreign taxation authorities and affected by a number of factors, some of which are outside of its controls, including different interpretations and constant changes and revisions in the ordinary course. The Corporation's interpretation and the interpretation of its tax advisors or tax experts, applied in accordance to the laws to the Corporation's transactions and activities, may not coincide with the interpretation of the tax authorities. As a result, transactions have been and may, in the future, be challenged by the tax authorities and could result in significant taxes, penalties and interest.

Artisanal mining in Peru is governed by the "REINFO" formalization process managed by the Ministry of Energy and Mines (MEM), which requires miners to enlist on the formalization register. The Corporation has adopted processes to ensure it only purchases ore from miners duly registered in the REINFO process. The deadline for completing the full formalization process has been extended on several occasions and there is no certainty that when expired, Dynacor will be able to engage the number of ASM it had originally targeted.

### ***Risks related to statutory and regulatory compliance (continued)***

Ecuador and Senegal are each governed by their own rules. The Corporation is adopting processes similar to those in place in Peru to ensure its future mineral material purchases will only be with from miners duly registered and authorized by local authorities.

The Corporation is currently working on expanding its processing activities in Peru and in other jurisdictions. The risks described for Peru are also applicable for other jurisdictions.

### ***Title risks and mining claims***

Although title or rights of use to its exploration and operation properties has been reviewed by or on behalf of the Corporation, no assurance can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims, and the Corporation's ability to ensure that it has obtained secure claim to individual mineral properties may be severely constrained. The Corporation has not conducted surveys of all the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to conduct work on the properties as permitted or to enforce its rights with respect to its properties. The Corporation has encountered issue with local community to negotiate a reasonable agreement to pursue its exploration program.

### ***Conflict of interests***

The Corporation's directors and officers may serve as directors or officers of other resource companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will disclose its interests and abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. The directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. As well, a director of the Corporation is an officer of the Corporation largest customer, however he will abstain from voting for or against any decision to be taken with respect to any issues concerning this customer. See "Directors and Officers".

## **FINANCIAL RISKS**

### ***Metal price volatility***

Factors beyond the control of the Corporation may affect the marketability of any ore or minerals processed at the Corporation's plant facilities. Resource prices have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Corporation's control including international economic and political trends, conflicts, inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new and improved extraction and production methods. The effect of these factors cannot accurately be predicted.

***Metal price volatility (continued)***

Gold prices historically have fluctuated widely and are influenced by a number of factors beyond the control or influence of the Corporation. Some factors that affect the price of gold include: industrial and jewelry demand; central bank lending or purchases or sales of gold bullion; forward or short sales of gold by producers and speculators; future level of gold productions; and rapid short-term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Gold prices are also affected by macroeconomic factors including: confidence in the global monetary system; expectations of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the general level of interests rates; the strength of, and confidence in the U.S. dollar, the currency in which the price of gold is generally quoted, and other major currencies; global and regional political or economic events; and costs of production of other gold producing companies whose costs are denominated in currencies other than the U.S. dollar. All of the above factors can, through their interaction, affect the price of gold by increasing or decreasing the demand for or supply of gold.

In its business, the Corporation has a natural hedge against gold price volatility.

***Foreign exchange rate fluctuations***

The Corporation's activities and offices are currently located in Canada, in Peru, in the near future in Ecuador and Senegal and in due diligence development stage in other jurisdictions. Gold is sold in international markets at prices denominated in U.S. dollars. The functional currency of the Corporation is the U.S. dollar. However, some of the costs associated with the Corporation's activities, such as salaries and income taxes, may be denominated in currencies not directly tied to the U.S. dollar. Any appreciation of these currencies vis-à-vis the U.S. dollar could increase the Corporation's cost of doing business in these countries. In addition, the U.S. dollar is subject to fluctuation in value mainly vis-à-vis the Canadian Dollar, Peruvian Soles and CFA Franc. The Corporation does not utilize hedging programs to mitigate the effect of currency fluctuations.

***Access to capital markets and future financing***

To fund its future or current growth, the Corporation may be dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Corporation's projects. To ensure the availability of capital, the Corporation maintains an investor relations program in order to inform all shareholders and potential investors of the Corporation's developments.

The success of current and future ore processing expansion or exploration programs and other transactions related to concessions or other projects could have a significant impact on the need for capital. If Dynacor decides to build processing plants on other jurisdictions, it must ensure that it has access to the required capital. The Corporation could finance its need of capital for investment or working capital by arranging partnerships with other companies, through equity financing, by taking on a line of credit or a long-term debt, by pre-financing its inventory or any combination thereof.

During the first quarter of 2025, the Corporation completed an offering of common shares and intends to use the net proceeds for its development and construction activities, as well as other opportunities in different jurisdictions. However, there is no guarantee that the Corporation will be able to secure any additional financing required to pursue its expansion, exploration programs, and other projects on reasonable terms.

### ***Execution of expansion***

The Corporation's expansion is expected to enhance profitability while reducing geopolitical risk, delivering growth from existing projects, new market entry, and future M&A opportunities. There can be no assurance that the expected benefits will materialize or occur within the time periods anticipated by management. The realization of such benefits may be affected by a number of factors, many of which are beyond its control. The Corporation will incur costs in pursuing any particular opportunity, which may be significant.

### ***Reputational risk***

The consequence of reputational risk is a negative impact on the Corporation's public image and could affect its share price, and which could influence its ability to fund acquisition of future projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber-attacks and media crises. Prior to acquiring a project, the Corporation mitigates reputational risk by performing due diligence, which includes a review of the project, the country, the scope of the project, and local laws and culture. Once the decision to participate in a processing project has been taken, the Corporation continues to assess and mitigate reputational risk through regular Board and Board's Committees reviews.

### ***Cybersecurity threats***

Our operations depend, in part, on how well we and our suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyber-attacks. Cybersecurity threats include attempts to gain unauthorized access to data or automated network systems and the manipulation or improper use of information technology systems. The failure of any part of our information technology systems could, depending on the nature of any such failure, materially adversely impact our reputation, financial condition and results of operations. Although we have not to date experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving numbers and nature of these threats.

We are equipped to monitor closely all random attacks. However, as cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities.

### ***Share price volatility***

The securities markets in Canada may experience a high level of price and volume volatility, and the market price of securities of many companies, may experience wide fluctuations which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. The Corporation's share price exhibits average volatility due to its long track record of growing its operational and financial results.

Unfortunate events such as pandemics, wars, and geopolitical uncertainty may impact stock markets. There can be no assurance that those kinds of events and that continual fluctuations in price will not occur.

### ***Increased costs and compliance risks of being a public corporation***

Legal, accounting, and other expenses associated with public company reporting requirements have increased significantly in the past few years. The Corporation anticipates that costs may continue to increase with recently adopted or proposed corporate governance related requirements.

The Corporation also expects these new rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Corporation to attract and retain qualified individuals to serve on its board of directors or as executive officers.

### ***Pandemics***

Over the past years, global markets were adversely impacted by the Covid-19 pandemic and could be impacted by other emerging infectious diseases and/or the threat of outbreaks of viruses, other contagions or epidemic diseases in the future.

Dynacor is unable to predict at this time if a different type of virus could have a material impact on its future activities, cash flows and liquidities.

## **15-JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of consolidated financial statements (refer to note 5 of the Consolidated Financial Statements) requires management to make judgments, estimates and assumptions on the reported amounts of assets and liabilities, and revenues and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may be substantially different.

The significant accounting estimates are those that require assumptions on matters that are substantially uncertain at the time of the estimate, that should the assumptions be modified, it would have a material impact on the reported earnings or the financial position of the Corporation. A description of the Corporation's main accounting policies can be found in the Consolidated Financial Statements, filed electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **16-ACCOUNTING POLICIES AND MODIFICATIONS**

### **Changes in accounting policies and policies issued but not yet effective**

There were no changes in accounting policies during the year. Several new, but not yet effective Standards, and amendments to existing Standards and interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been early adopted by the Corporation, and no Interpretations have been issued that are applicable and need to be taken into consideration by the Corporation at either reporting date. Please refer to note 3 of the Annual Consolidated Financial Statements.

## **17-NON-IFRS MEASURES**

Throughout this document, 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. These non-IFRS financial performance measures were reconciled to reported IFRS measures within the document. (Refer to section 6 for description and reconciliation of those non-IFRS measures).

## **18-DISCLOSURE CONTROLS AND PROCEDURES, AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The CEO and the CFO of the Corporation are responsible for establishing and maintaining the Corporation's DC&P, including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release. The CEO and CFO evaluated the effectiveness of the Corporation's DC&P as required by National Instrument 52-109 issued by the Canadian Securities Administrators. They concluded that as of December 31, 2025, the Corporation's DC&P were effective. Since the December 31, 2025 evaluation, there have been no adverse changes to the Corporation's DC&P, which continue to remain effective.

Management has developed a system for ICFR in order to provide reasonable assurance with regards to the reliability of the financial information published and the preparation of the consolidated financial statements in accordance with IFRS. The CEO and the CFO evaluated the effectiveness of the ICFR as at December 31, 2025, based on the framework and criteria established in Internal Control – Integrated Framework as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, and based on their evaluation, subject to the limitation on scope described below, management has concluded that the Corporation's ICFR were effective.

The Corporation's management, including the CEO and CFO, believe that any DC&P or ICFR, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. The Corporation's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

No changes were made to the Corporation's ICFR during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, its ICFR.

### **Limitation on Scope of Design and Evaluation of Internal Control over Financial Reporting**

On July 14, 2025, the Corporation acquired Arkham Metal S.A.S., which owns the Svetlana plant in Portovelo, Ecuador, and began consolidating its assets, liabilities, and results of operations.

Pursuant to National Instrument 52-109, management may exclude from its design and evaluation of internal control over financial reporting the controls, policies, and procedures of a business acquired within 365 days before year-end.

**Limitation on Scope of Design and Evaluation of Internal Control over Financial Reporting (continued)**

Given the complexity of integration and the time required to assess Arkham Metal's control environment and accounting systems, the Company will apply this scope limitation in its Management Report on Internal Control over Financial Reporting for the year ended December 31, 2025. During this period, the Corporation will implement its standard internal control framework at the Svetlana Plant.

Key financial information for Arkham Metal S.A.S., renamed Sumacor-EC S.A.S in January 2026, included in the Corporation's condensed consolidated financial statements for the three-month period ended December 31, 2025, is as follows:

- Total assets – \$21.4 million (current: \$0.7 million)
- Total liabilities – \$11.5 million (current: \$0.1 million)
- Revenue and net income – nil

The Corporation expects that Arkham Metal S.A.S., renamed Sumacor-EC S.A.S in January 2026, will be included in the scope of design and evaluation of internal control over financial reporting by September 30, 2026.

**19-CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Statements contained in this document 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.

(s) Jean Martineau \_\_\_\_\_

Jean Martineau

President and Chief Executive Officer

(s) Stéphane Lemarié CPA Auditor \_\_\_\_\_

Stéphane Lemarié

Vice-President and Chief Financial Officer

## **Dynacor Group Inc.**

Management Discussion and Analysis

December 31, 2025

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### **20-CORPORATE INFORMATION**

#### **Dynacor Group Inc.**

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#### **Directors and Officers**

Pierre Lépine, CPA, ICD-D - Chair of the Board

Jean Martineau - President and CEO

Pierre Béliveau, CPA - Director

Réjean Gourde, Ing - Director

Cyril Gradis, MBA - Director

Isabel Rocha, B.Eng. MSc. MBA - Director

Philippe Chave, Ing - Director

Rocio Rodriguez-Perrot, LLB, IFA (France) - Director

Stéphane Lemarié, CPA Auditor - VP Finance and CFO

Daniel Misiano, COO

René Branchaud, LLB - Corporate Secretary

#### **Legal Counsel**

Lavery, de Billy LLP

#### **Auditors**

Raymond Chabot Grant Thornton LLP

#### **Transfer Agent**

TSX Trust Company (Canada)

#### **Exchange Listings**

Toronto Stock Exchange – DNG