



# DYNACOR GOLD MINES INC.

**Investor Presentation  
Quarter Ended June 30, 2017**



# A GOLD PRODUCTION CORPORATION

- A proven leader in a unique niche of the metals and mining sector
- A 19 year track record of processing gold ore in Peru
- A recognizable brand in Peru with long standing reputation and strong relationships
- Voted as Peru's top gold ore processing company
- Owns 2 gold mineralized exploration properties in Peru
- A balanced portfolio of assets with built in upside





# CAPITAL MARKET SUMMARY

<b>Market Summary</b>	
Stock Price	\$2.07 (CAD)   \$1.49 (US)
Ticker Symbol	DNG (TSX)   DNGDF (OTC)
Shares Outstanding (Basic)	38.7 Million
Average Daily Volume (Shares)	49,600 (TSX)
Monthly Dividend	NA
Dividend Yield	NA
Director and Senior Management Ownership	795,151
<b>Capital Structure</b>	
Market Capitalization	CAD \$80.1 Million
Enterprise Value	US \$65 Million
Debt	US \$5.3 Million*

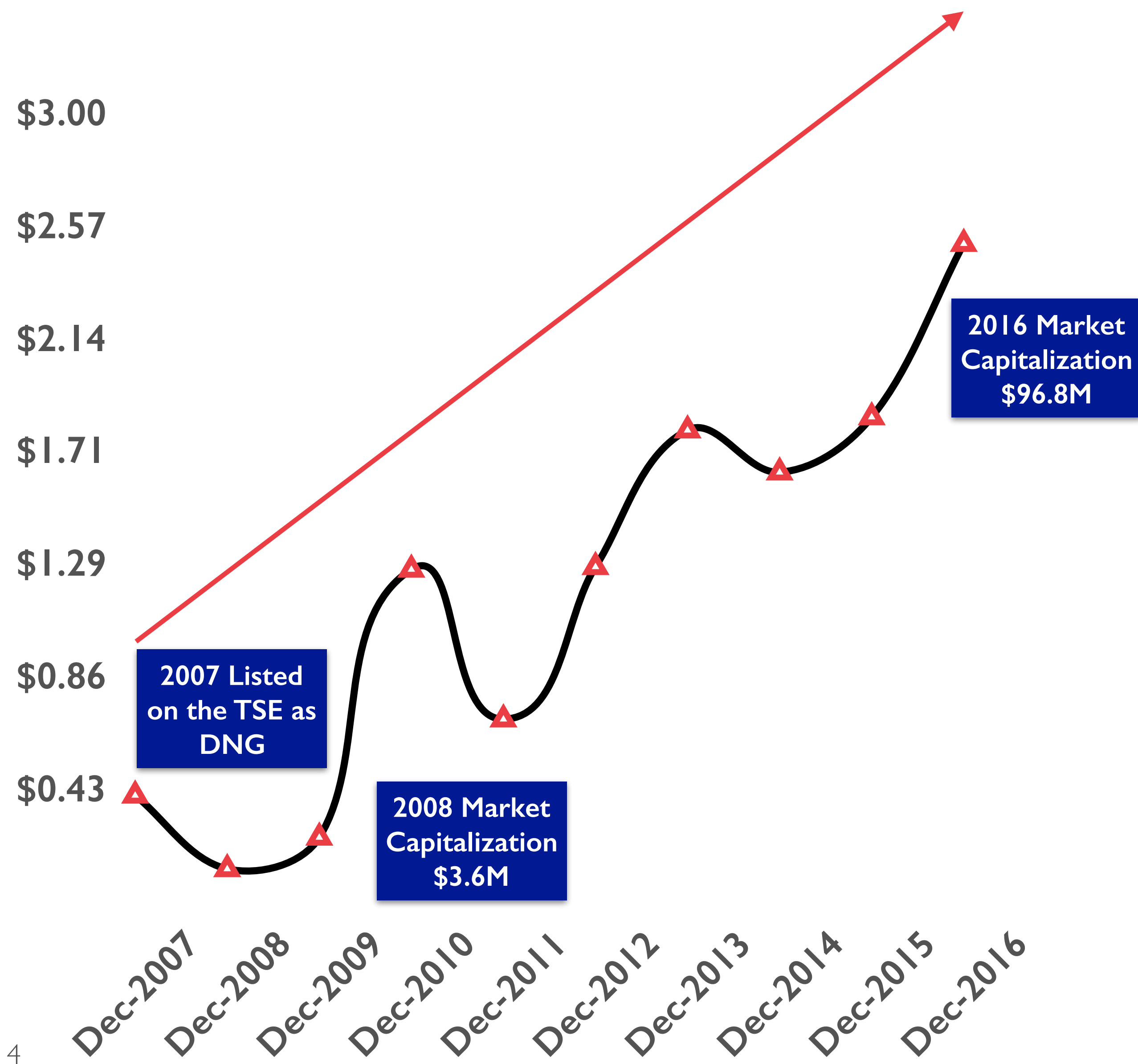
\*Subsequent to quarter-end, Dynacor executed a partial prepayment of \$1-million on its outstanding debt, reducing the total principal balance owed to \$5.3-million. **The Corporation intends to reduce the outstanding balance as soon as it secures sufficient liquidity and expects that at least one and possibly two additional partial prepayments will occur by the end of 2017.**

Quarter ended June 30, 2017

# VALUE CREATION 2007-2017 (DNG - TSX)

Continues to profit through the cycles of the gold market

Built to survive and prosper with or without a gold bull market



# SHORT-TERM STRATEGY (3-12 MONTHS)

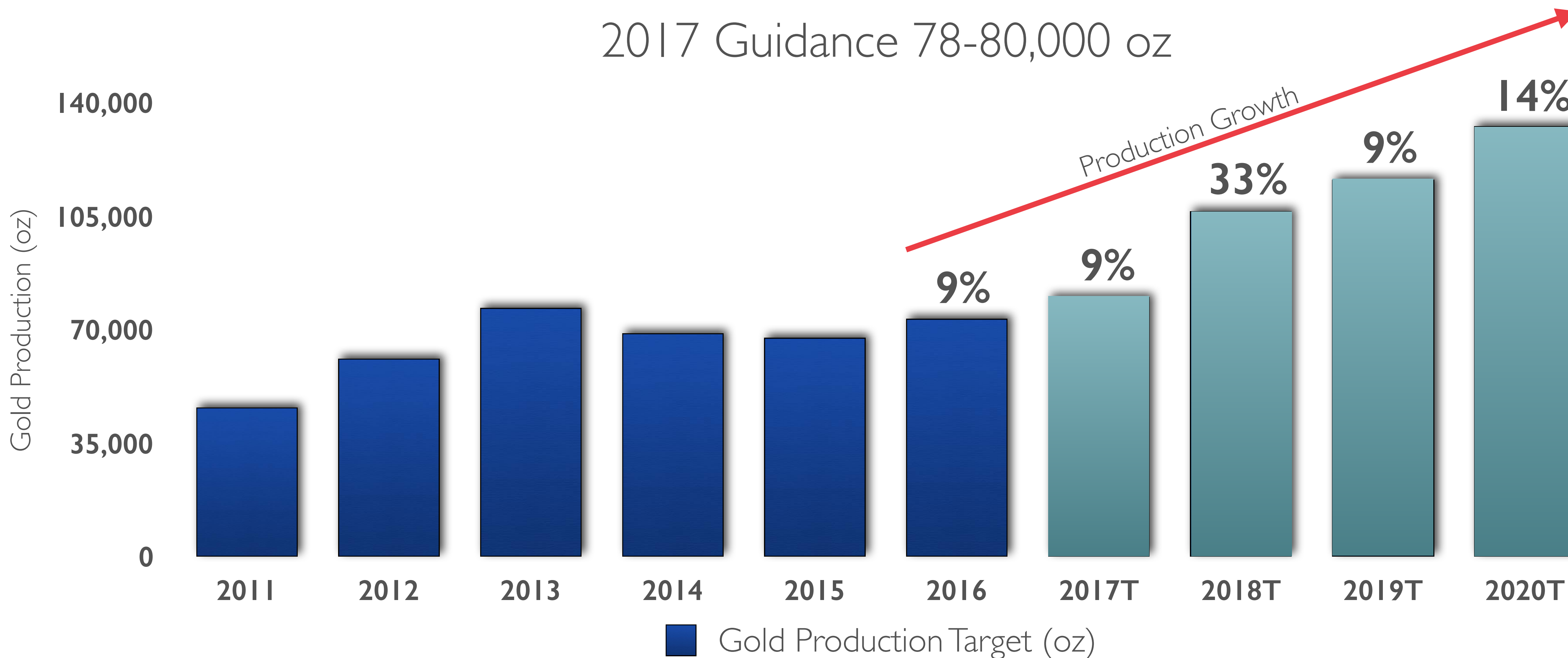
- Self fund throughput growth to 360 TPD (tonnes per day) from 192 TPD (average TPD of last reported quarter), an 88% increase
- Lower gold production costs via economies of scale, transportation and energy savings ... and grow CASH FLOW
- Propel Dynacor to undisputed leader in the Peruvian gold ore processing business (currently #2)
- Pay off all debt and define dividend policy
- Execute low risk drilling plan to advance flagship gold project, Tumipampa
- Elevate status to highest socially responsible gold ore processing business

# MEDIUM-TERM STRATEGY (2-5 YEARS)

- Expand throughput growth to 600+ TPD
- Bring to fruition low risk development plan on flagship exploration project, Tumipampa
- Define mineralization zones at greenfield exploration project, Anta
- Establish with strategic partner world renown brand as socially accountable high quality gold
- Target yield contraction through our responsible shareholder dilution plan and per share growth (Establish a sustainable and steady dividend history)

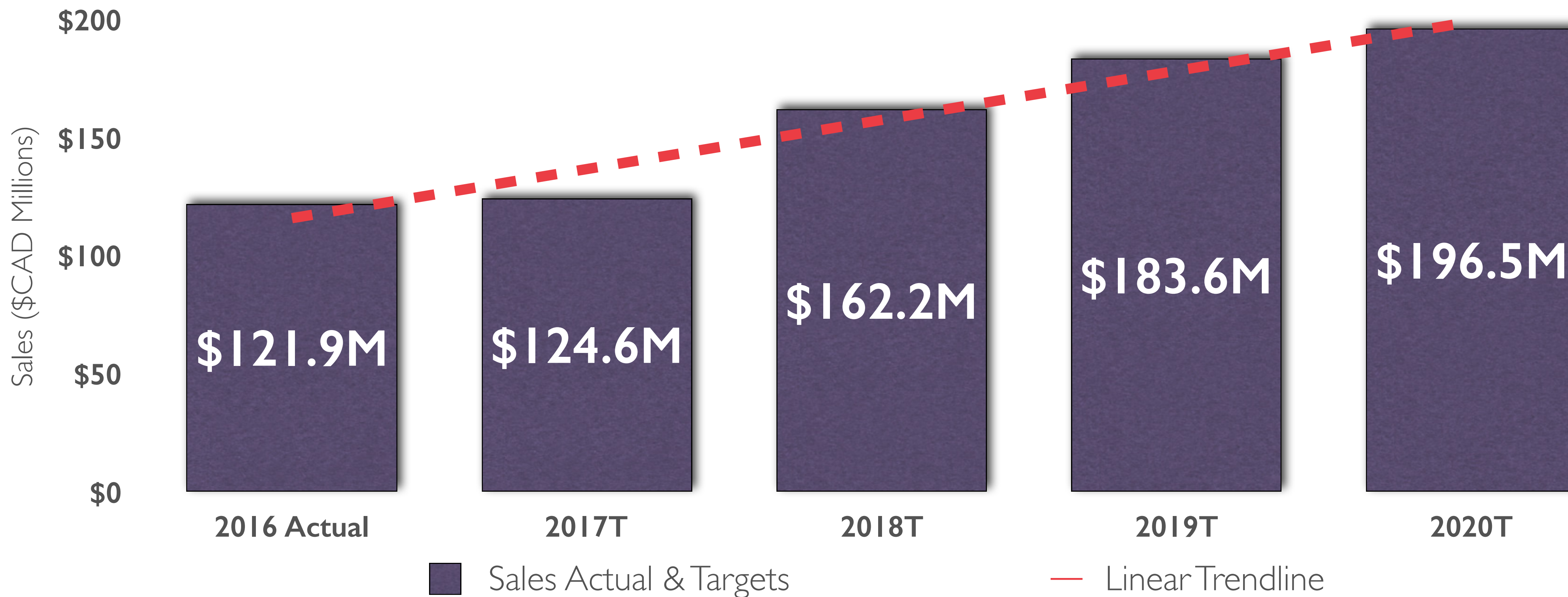
# PRODUCTION GROWTH

2017 Guidance 78-80,000 oz





# GOLD SALES (\$CAD MILLIONS)



\*Targets based on **US\$ 1200 gold price**; 38.7M shares outstanding; 1.25 US to CAD exchange rate; future production growth targets

# SALES/CASH FLOW SENSITIVITY (\$CAD)

- CF from operating activities: 6.8% of sales (average for 6 month period ended June 30, 2017)
- Current 1.25 US to CAD exchange rate
- Production growth targets of: (9% in 2017; 33% in 2018; 9% in 2019 and 14% in 2020)
- 38.7 million shares outstanding

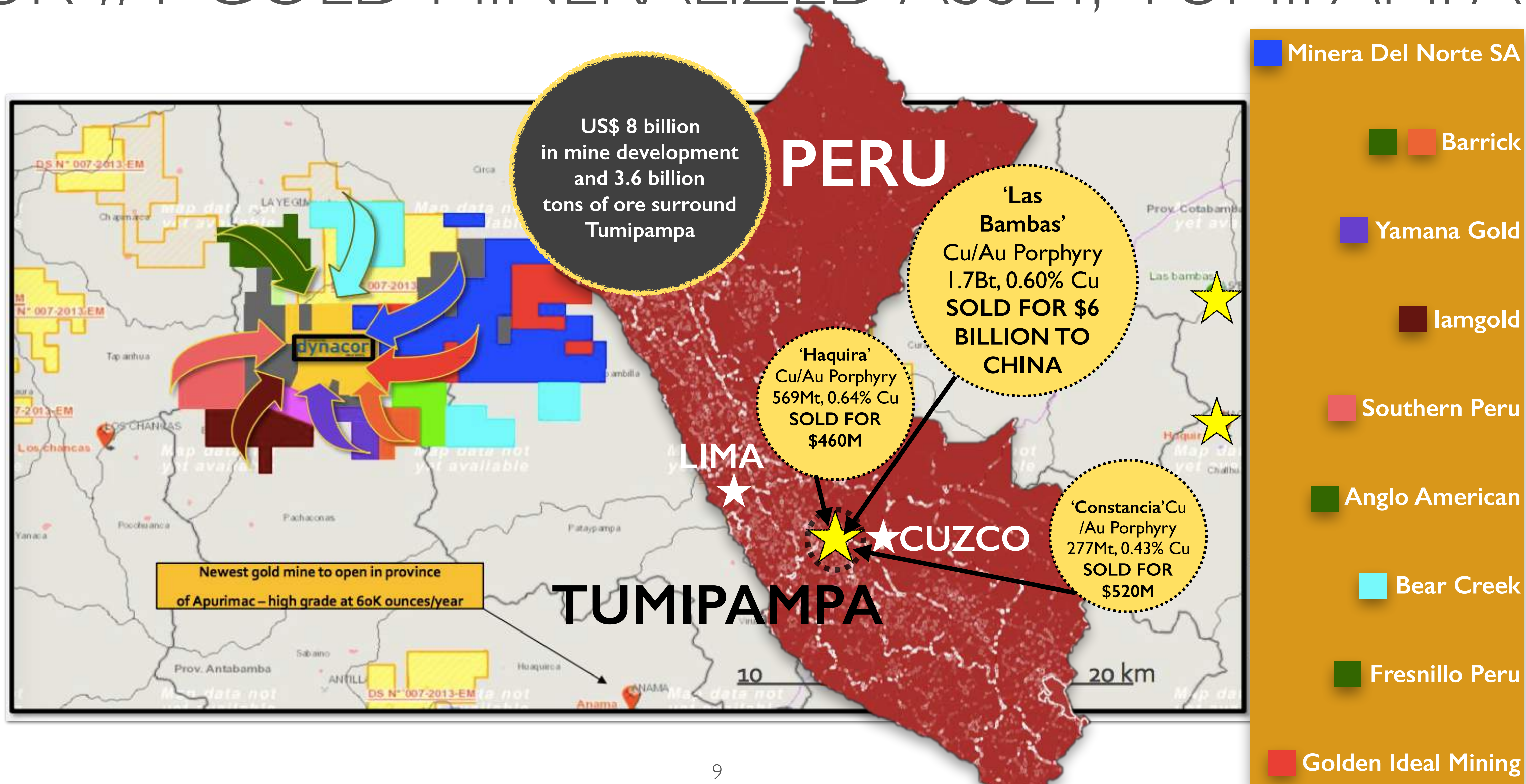
## Sales & Cash Flow Targets (2018-2020)

CAD (\$MILLIONS)	Gold Price US/oz				
	\$1100	\$1200	\$1300	\$1400	\$1500
<b>2018T</b>					
<b>SALES</b>	\$148.7	\$162.2	\$175.8	\$189.3	\$202.8
<b>CASH FLOW</b>	\$10.1	\$11.0	\$12.0	\$12.9	\$13.8
<b>2019T</b>					
<b>SALES</b>	\$168.3	\$183.6	\$198.9	\$214.2	\$229.5
<b>CASH FLOW</b>	\$11.4	\$12.5	\$13.5	\$14.6	\$15.6
<b>2020T</b>					
<b>SALES</b>	\$180.1	\$196.5	\$212.9	\$229.3	\$245.7
<b>CASH FLOW</b>	\$12.2	\$13.4	\$14.5	\$15.6	\$16.7

\*Target based on 2017 CF average of 6.8% from gold sales; 38.7M shares outstanding; 1.25 US to CAD exchange rate; future production growth targets

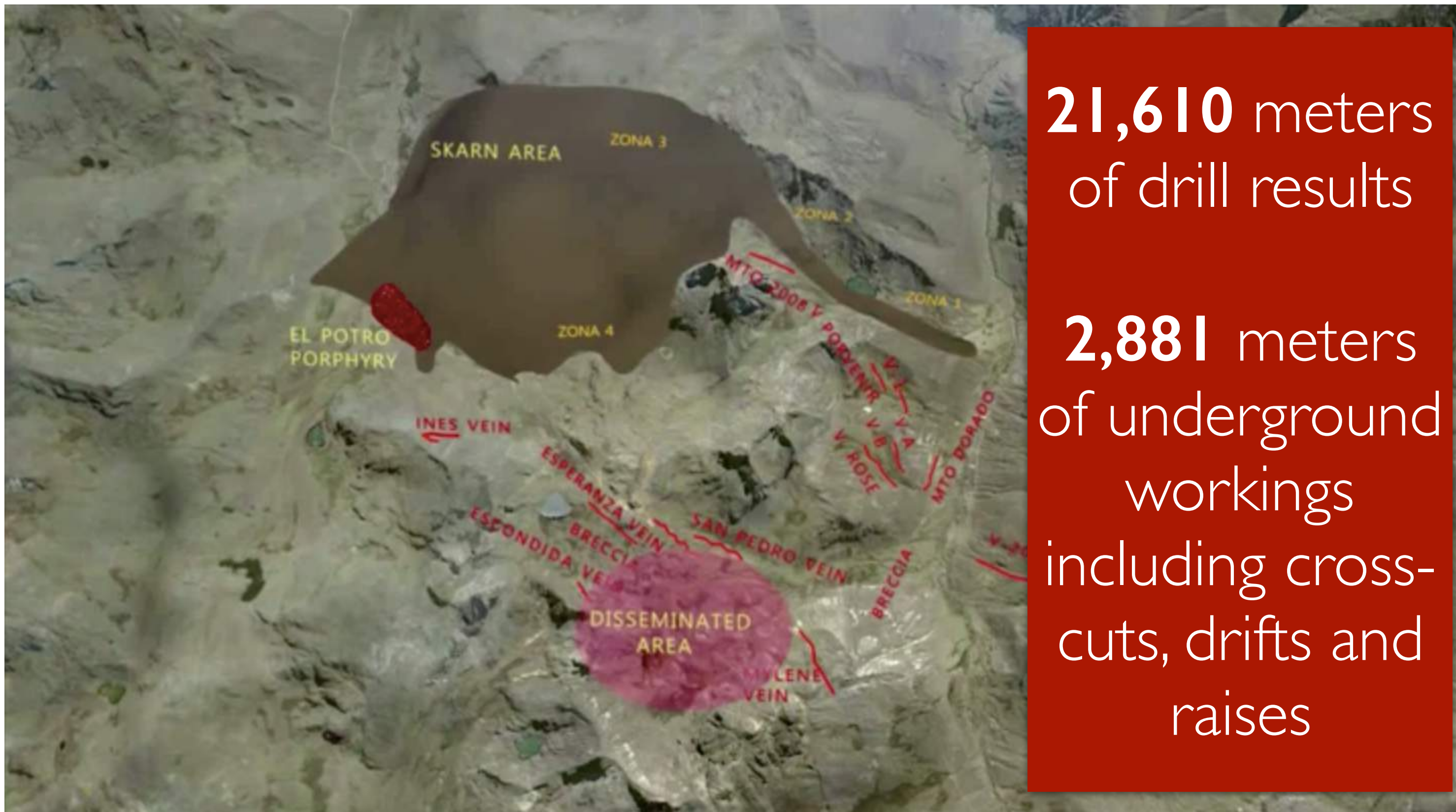


# OUR #1 GOLD MINERALIZED ASSET, TUMIPAMPA





# A GOLD MINERALIZED PROJECT



**21,610** meters of drill results

**2,881** meters of underground workings including cross-cuts, drifts and raises

**Tumipampa is a large 9,756 ha advanced stage gold exploration project located in the south central Andes of Peru**

- **3 gold mineralized zones with significant results to date:**
    1. Disseminated gold in breccias: similar geological results and characteristics to Barrick's **Lagunas Norte** mine;
    2. High-grade gold: results in veins being compared to another **Orcopampa**, owned by Buenaventura;
    3. Porphyry-skarn copper-gold: recent exploration results confirm the zone is marginal and irregular, however, the existence of this mineralization in the project confirms the presence of geological activity creating favourable conditions to the other zones

\* Confirmation of the mineralized zones are supported by diamond drill holes, geochemical, geophysical studies together with underground workings in the high-grade gold vein system
  - **Infrastructure projects underway to access the mines surrounding Tumipampa;**
  - **Mining-friendly region of Peru in obtaining permits and right of way access;**
  - **Located between 2 important metallogenic provinces well known in Peru: .**
    1. The epithermal gold silver belt hosting numerous underground vein mines such as **Orcopampa**, owned by Buenaventura;
    2. The porphyry-skarn belt hosting large international mining corporations such as **Las Bambas**, owned by MMG
- Dynacor owns 100% of the Tumipampa project**



# CORPORATE SOCIAL RESPONSIBILITY

Leading the way in social accountability and responsibility

Dynacor has a strong ongoing commitment to the communities that live around its operations

Dynacor's CSR investments are focused on education, health and community based sustainable sources of income

In the second semester of 2017, Dynacor is planning to fund new modernized medical equipment for one of its key mining suppliers and their community

In May 2016, Dynacor funded a community and school library for the Pachaconas community

Since 2014, Dynacor has provided computers and courses to more than 60 school children in the Pampallacta community





# SUMMARY

- Production growth
- Nearing to pay off debt and define new dividend policy
- Owns advanced exploration gold project with considerable upside
- Proficient ore processing operator
- Leading corporate social responsible program
- Guarded financials & responsible shareholder dilution
- Defensive issue consistently outperforming gold market long-term
- Compelling balance of production growth and exploration
- Trustworthy, shareholder-friendly and proven team focussed to growing production, cash flow, future dividends per share and executing our low risk exploration development plan





# NEW ANALYST COVERAGE

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# FORWARD LOOKING STATEMENT

This presentation contains certain forward-looking statements regarding operational information, future exploration and development plans and anticipated future production. Words such as, “potential”, “building”, “inferred”, “if”, “will”, “expect”, “forecast”, “estimate”, “consider”, “may”, “possible” and similar expressions have been used to identify these forward-looking statements. These statements are management’s current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic, political and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place under reliance forward-looking statements.

Forward-looking statements and other information contained herein concerning the metals and mining industry and Dynacor’s general expectations concerning the industry are based on estimates prepared by management using data from publicly available industry sources as well as from private sources, industry analysis and on assumptions based on data and knowledge of the this industry which the Company believes to be reasonable. However, this data is inherently imprecise. While Dynacor is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors. There is no certainty the projections will be met.