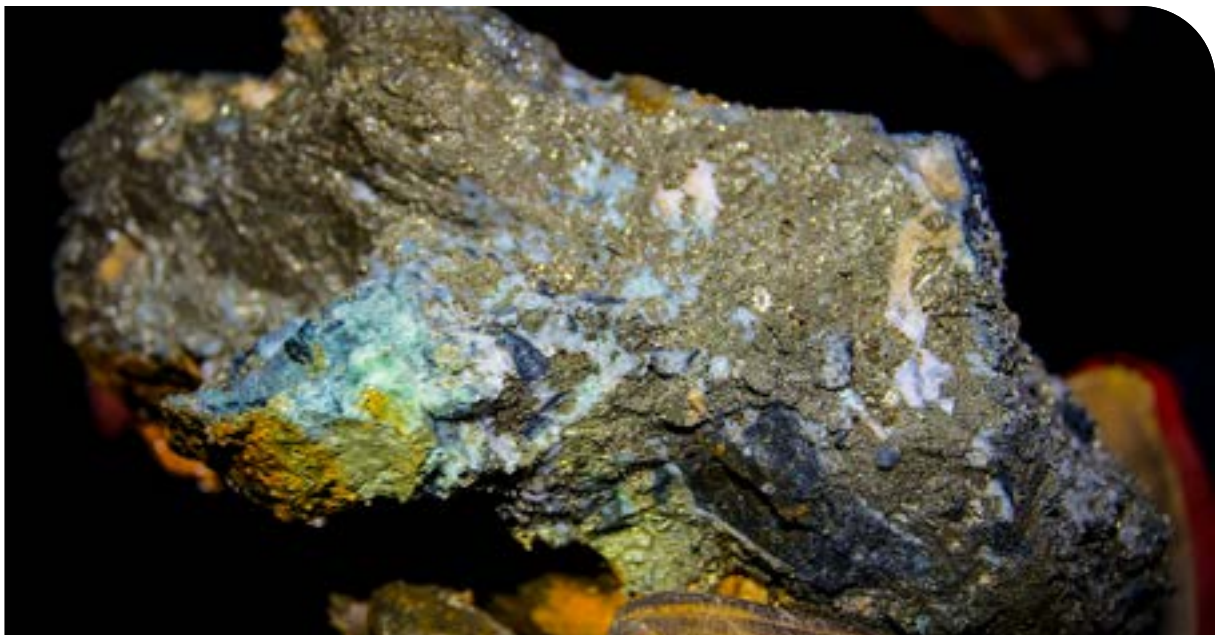
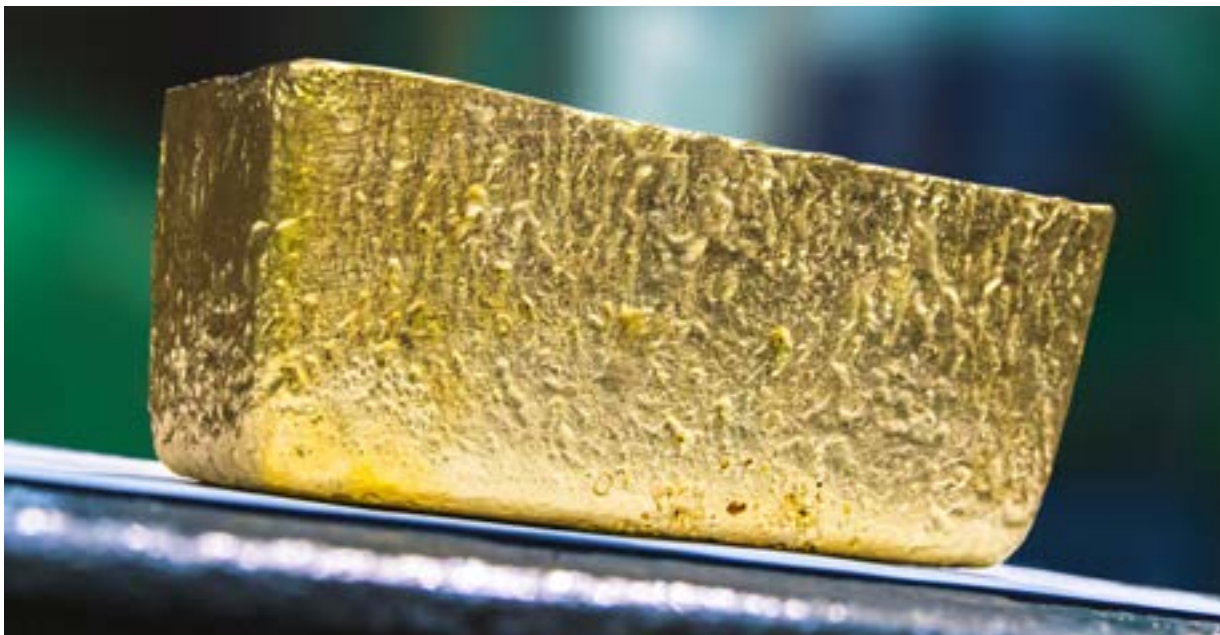


dynacor



2020

SUSTAINABILITY REPORT



dynacor



CONTENT



A message from the President and CEO of Dynacor Gold Mines

We are very pleased to present our first 2020 Sustainability Report with reference to the Global Reporting Initiative (GRI) Standards, through which we want all our stakeholders to see the major results of our economic, environmental, and social performance for 2019 and 2020 in a transparent manner.

Our vision is to leverage the strength of our business model and create value in everything we do for our stakeholders. For our clients, we seek to offer an artisanal gold that is environmentally and socially responsible. In the communities where we operate, we seek to act responsibly and create positive economic impacts. For our employees, we seek to create safe and favorable work environments, supporting their development and performance. For the environment, we seek continuous improvement, investing in

sustainable innovations to reduce our impact on future generations. Finally, for our shareholders, we seek to promote sales development, revenue growth, and higher returns on investment.

After a sustained growth of 25 years, we have positioned ourselves as a leader in the processing of gold minerals that we buy from Artisanal and Small Miners (ASM) that are duly registered or in the process of formalization. With our operations in Peru, we generate value in a responsible manner for the Corporation and our stakeholders.

In 2020, we certainly experienced one of the most serious economic and health crises of recent times due to the rapid spread of COVID-19. In Peru, this led us to adopt unprecedented restrictive measures, since the mining and industrial sectors were among the most affected by the pandemic. After discontinuing all



operations for three months (from March 16th to June 5th), Dynacor successfully resumed mineral purchasing and processing activities, generating profits immediately.

Considering the unique situation caused by the pandemic, the joint effort of the Dynacor team, comprised of 375 employees (Canada and Peru), has allowed us, once again, to achieve encouraging results. I appreciate the work of our team and thank the shareholders for their trust, especially in 2020.

Since 2019, we have improved the traceability of gold and moved towards sustainable development management.

The development of our activities is based on our corporate values, as well as: Code of Conduct, Compliance System for the Prevention of Money Laundering and Financing of Terrorism, Occupational Health and Safety System, Environmental Management System, Compensation Policy, among others.

In 2020, our revenues exceeded US\$ 101 million. At Dynacor, we are committed to the continued promotion of local employment in Chala (Arequipa) and other regions of Peru, and to increase hiring in the communities we operate. Our purchases in this region reached US\$ 27.5 million.

Our social commitment has allowed us to make investments, as a corporation and through the PX Impact® Program, in the amount of US\$ 313,473 in infrastructure and diverse aids in the communities of influence, during the reporting period.

For the preservation and care of the environment, we have environmental management instruments included in our Environmental Management System (EMS). During 2020, we have carried out our first inventory of Greenhouse Gas (GHG) emissions. This provided us with information related to the total GHG emissions generated in 2019, which will be our baseline year, and will allow us to measure the evolution of our emissions over time. We have also implemented other

environmental indicators related to waste management, water consumption, energy consumption, and emissions.

While the evolution of the COVID-19 pandemic continues to pose global challenges, we expect them to decrease with the start of vaccination. Also, we are confident that this year will be successful, with an expected sales increase of almost 50% compared to 2020, and with the execution of projects that we were unable to carry out last year.

I am confident that we will achieve all our outlined projections and objectives can be met thanks to the work of every one of the employees, who are the architects of the company's growth. Therefore, I express my gratitude for the effort and dedication in their work. We will also continue to work hard to contribute to the development of our communities.

Finally, I encourage you to review our 2020 Sustainability Report, which details the results of our company's management. **GRI 102 - 14**

Sincerely,

Jean Martineau

President and CEO
Dynacor Gold Mines



Highlights GRI 102-7



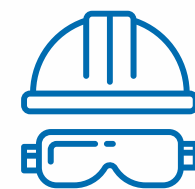
25 years

of sustained
growth



100%

environmental
compliance



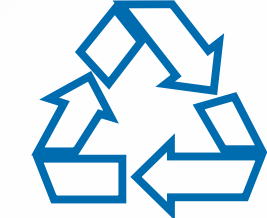
**0
ACCIDENTS**

with serious
consequences



**77,978
TONS**

of ore processed



**6%
REDUCTION**

in waste intensity



US\$ 27.5

MILLIONS

spent with local suppliers



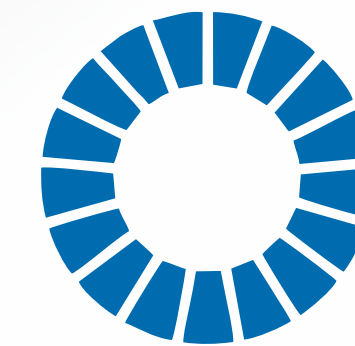
**375
EMPLOYEES**



50,477

OUNCES

of gold produced



Committed to

5 SDG

1

ABOUT DYNACOR GOLD MINES INC.





1. About Dynacor Gold Mines Inc.

GRI 102-1

GRI 102-2

GRI 102-5

We are a corporation engaged in gold ore processing that purchases from ASM (Artisanal and Small-Scale Mining) who are formalized or in the process of being formalized, and in the sale of precious metals.

We have been present in Peru since 1996 with our subsidiary Minera Veta Dorada SAC, which operates a 340 MT/day ore processing plant in Chala, Arequipa (Peru).

We also own exploration properties, including the Tumipampa gold and copper project in Abancay, Apurimac region (Peru).

Due to our business model, we have grown steadily over the past 25 years. We are currently positioned in the medium mining sector.

Dynacor is listed on the Toronto Stock Exchange (TSX) under the symbol DNG, and on the OTC in the United States under the symbol DNGDF. The company pays dividends to its shareholders.

In our operation, we pursue and achieve benefits for both our Corporation and the communities of artisanal and small-scale miners, mainly in Arequipa, Ayacucho and La Libertad.

Vision



Dynacore will become the world's leading processor of artisanal, environmentally and socially responsible gold ore.

Mission



Dynacore is an environmentally and socially responsible processor of artisanal gold. We are establishing and maintaining a true partnership with artisanal miners and the communities where we operate worldwide and with all our other stakeholders in an equitable and transparent manner.

Values



Respect



Ethical Behavior



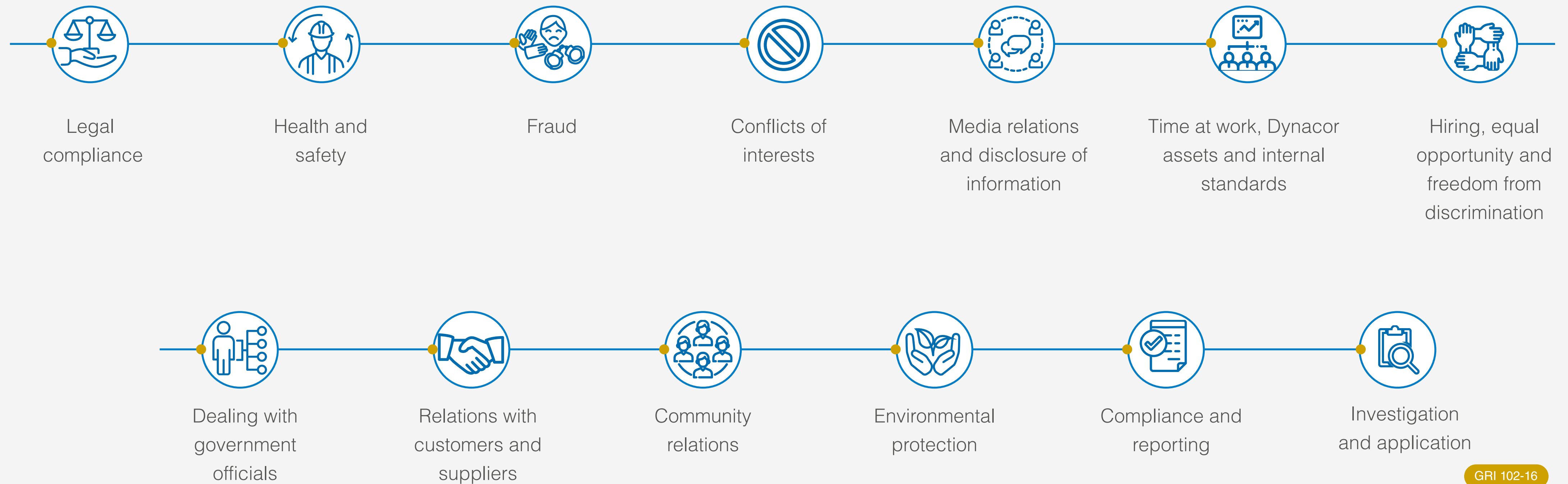
Environmentally Responsible

GRI 102-16

Code of Conduct

Our **Code of Conduct** applies to all directors and officers of Dynacor and the subsidiary Minera Veta Dorada, and to all employees.

It is based on:



GRI 102-16

1.1 Our Offices

GRI 102-3

GRI 102-4


GRI 102-7



CANADA
Head Office
625 René-Lévesque
Blvd West, Suite 1200
Montreal (Quebec) H3B 1R2

PERU
Subsidiary
Calle Raymundo Morales
de la Torre No. 144
San Isidro, Lima

PERU


 **Subsidiary**
Calle Raymundo Morales
de la Torre N 144
San Isidro, Lima


 **Purchasing Offices**

▶ Trujillo	▶ Chimbote
▶ Nasca	▶ Chala
▶ Secocha	▶ Misky
▶ Pedregal	▶ Juliaca

 **Exploration**
Tumipampa Gold and Copper Project.
Abancay, Apurimac



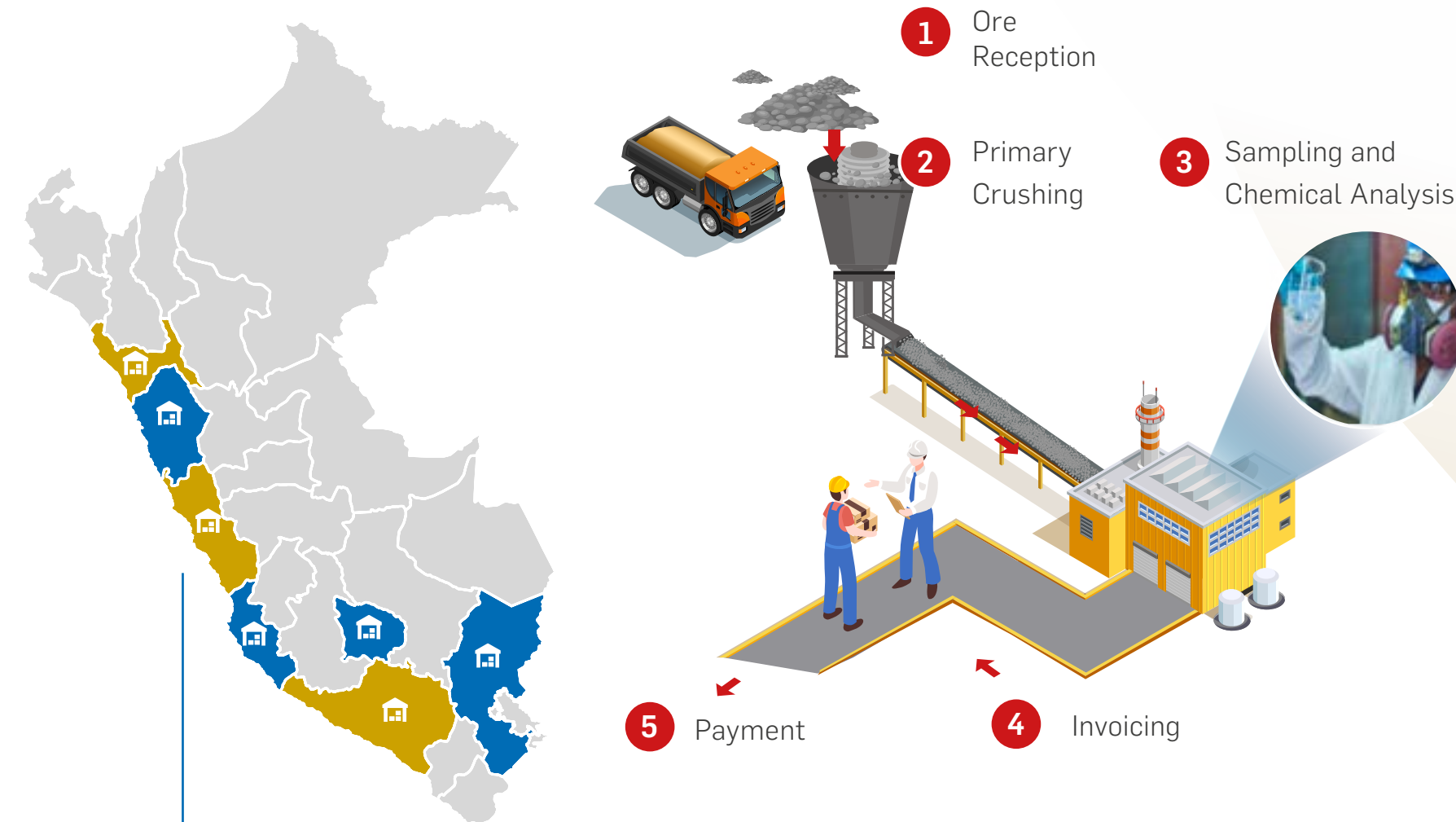
 **Administrative Office Nasca**
Av. Los Paredones No. 569, Nasca
Ica, Arequipa

 **Veta Dorada Processing Plant - Chala**
KM. 5 C.P. Chala Viejo (KM 5 del
Corredor C.P. Chala)
Caraveli, Arequipa

1.2 Our Production Process GRI 102-2

1 Production

Through our subsidiary Veta Dorada, we buy ore from Artisanal Small Miners (ASM) enlisted in the formalizing process of the Peruvian Government.

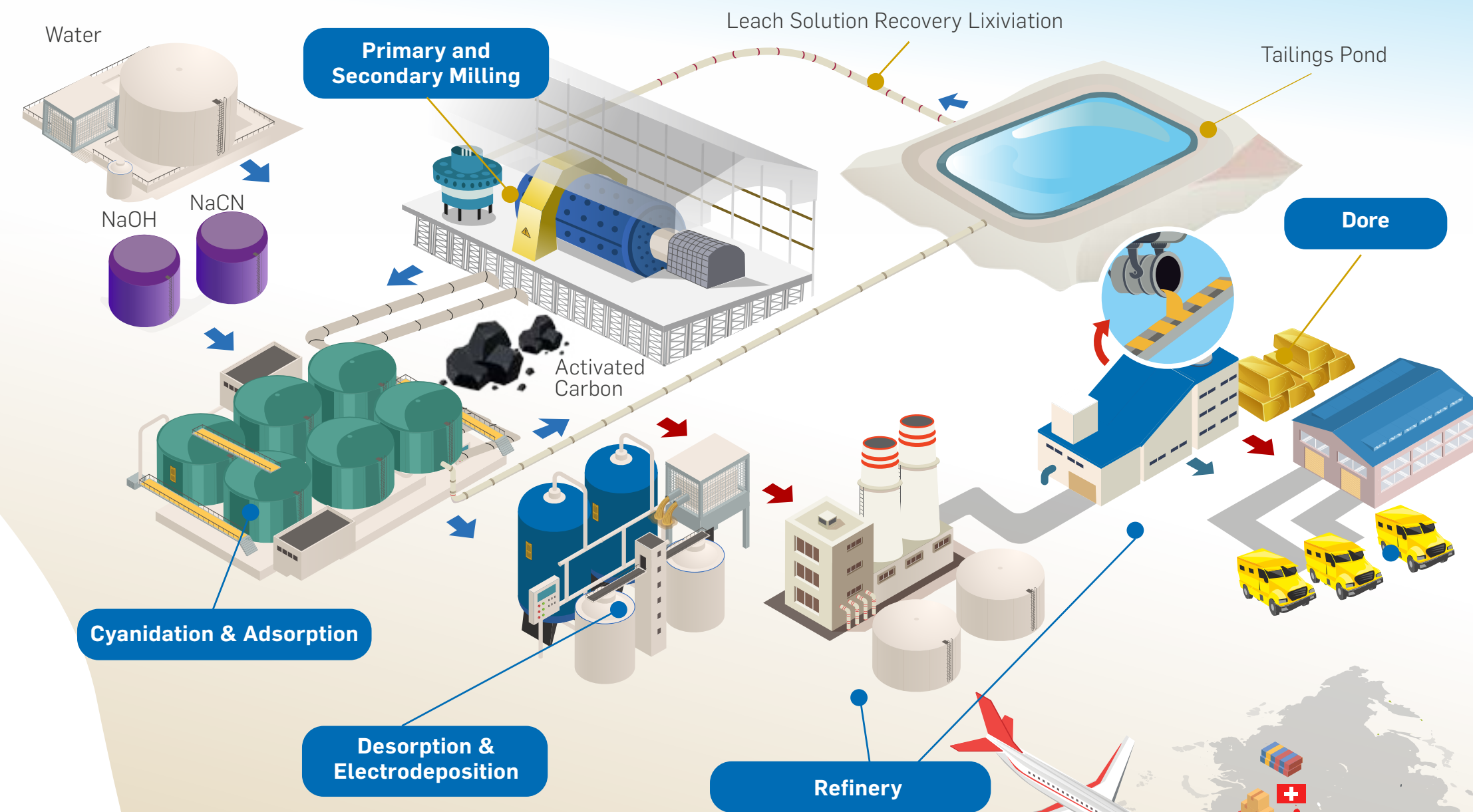


Purchasing Offices

- Trujillo
- Chimbote
- Nasca
- Chala
- Secocha
- Misky
- Pedregal
- Juliaca

2 Processing

The **Veta Dorada Plant** has a processing capacity of 340 TM/D. It is located in Chala District, Arequipa, Peru.



- We have implemented a Compliance System for Money Laundering Prevention and Terrorist Financing (ML/TF) focused on risks through which acts of corruption and Money Laundering are also prevented. In our production areas there is no child or forced labor.

3 Transport

From the Chala Plant to the Lima Airport made by a Security Transport Company.

4 Export

- **Gold**
From Lima airport to Switzerland
PX Precinox Custom Agent
- **Silver**
Based on Buyers

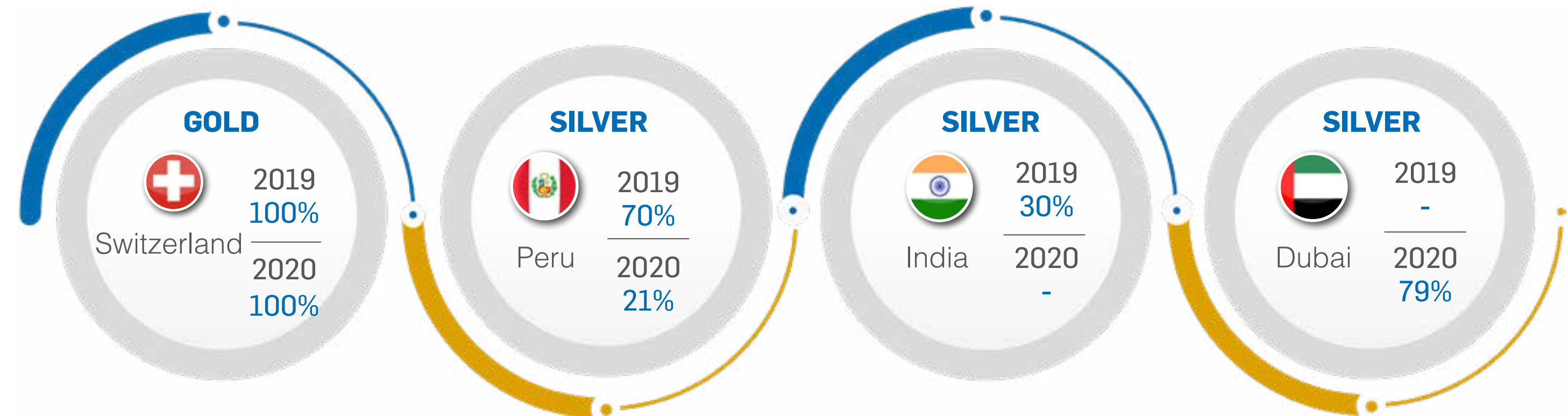
1.3 Our Products

Our products, mainly gold, and silver as a by-product, are commercialized in the following markets:

GRI 102-6



Customers who purchase gold under the **PX Impact® Program** pay a premium on the price of gold, so that the proceeds may be allocated to social investment in Artisanal and Small-Scale Mining (ASM) communities.



1.4 Governance

Dynacor Gold Mines Inc. is a company incorporated under Canadian laws, and our subsidiary, Minera Veta Dorada SAC, under Peruvian laws.

Dynacor's Board of Directors is composed of seven members, six independent members and the Chairman. On an annual basis, the Governance, Nominating and Compensation Committee proposes the Board's list. The Board accepts or modifies it, and the shareholders use this list to elect members to the Board through voting at the Annual General Meeting.

The Board has three committees:

- Governance, Nominating and Compensation Committee
- Audit Committee
- Environment and Social Responsibility Committee

GRI 102-22

General meetings of the Board of Directors occur quarterly, and extraordinary meetings are held when required. In addition, there is an annual shareholders meeting (General Shareholders' Meeting) and another meeting for approval of the budget. **GRI 102-18**

At the General Shareholders' Meeting, the annual report (AIF) is submitted, which outlines wages, earnings and shares held

by the directors. This report is published annually on the website prior to the General Shareholders' Meeting. **GRI 102-35**





1.5 Contribution to Economic Development

At the end of 2020, our sales revenue was US\$ 101.5 million, despite the disruption caused by the COVID-19 pandemic. Operating costs amounted to US\$ 86.7 million in value, and in complying with financial obligations to our stakeholders.

GRI 201-01

Direct Economic value generated and distributed in the last 2 years in thousands of U.S. dollars

GRI 201-01

	2019 (000 US\$)	2020 (000 US\$)
Direct economic value generated:		
Total net income	102,499	101,533
Economic value distributed:		
Operating costs, employees, payments to suppliers, taxes, community and others	107,708	86,721
Economic value retained	-5,209	14,812

It should be noted that all our financial information is presented in our Annual Financial Report, available on our website: www.dynacor.com, and on the System for Electronic Document Analysis and Retrieval (SEDAR), at www.sedar.com.



Taxes and Fees

In 2020, we contributed US\$ 3.1 million in taxes and fees to the Peruvian government stipulated for companies in our sector. In Canada, we made a payment of US\$ 97,000 in taxes.

Taxes paid in the last 2 years in U.S. dollars

	2019 (US\$)	2020 (US\$)
 Taxes paid in Peru	3,101,589	3,088,209
Taxes paid in Canada	95,612	96,988
Total taxes paid	3,197,201	3,185,197

1.6 Membership of Associations

GRI 102-13

We are affiliated with the following organizations with which we share common values and objectives:

- Member of the Prospectors & Developers Association of Canada (PDAC)
- Associate of the Peruvian Canadian Chamber of Commerce (PCCC)



1.7 Sustainable Development Goals

We are committed to five UN Sustainable Development Goals (SDG)

GRI 102-12



1.8 Ethics, Anti-Corruption and Compliance Program

Compliance System for Money Laundering Prevention

At Dynacor, through our subsidiary Minera Veta Dorada (MVD), we have implemented a Compliance System for Money Laundering Prevention and Terrorist Financing (ML/TF) focused on risks through which acts of corruption are also prevented.

To this end, we have two regulatory documents: Code of Conduct for the Management and Prevention of Money Laundering and Terrorist Financing Risks and a Manual for the Prevention of Money Laundering and Terrorist Financing of MVD, both of which were approved and updated on December 29, 2020 and distributed to all the employees.

- 1.- The Code of Conduct for the Management and Prevention of Money Laundering and Terrorist Financing Risks aims to establish the basis for responsible behaviour, as well as the principles, duties and ethical standards that the company must be knowledgeable of and comply with, in order to promote the proper functioning of the system for the prevention of money laundering and terrorist financing; and this is mandatory for all its employees and directors.
- 2.- The purpose of the Manual for the Prevention of Money Laundering and Terrorist Financing is to prevent Money Laundering and Terrorist Financing (ML/TF) risks, as well

as the operational and legal risks of such activities may pose for the company. With regards to the risk of corruption, we have established policy rules and internal systems and procedures for effective communication and control, aimed at:

- Developing the mining activity in accordance with current regulations and based on a risk approach.
- Preventing its offices from being used for Money Laundering and Terrorist Financing (ML/TF).
- Ensuring that all employees observe the “Know Your Customer” policies and procedures.
- Ensuring strict compliance with ML/TF laws.

Risk Identification

Considering that the ML/TF risk is the “possibility that the company could be used for the purposes of ML/TF”, since August 2019, we have been applying the Methodology for ML/TF Identification and Risks, which is updated every two years or when there are changes in the risk factors.

The ML/TF risk is determined on the basis of the measurement of risk components of probability and impact. Risk identification is based on the individualization of those factors which generate ML/TF risks.

From the analysis of the characteristics of the company's operations, the following factors have been determined to have a bearing on the materialization of the ML/TF risk:



- a) Customer risk factor.** The analysis associated with this factor includes the sole purchaser of gold from the company, regardless of the legal basis.



- b) Product risk factor.** The analysis associated with this factor refers to the product that the company offers on the market: gold. While the risk is linked to distribution channels.



- c) Geographic area risk factor.** The analysis associated with this factor is linked to the districts of the provinces in the Peruvian departments in which the company operates.

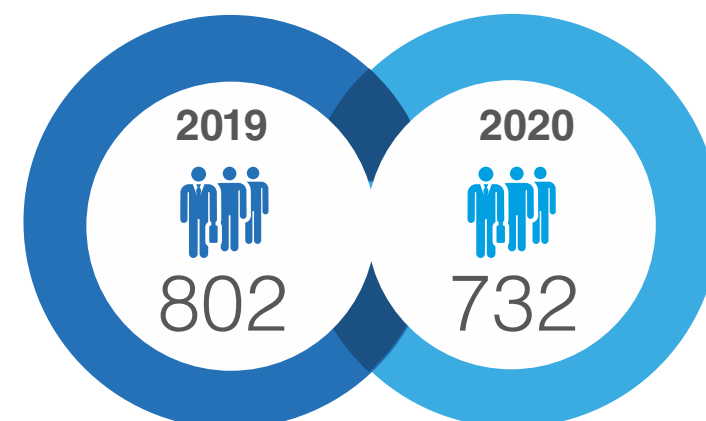
The Compliance Officer's work plan includes monitoring activities for due diligence with the knowledge of the directors, employees, suppliers and end beneficiaries; reporting alerts and unusual operations by employees by means of the designated electronic mailbox; reporting of suspicious operations to the Financial Intelligence Unit (FIU) of Peru; and attention to asset-freezing measures as prescribed by the United Nations Security Council (UNSC), among others. All of these have a risk approach to avoid the company from being implicated in ML/TF or illicit acts, such as corruption.

Training

The Training Plan considers that all new employees are provided with the general concepts and definitions for the prevention of Money Laundering and Terrorist Financing within 30 days of joining the company, and that all personnel receive training on this topic at least once a year.

Dynacor Compliance Training – Minera Veta Dorada

Training
hours



The operations assessed by the company for corruption-related risks are the purchase of ore and the export of precious metal; all of these operations are 100% verified.



The Compliance Officer's Work and Training Plan is approved no later than the 31st day of December each year.



We consider Money Laundering and Terrorist Financing risks to be equal to anti-corruption risks. **GRI 205-1**

Communication

Compliance policies and procedures for the Prevention of Money Laundering are communicated to all employees of the organization. **GRI 205-2**

During the reporting period, the company did not record any confirmed cases of corruption and, as a result, no disciplinary actions were taken.

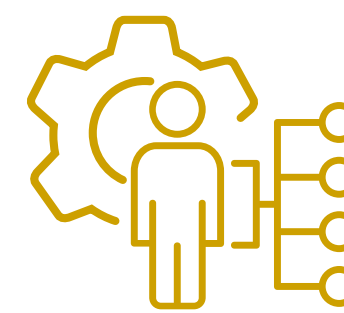
GRI 205-3

Ethics and Integrity

Due diligence policies for the stakeholders also seek to prevent the company from being implicated or used in illegal activities.

To ensure a high level of integrity with our stakeholders, we have implemented the following measures:





- Screening at the moment of joining the company and during the relationship, such as the review of international prevention lists and local black lists.
- Minimum requirements are sought, and they must be met and updated on a regular basis.
- In the case of ore suppliers, mine work verification has been implemented. **GRI 102-17**









1.9 Stakeholders

We recognize the commitment we have to our stakeholders; therefore, we provide communication spaces, focus on their expectations and foster harmonious relationships based on trust and transparency.

We have identified our stakeholders and their expectations on the basis of an analysis of our company's external and internal environment. We seek to ensure that our relationships with all the stakeholders are sustainable in the medium and long term, and that they may benefit from our contribution to society.

Stakeholders	Means of communication	Expectations
 Shareholders / Investors	<ul style="list-style-type: none"> • Annual Shareholders' Meeting • Press releases • Website and social media • Quarterly and annual financial reports • Emails • Telephone calls 	<ul style="list-style-type: none"> • Expansion and growth • Maintaining and enhancing market reputation • Business leadership • Corporate social responsibility • Governance
 Board of Directors	<ul style="list-style-type: none"> • Quarterly and annual reports • Emails • Regular meetings • Telephone calls 	<ul style="list-style-type: none"> • Maintaining and enhancing market reputation • Sound financial position • Corporate social responsibility • Governance
 Employees	<ul style="list-style-type: none"> • Regular meetings • Digital newsletters • Website and social media • Wall newspapers • Corporate communications and announcements • Telephone calls 	<ul style="list-style-type: none"> • Employee welfare • Working conditions • Pleasant organizational climate • Recognition of optimal performance
 Customers	<ul style="list-style-type: none"> • Quarterly reports • Website and social media • Emails • Regular meetings • Telephone calls 	<ul style="list-style-type: none"> • Gold traceability • Responsible sourcing • Investment in social projects in artisanal or small-scale mining communities • Environmental sustainability • Labour rights

Stakeholders		Means of communication	Expectations
	Suppliers	<ul style="list-style-type: none"> Website and social media Emails Telephone calls 	<ul style="list-style-type: none"> Timely payments Capacity building of small local suppliers
	Artisanal and small-scale miners	<ul style="list-style-type: none"> Emails Regular meetings Technical visits Collection centers Telephone calls 	<ul style="list-style-type: none"> Transparent and timely settlement process Support on safety issues Corporate social responsibility
	Government	<ul style="list-style-type: none"> Reports to industry regulatory bodies Coordination meetings 	<ul style="list-style-type: none"> Compliance with regulations Supervision Job creation Legal security Corporate social responsibility
	Communities	<ul style="list-style-type: none"> Community assemblies Community liaison Individual meetings 	<ul style="list-style-type: none"> Community development Social development programs Investments in education and health
	Media	<ul style="list-style-type: none"> Press releases Website and social media Telephone calls 	<ul style="list-style-type: none"> Transparency of information Contribution to society
	Society	<ul style="list-style-type: none"> Corporate communications and announcements Website and social media Coordination meetings 	<ul style="list-style-type: none"> Contribution to society Corporate social responsibility

2

OUR TEAM



2. Our Team

The key to the company's growth in recent years has been focused mainly on the commitment of the employees to achieve the proposed goals.

The talent management strategy focused on the professional and personal development of employees in safe working conditions. In order to strengthen the working environment, this strategy is readapted each year in accordance with the company's needs.

In 2020, there were a total of 375 employees working for the company, 369 in Peru and 6 in Canada. Concerning the new employees hired in Peru, 26% were from the Arequipa region, and with regard to total new hiring, 83% were men and 17% were women, resulting in an increase of 5% in newly hired women compared to 2019.

GRI 401-1

The company has a salary policy that takes into consideration the category and function criteria, as well as mechanisms to evaluate and organize positions in line with objectives that meet the needs of our economic activity. In accordance with the Code of Conduct and Peruvian laws (Regulatory Law 30709), discrimination between men and women is prohibited in our organization. Additionally, our main goal is to hire more employees from the Arequipa region of Peru.



We are
committed to the
development of
our employees.

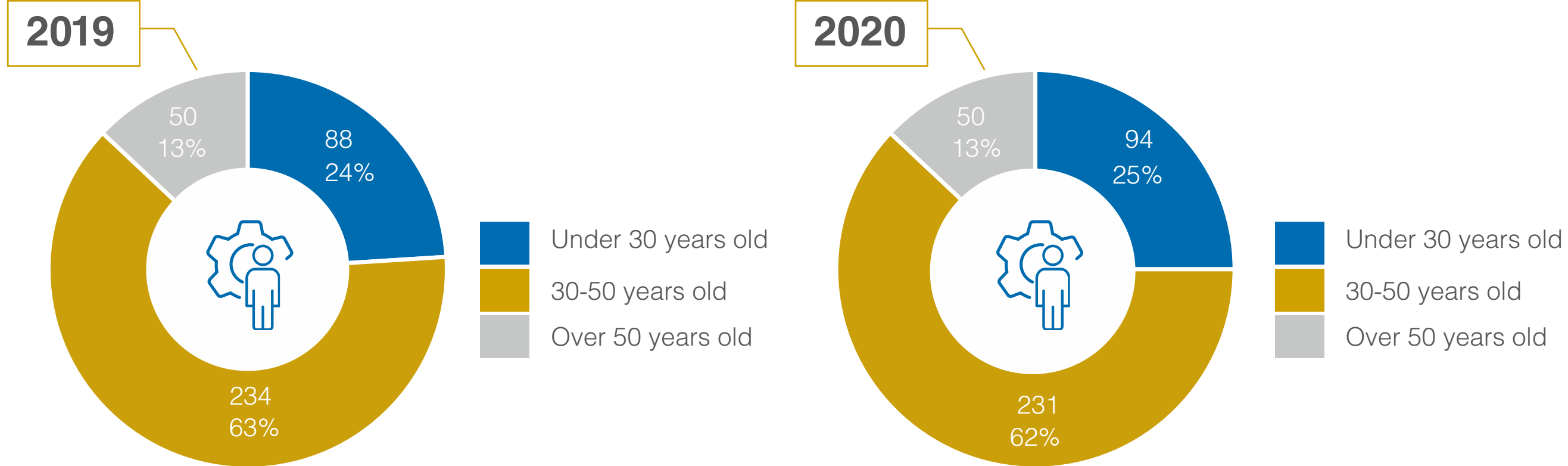


Breakdown of employees by age range, category, gender, place of origin, and new hiring

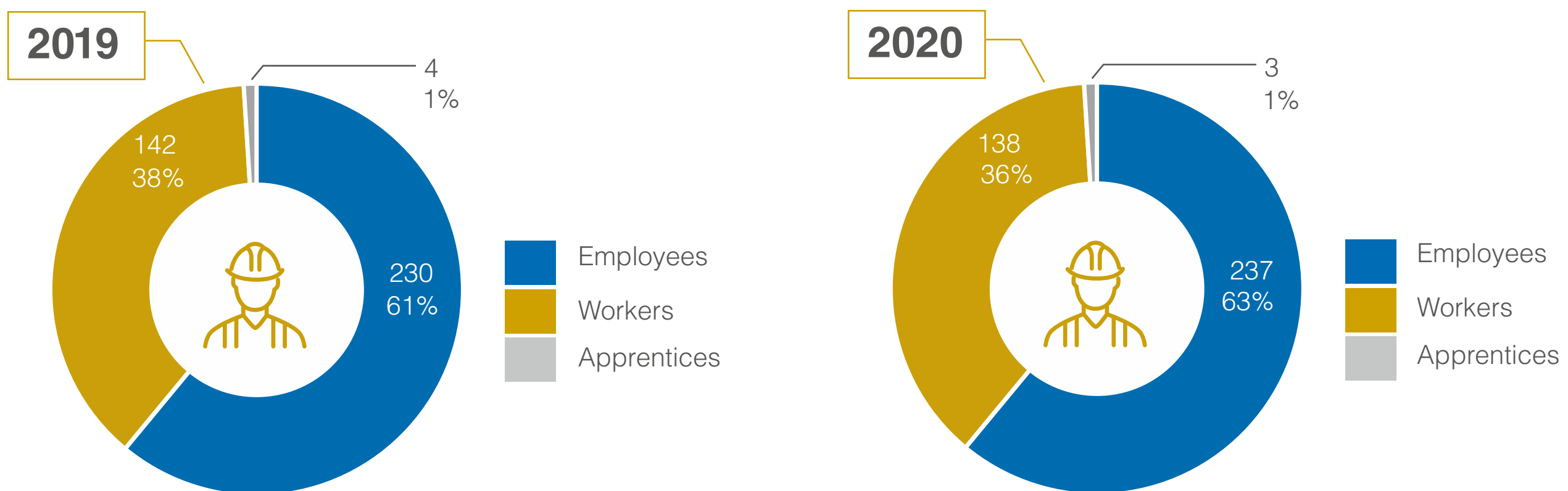
GRI 102-8

GRI 405-1

Age range:



Category:

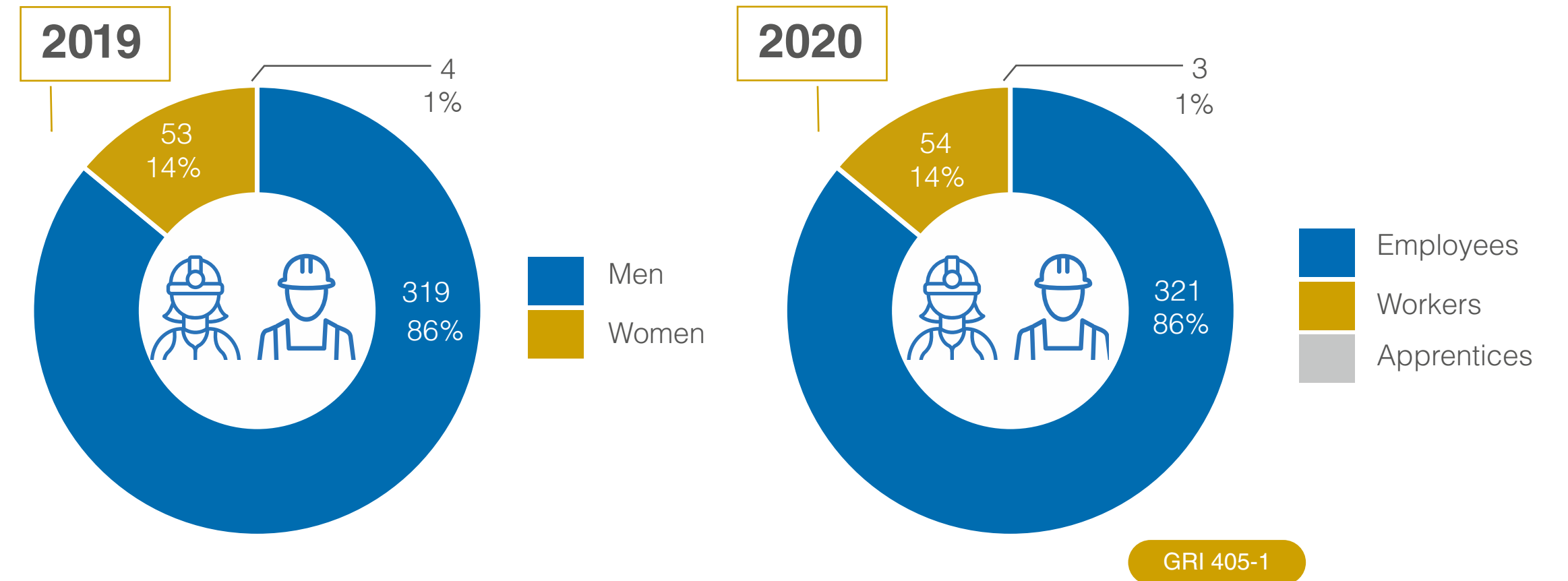




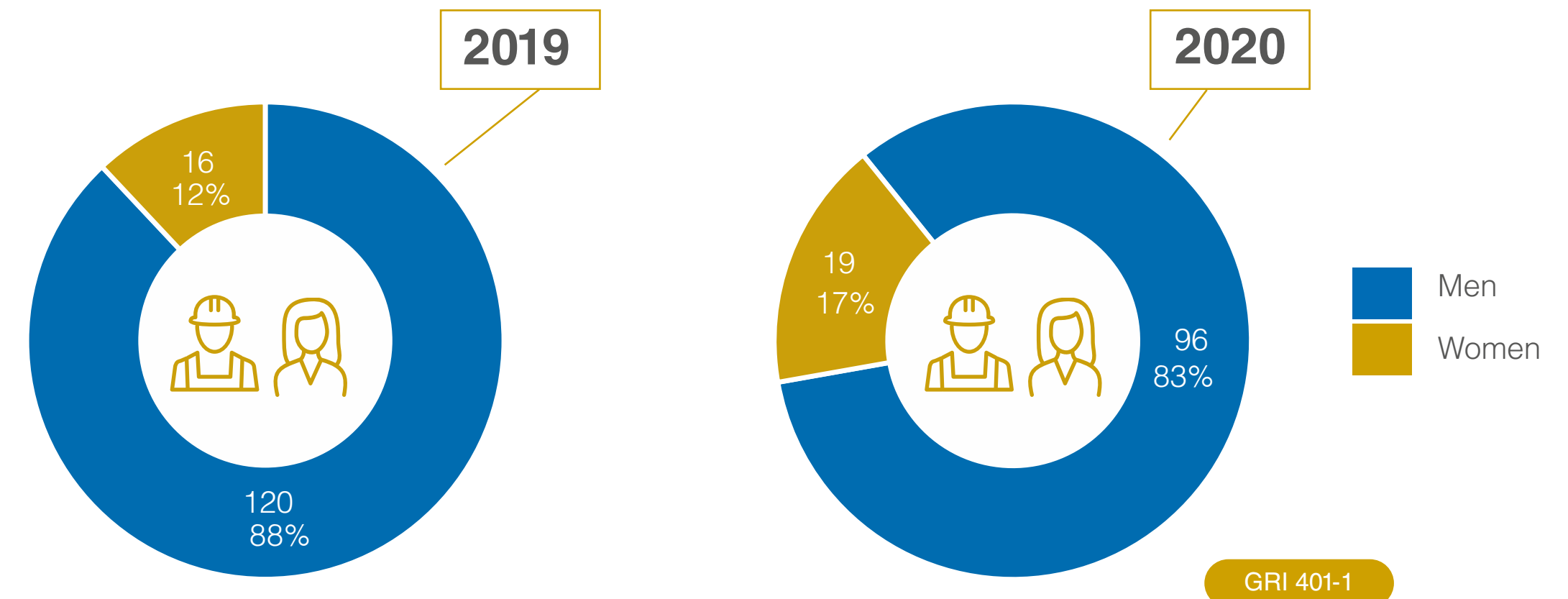
We respect diversity and equal opportunities. Men and women receive equal treatment and opportunities at work.



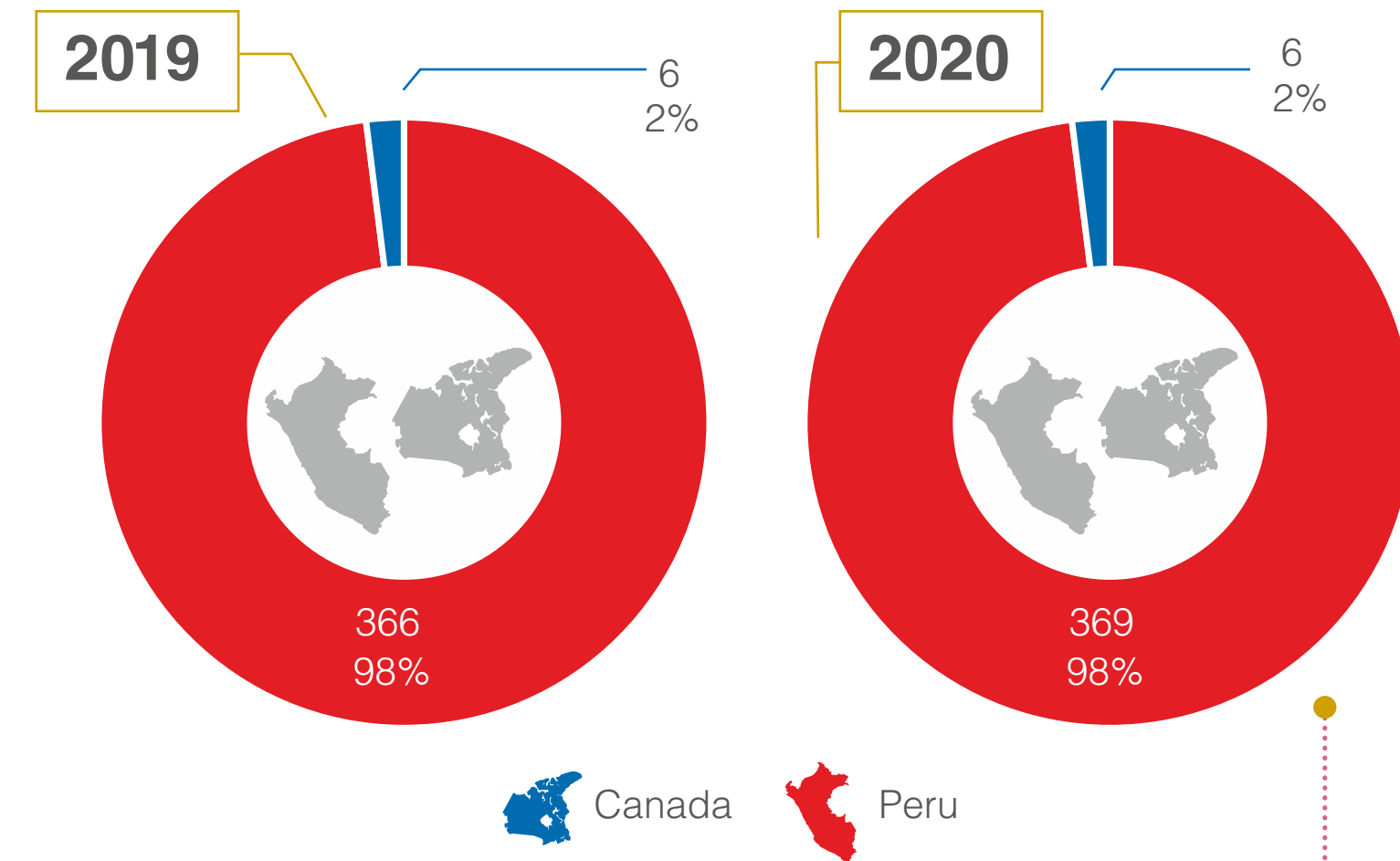
Gender:



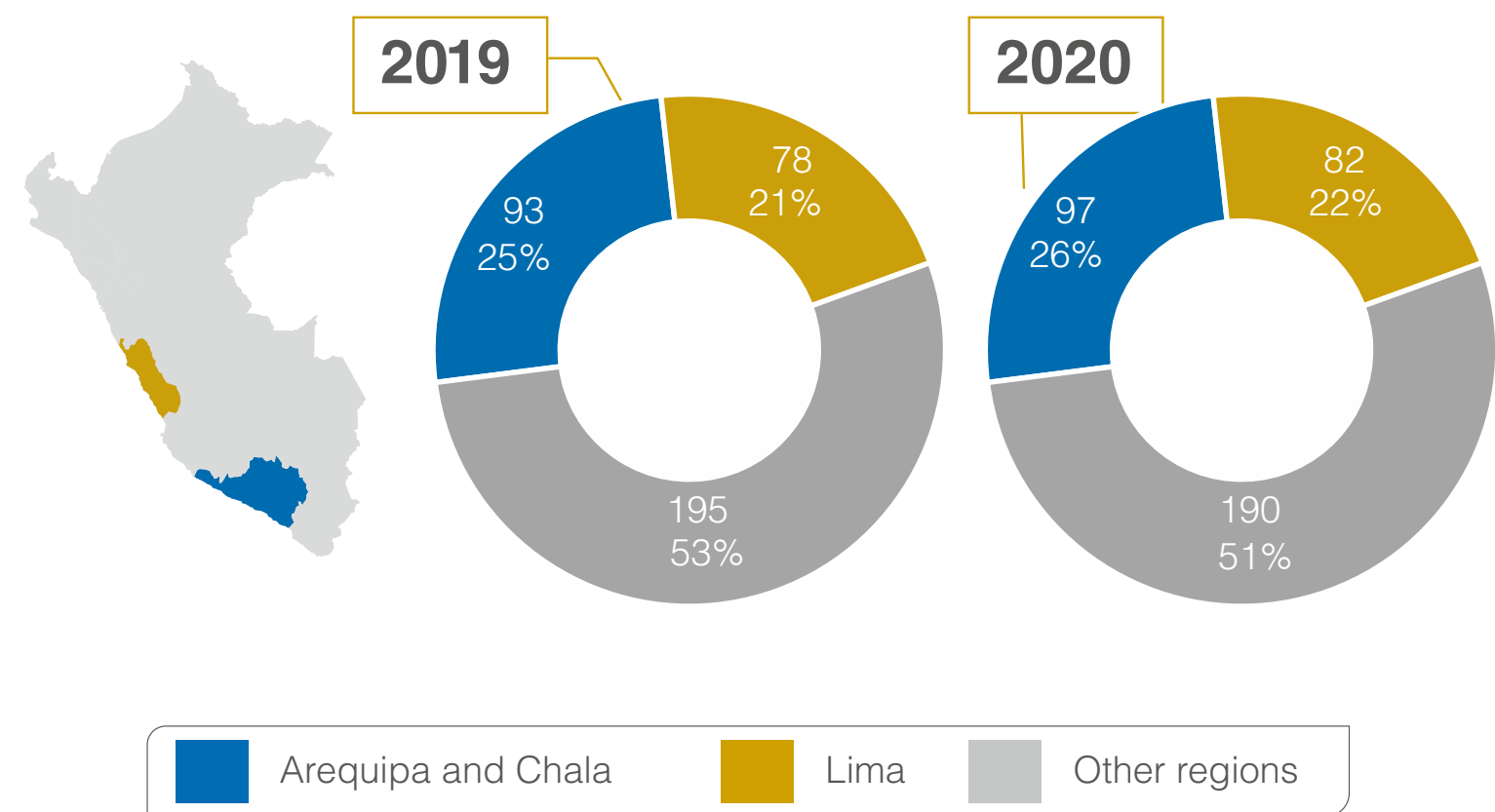
New Hiring:



Origin:



Origin Peru:



The personnel turnover rate in 2020 was 30.89%, lower than in 2019 (31.97%). The highest turnover was observed with workers, namely operators employed in the unloading and crushing facilities at the Chala Plant in Peru.

Personnel Turnover Rate

		Number of dismissals of the period			
		Employees	Workers	Total departures	Turnover rate (%)
	2019	49	68	117	31.97 %
	2020	40	74	117	30.89 %

In Peru, employees with open-ended, temporary and other contracts have the following benefits from their first day of work:


- Life insurance.
- High-risk insurance for personnel working in plants, collection centers and security.
- Start-up, departure and annual medical examinations.
- Sick leave, maternity, paternity and breastfeeding.
- EsSalud (Social Security) insurance.
- EPS (Private Health Care Provider) insurance (for employees who wish to join).
- Payment of transportation costs, depending on the area.
- Food allowance for operative personnel.
- COVID-19 screening tests every week or 15 days, depending on the risk of exposure.

GRI 401-2



In addition, a total of 23 employees took parental leave in 2020, 3 with maternity and 20 with paternity leave. All employees who took parental leave returned to work.

Parental Leave

		Maternity		Paternity		Total	
		No. Persons	Days	No. Persons	Days	No. Persons	Days
	2019	3	292	20	199	23	491
	2020	2	100	16	160	18	260



GRI 401-3

Fair wage

One of the company’s objectives is to provide fair wages to employees, in accordance with their job duties and responsibilities, market competitiveness, and budget availability.

Wages are established in accordance with the wage category table, which consists of three categories and 10 sub-categories.

Table of wage categories

Category	Sub-category	Detail
<div>EMPLOYEES</div>  	AE	Senior Executives
	1	Managers
	2	Directors
	3	Deputy Directors
	4	Supervisors
	5	Analysts
	6	Assistants
	7	Clerks
WORKERS	8	Operators
APPRENTICES	9	Apprentices

In Peru, employees of our subsidiary Minera Veta Dorada sign fixed-term and open-end contracts, both of which have the same benefits, and part-time contracts, which are governed by Peruvian law.


The additional benefits granted to a worker correspond to the labour skills between operators and employees, as established in our Equal Pay and Non-Discrimination Standard. The minimum wage corresponds to the minimum mining wage approved in Peru.

GRI 202-1

A clear example of non-discrimination is the hiring of people with disabilities under the General Law for Persons with Disabilities (Law 27050 of Peru); they have full benefits and labour rights.

GRI 405-1

Hiring of persons with disabilities

	Category	2019	2020
	Employees	6	6
	Workers	2	3
	Total	8	9

Achieving equality and eliminating gender discrimination at work is not only an ongoing task, but also a collective one. Dynacor, through the implementation of its Code of Conduct, is committed to non-discrimination.

GRI 406 -1

The company does not have a union, but we respect the freedom of association of all employees.

GRI 407 -1

We have not recorded any cases of discrimination, child labour or forced labour.



GRI 409-1

GRI 408-1






Training

We are convinced that the best way to continue growing is to promote the development of our employees on a permanent basis. Therefore, we are committed to their professional and personal training with equal opportunities, free from any type of discrimination.

Our training plan on technical aspects has been established according to the learning needs identified by various areas of the company.

Training by gender

					
	Men		Women		Total Training Hours
	Number	Hours	Number	Hours	
2019	42	414	15	107	521
2020	26	195	19	306	501

GRI 404-1

2.1 Occupational Health and Safety

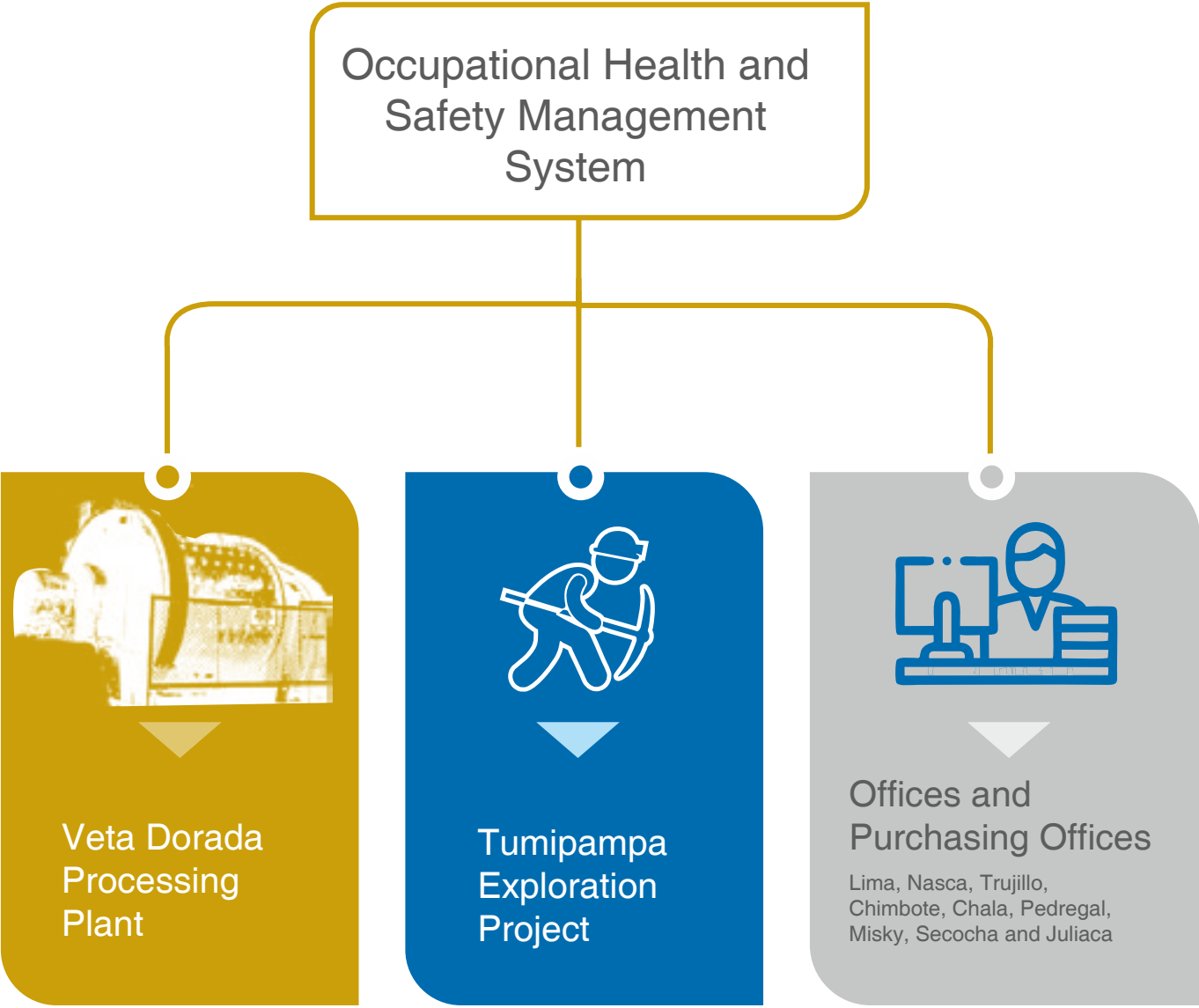
Since we began operations in Peru, through our subsidiary Minera Veta Dorada, we have prioritized the health and safety of our employees. Therefore, the activities we develop constantly seek to prevent, minimize and control occupational risks.

We have an Occupational Health and Safety System in place, in compliance with:

- Occupational Health and Safety Law - Law 29783 and its amendments.
- Regulations of the Occupational Health and Safety Law, S. D. No. 005-2012-TR and amendments.
- Sectoral legal standards: Mining Occupational Health and Safety Regulations, S. D. No. 024-2016-EM and amendments.

On the basis of these legal standards, and upon review and approval by senior management, an Occupational Health and Safety Policy has been established and distributed to the employees, contractors and visitors.

The Occupational Health and Safety System is reviewed annually, based on suggestions from management, external audits, and the Health and Safety Committee, which allows for its continuous improvement. Management is also carried out by Health and Safety employees, who are in constant training.



2.2 Risk Management

In order to identify occupational hazards and assess risks on a regular basis, the hierarchy of risk control is applied as a means to eliminate or minimize risks. The company has a Hazard Identification, Risk Assessment and Control Measures matrix (HIRAC), which covers all administrative and operational areas, and personnel undergo an induction training process while occupying their position, covering theory and practice.

Employees also have an Incident Report form to report existing hazards and work-related incidents, which must be forwarded to the Occupational Safety department and the Director's Office.

When an employee faces an imminent danger that may cause injury or illness, he/she has the right to stop work, inform his/her Director's Office, and return to work when the danger has been eliminated or is under control. Such action is provided for in the Internal Occupational Health and Safety Regulations.

The company also has an accident and incident investigation form to determine the immediate and root causes, as well as the corresponding corrective actions.

GRI 403-1

GRI 403-2

Safety and Health Indicators - Employees	2019	2020
Fatalities	0	0
Recordable Accident Frequency Rate - With major consequences	0	0
Recordable Accident Frequency Rate	2.39	1.48
Hours worked	838,200	674,594

Safety and Health Indicators - Contractors' Employees	2019	2020
Fatalities	0	0
Recordable Accident Frequency Rate - With major consequences	0	0
Recordable Accident Frequency Rate	0	0
Hours worked	93,167	94,029

GRI 403-9

Occupational hazards representing a risk of injury from work accidents with major consequences were determined according to the HIRAC matrix, and the level of risk was determined with the basic risk assessment matrix.



No accidents with serious consequences were recorded during 2019 and 2020.





Mining and related contractors that perform maintenance work, mechanical and electrical equipment installations, cleaning, disinfection and security services, adopt the standards and procedures established by the company.

During 2019 and 2020, no high-risk hazards resulted in occupational injuries. High-risk hazards, as considered in the HIRAC matrix, have controls based on the hierarchy of risk control, such as: elimination, substitution, engineering controls, administrative controls, and use of Personal Protective Equipment (PPE).

The key control measures in high-risk work environments were: placement of safety guards and emergency stops on conveyor



belts, barriers for approaching moving equipment, lockout-tagout systems, use of self-retracting lanyards, use of safety harnesses, use of fire extinguishers, and high-risk work permits.

Employee Participation

To ensure involvement in occupational health and safety, employees appoint their representatives before the Safety and Health Committee or Sub-Committee by secret and direct ballot. The number of employee representatives appointed to the Committee or Sub-Committee is equal to that of the employer.

Employee representatives participate in the preparation of the HIRAC matrix, in external audits and supervision conducted by the competent authority, in safety inspections, in regular monthly or extraordinary meetings, and when called upon by the chairman of the committee or sub-committee. At the meetings, occupational health and safety performance and statistics are reported, as are potential hazards so that corrective actions may be taken.

GRI 403-4

Training

Employees also receive training on an ongoing basis in accordance with the requirements of the Mining Occupational Health and Safety Regulations, while covering other identified topics associated with risk factors in the workplace.

The training courses are drawn up in the form of an Annual Training Plan. At least six topics are developed monthly in high-risk work areas, and at least four at our administrative and

purchasing offices. The courses are given during working hours by professionals and technicians with higher education, and employees are evaluated with an exam at the end of the course. **GRI 403-5**

The security personnel of the offices as well as security service companies employed at the production unit also receive induction and on-the-job training on safety, occupational health, environment, and on the quality of care of individuals. **GRI 410-1**

Training on Occupational Health, Safety and Environment

GRI-403-5



	2019	2020
Training hours	16,166.51	10,605.58

Health Service

At our Veta Dorada Processing Plant, we have a Medical Unit and health professionals who provide medical care and first-aid services 24 hours a day to all personnel working at the unit.

To ensure the quality of care, the Medical Unit has a stock of medicines, a medical facility and a type II ambulance for the evacuation of patients requiring specialized care. Information on the health status of all employees is also kept confidential

between the doctor and the patient. Therefore, information can only be disclosed with the employee’s authorization. **GRI 403-3**

Company employees and declared beneficiaries also have access to a non-occupational medical and healthcare services through EsSalud and health care providers (EPS). **GRI 403-6**

In the case of employees who perform risky tasks in our operations, the contractor is requested to provide them with Complementary Pension, Health and High-risk Work Insurance, so that they are covered for any potential accident as well as for Occupational Health Examinations (admission or follow-ups), to ensure their good health. **GRI 403-7**



Health personnel contribute to the minimization of occupational risks by implementing an occupational medical surveillance plan and monitoring occupational agents.



2.3 Dynacor in the face of COVID-19

2020 was particularly challenging to continue operating in the face of the COVID-19 pandemic. In March, following the announcement of the quarantine and state of emergency declared by the Peruvian government, we adapted quickly. At our subsidiary Minera Veta Dorada, we implemented preventive measures to avoid COVID-19 infection, with sanitary protocols for our mining unit, offices and purchasing offices.

The stoppage of activities limited us to carrying out only essential activities with a limited number of personnel, while quarantining most of the employees.

As part of Phase 2 of the economic reactivation implemented by the Government - which ultimately considered the resumption of activities in the mining sector and related activities - on June 5, 2020, we registered with the Ministry of Health for the *Plan for the Surveillance, Prevention and Control of COVID-19 at work*, while equally complying with the health regulations issued by the Ministry of Energy and Mines (MINEM). We thus resumed our activities on June 6, 2020.



Mandatory preventive procedures against COVID-19

- **Cleaning and disinfection of workplaces.**



- All work environments are disinfected with chlorine and alcohol at an established frequency.
- Floors, toilets, kitchen utensils and surfaces, office materials and desks are disinfected.



- **Identification of COVID-19 symptoms prior to entering the workplace.**



- Employees and contractors, prior to transfer, return to work or re-entering employment must undergo screening tests depending on their risk of exposure or according to the opinion of the company's occupational physician.
- Provide a sworn written statement of good health and fill out a COVID-19 symptoms form.

- **Mandatory hand-washing and disinfection.**



- Each employee performs frequent hand-washing with soap and water and disinfection with hand sanitizer, available at the plant entrance, cafeteria entrance and work areas.

- **Awareness of prevention of contagion in the workplace.**

Awareness has been raised among all personnel concerning:

- COVID-19: Definition, symptoms, diagnosis and treatments.
- Preventive measures against COVID-19.
- Respiratory hygiene training.

- Training and workshop on hand washing with soap and water.
- Training and workshop on disinfection with 70% alcohol - hand sanitizer.
- Training on mandatory use of masks during the workday.
- Training on social distancing.
- Training on prevention of forms of stigmatization.
- Training on maintaining good mental health.
- Training on the importance of early reporting of COVID-19 symptoms.
- Training on preventive measures to avoid contagion in the community and at home, including early reporting of COVID-19 symptoms or common flu, and having had contact with people declared positive or suspected of having COVID-19.



- **Collective preventive measures.**



- Implementation of non-contact work entry and exit markers.



- Disinfection of vehicles with water and chlorine using sprinklers at plant and office entrances.



- Cleaning and disinfection of footwear at plant and office entrances.



- Hand washing points with liquid soap.



- Disinfection points with hand sanitizer.



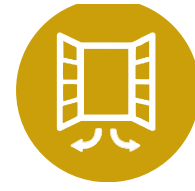
- Practice of social distancing of 1.5 m and 2.0 m in cafeteria and rooms.



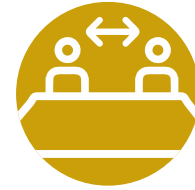
- 50% seating capacity in the plant's cafeteria, in the training facilities for exceptional meetings and in the office reception area.



- Added signage on floors to respect the distance, at the entrance to the cafeteria and in the eating area.



- Well-ventilated working environment.



- Exceptional face-to-face work meetings, with the use of masks and social distancing.



- Labelled containers for disposing of masks and disposable gloves.



- Temporary isolation area for suspected cases, during the reception of persons at the entrance to the plant.



- Relocation of personnel so as to establish, according to the size of each room, (01) employee or two (02) employees per room. In the latter case, a distance of 2.0 m between beds is respected.



- Construction of an additional pavilion in the camp and the purchase of beds to respect social distancing in each room.

- **Personal protective measures.**

- ▶ Distribution of masks, respirators, face masks, and filters for personnel, according to their risk level.
- ▶ Distribution of disposable gloves, aprons and face masks for medical personnel, as well as cleaning and waste collection employees.

- **Ongoing surveillance of co-morbidities in the COVID-19 context.**

- ▶ Review of occupational medical examinations to identify employees with pre-existing diseases and risk factors.
- ▶ Identification of employees who find themselves in this risk group.

Risk factors:

- ▶ Over 65 years old.
- ▶ Co-morbidities such as:
 - ▶ High blood pressure,
 - ▶ Diabetes,
 - ▶ Obesity with a BMI of over 40,
 - ▶ Cardiovascular disease,
 - ▶ Chronic pulmonary disease,
 - ▶ Chronic renal insufficiency undergoing hemodialysis treatment,
 - ▶ Asthma,

- ▶ Cancer,
 - ▶ Other states of immunosuppression and,
 - ▶ Others established by the National Health Authority (SUSALUD).
- **Daily temperature taking, with frequency according to risk of exposure.**
 - ▶ The temperature is taken at the beginning and end of the working day.
- **Return to work and re-entering employment**
 - ▶ Mandatory procedures for return to work and re-entering employment were determined, as well as the review and reinforcement of employees performing work procedures that pose critical hazards in the workplace, and the process for the return to work or re-entering employment for employees with risk factors for COVID-19.
- **Care and follow-up of cases**
 - ▶ For the various cases, when an employee or visitor presented signs and/or symptoms of COVID-19, they were reported to the directors' offices, the Medical Unit and the Human Resources department, for preventive evaluation and/or quarantine determination. Subsequently, the employee is offered guidance on the steps to be taken to follow up on his/her health status.

Preventive measures against COVID-19 were disseminated through telephone calls, videos, emails, WhatsApp and “Comunicándonos”, the company’s internal information network.



2.4 Procurement Practices

Our procurement practices warrant a set of processes that ensure the provision of supplies, products and services to ensure the functioning of our operations. This process is managed by the Logistics Department.

The process begins with the request for internal orders according to cost and investment projections, which are approved by the General Management of our subsidiary Minera Veta Dorada.

According to the requirements of our operation, we focus on the provision of supplies, products and services within the established deadlines and at a competitive price, from the suppliers to the Veta Dorada Processing Plant, or according to the type of contract signed.

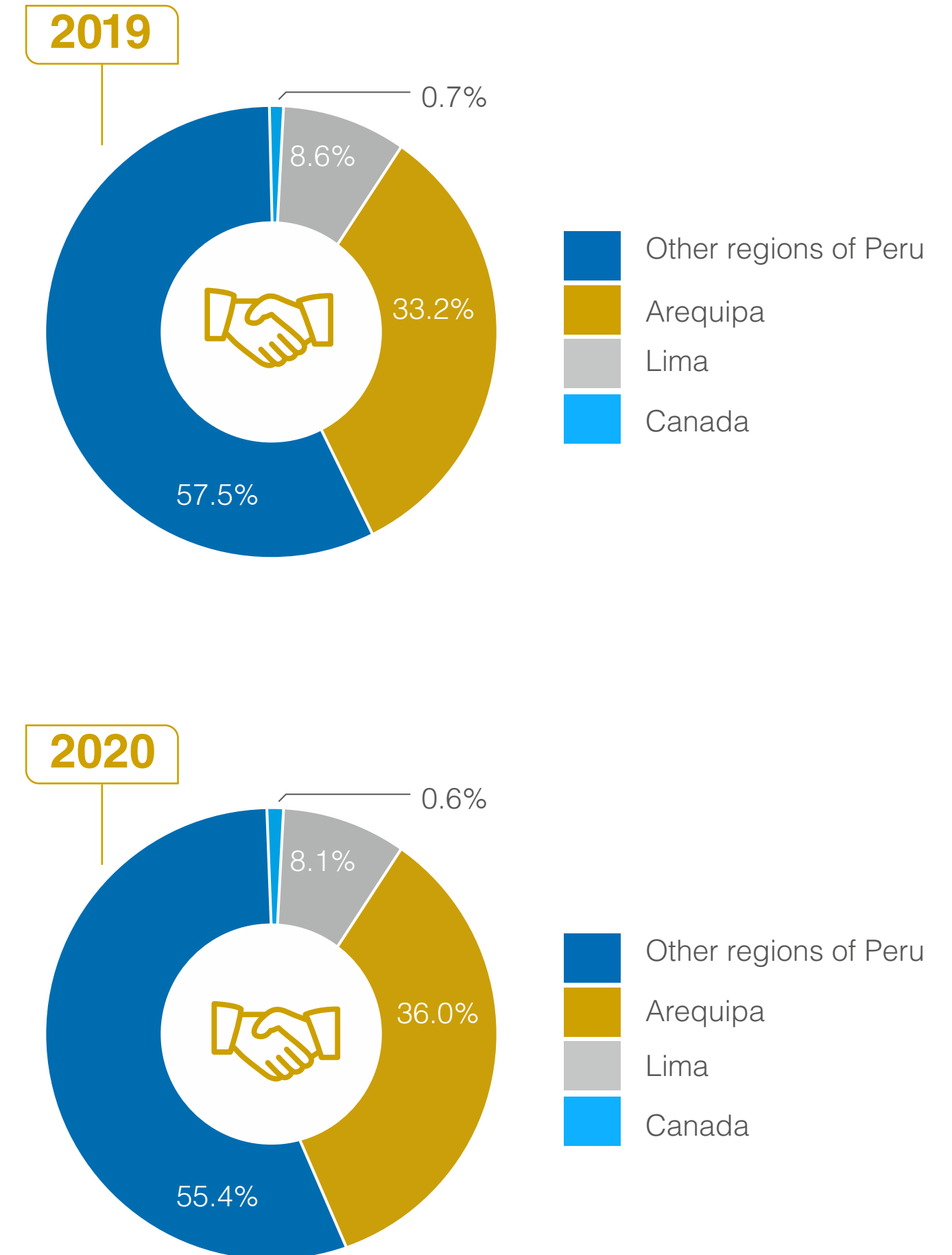
In the case of ore suppliers, artisanal miners are in charge of ore transportation from their concessions to the processing plant located in Chala, Arequipa region (Peru).

Dynacor's presence in the community has a positive impact on a wide variety of local businesses and service suppliers. Examples of these are suppliers of raw materials (ore, chemical inputs, etc.) and office supplies, as well as food services, medical services and cleaning services, among others. Since we buy most of our materials in the local market, we create many business opportunities.

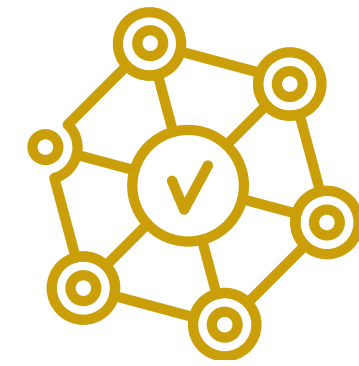


In 2020, Dynacor, through our subsidiary Minera Veta Dorada in Peru, maintained business relationships with 1,267 local suppliers, investing US\$ 76 million in materials and services. Of these suppliers, 453 are located in the Arequipa region where our Veta Dorada Processing Plant is located, where an amount of US\$ 27.5 million was spent on suppliers, representing 36% of the total amount.

Spending on Suppliers by Origin. GRI-204-1

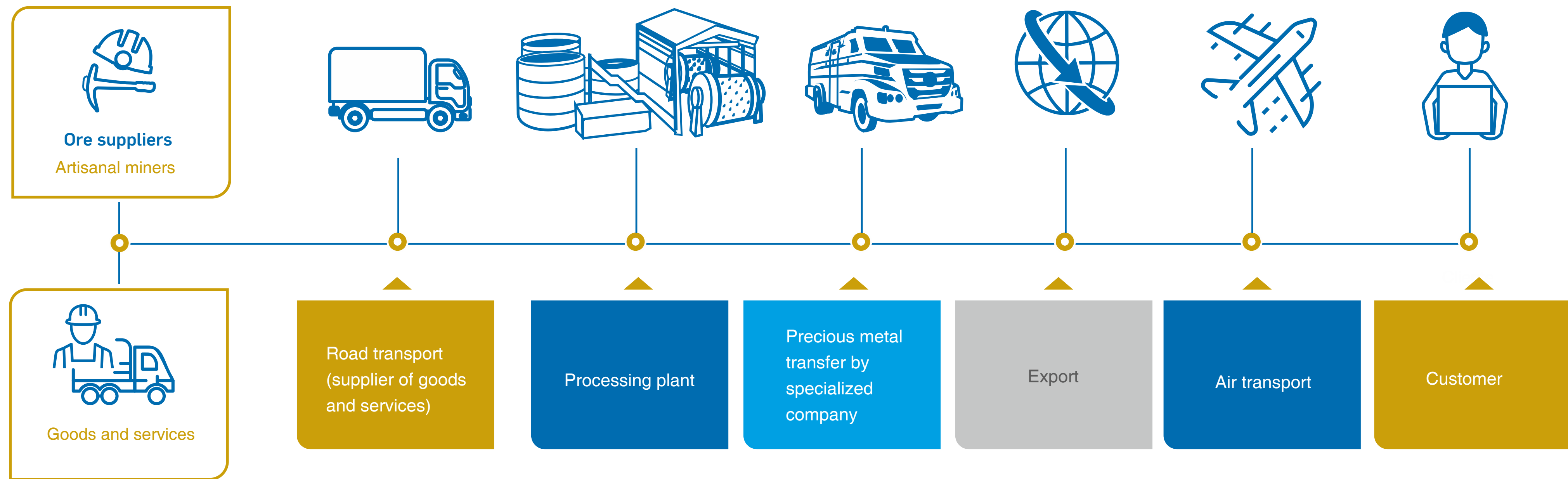


In 2020, there was a 3% increase in spending on suppliers in the Arequipa region, compared to 2019; this increase is in part due to our engagement to encourage local purchasing in order to contribute to the development of the communities in which we operate.



At Dynacor we seek to achieve a productive and sustainable chain that supports the company's growth and expansion needs.

Supply Chain



3

ENVIRONMENTAL MANAGEMENT



3. Environmental Management

At Dynacor we seek to preserve and care for the environment, and guarantee compliance with our environmental sustainability objectives. Through our subsidiary Minera Veta Dorada, we have implemented control procedures and measures to minimize or eliminate negative impacts.

Our Environmental Policy guides us in our daily practices and sets the following commitments:

- Prevent environmental pollution and protect the natural environment, adequately using our resources to minimize the significant environmental impacts caused by our operations.
- Comply with current environmental regulations and others that may be subscribed to voluntarily.
- Set goals and objectives to control and eliminate the occurrence of negative environmental impacts.
- Train personnel on good environmental practices, developing and consolidating a culture of environmental protection.
- Continually improve our environmental management system with the active participation of our employees to improve our environmental performance.

- Communicate our policy to stakeholders in order to consolidate our leadership position in responsible environmental management.

Through the implementation of the Environmental Management System (EMS), based on the ISO 14001:2015 standard, the company disseminates its environmental policy and established procedures.

The EMS allows us to assess our management procedures with regards to water use, effluents, energy, waste, greenhouse gas emissions, ozone-depleting substances, air quality, emissions and noise, handling and storage of chemicals, biodiversity protection and hazardous spill procedures.

The company complies with all environmental commitments for each mining unit, as set out in the Environmental Impact Assessment (EIA). In addition, it proactively establishes procedures and controls to exceed the environmental legislation requirements. **GRI 307-01**

This year, as part of the implementation process of the Environmental Management System, internal auditors are being trained; and we plan to begin internal audits in 2022.



«In the reporting period, we were not **subject to any monetary sanctions related to the environment**».





«We are evaluating renewable **energy project** options that will allow us to reduce our environmental footprint».

GRI 302-01



3.1 Energy

We are aware that energy consumption is directly linked to greenhouse gas emissions and climate change. Therefore, we consider it important to make good use of energy in all our facilities.

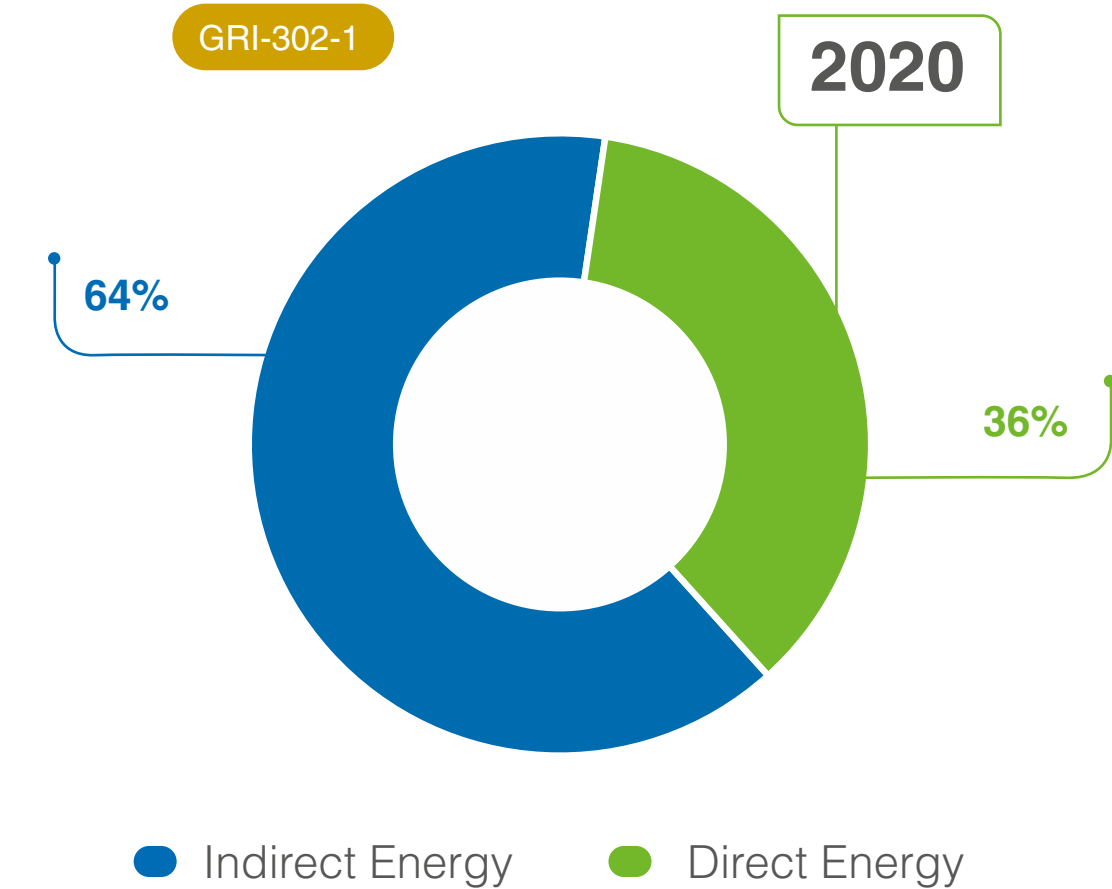
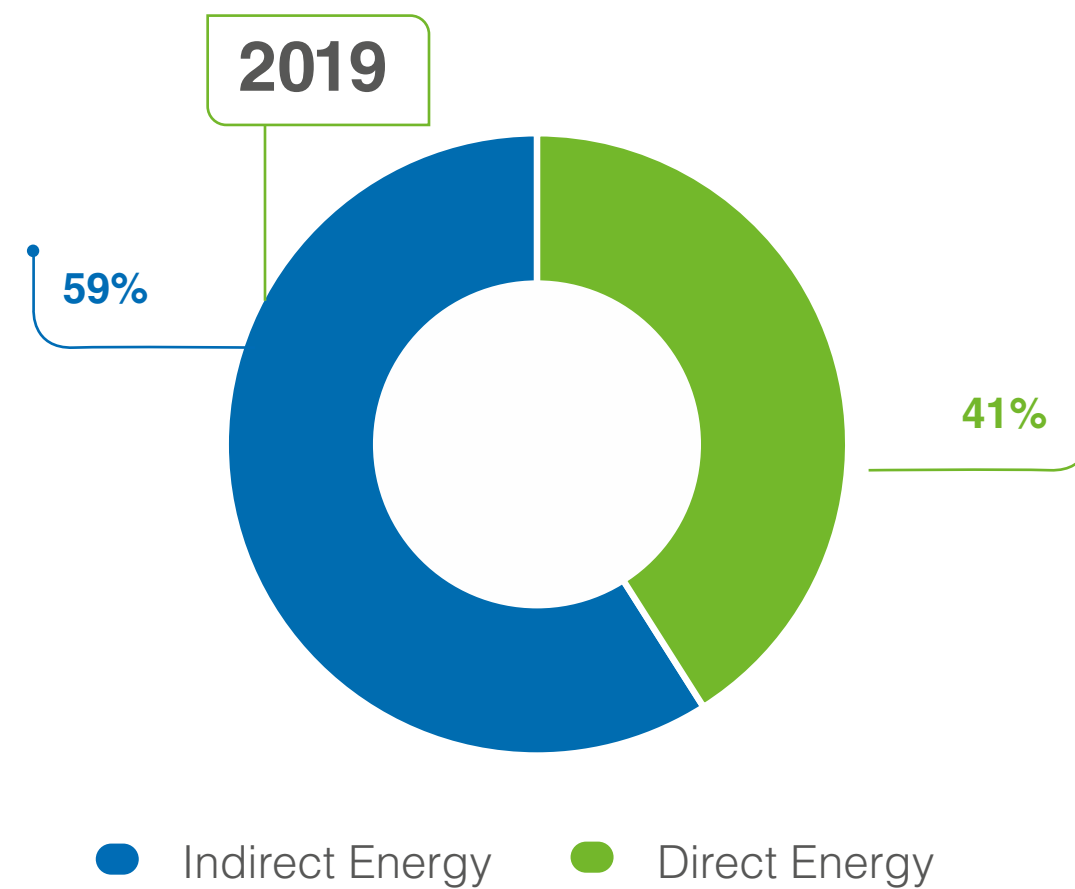
One of our priorities is to reduce energy consumption, for which we work mainly with the energy efficiency of our Veta Dorada Processing Plant, in order to reduce our environmental impact. We are committed to continuous improvement at every stage of the process and to investing in new technologies to reduce our overall environmental footprint.

We classify electricity purchased from the local grid as indirect energy and all fuels used in our activities as direct energy. Furthermore, the company does not have energy consumption outside the organization. **GRI 302-02**

The overall absolute energy consumption in all Dynacor facilities in 2020 was approximately 32,466 GJ. Of this total, 64% corresponds to indirect energy and 36% to direct energy. In turn, our Veta Dorada Processing Plant represents 97.7% of overall consumption.

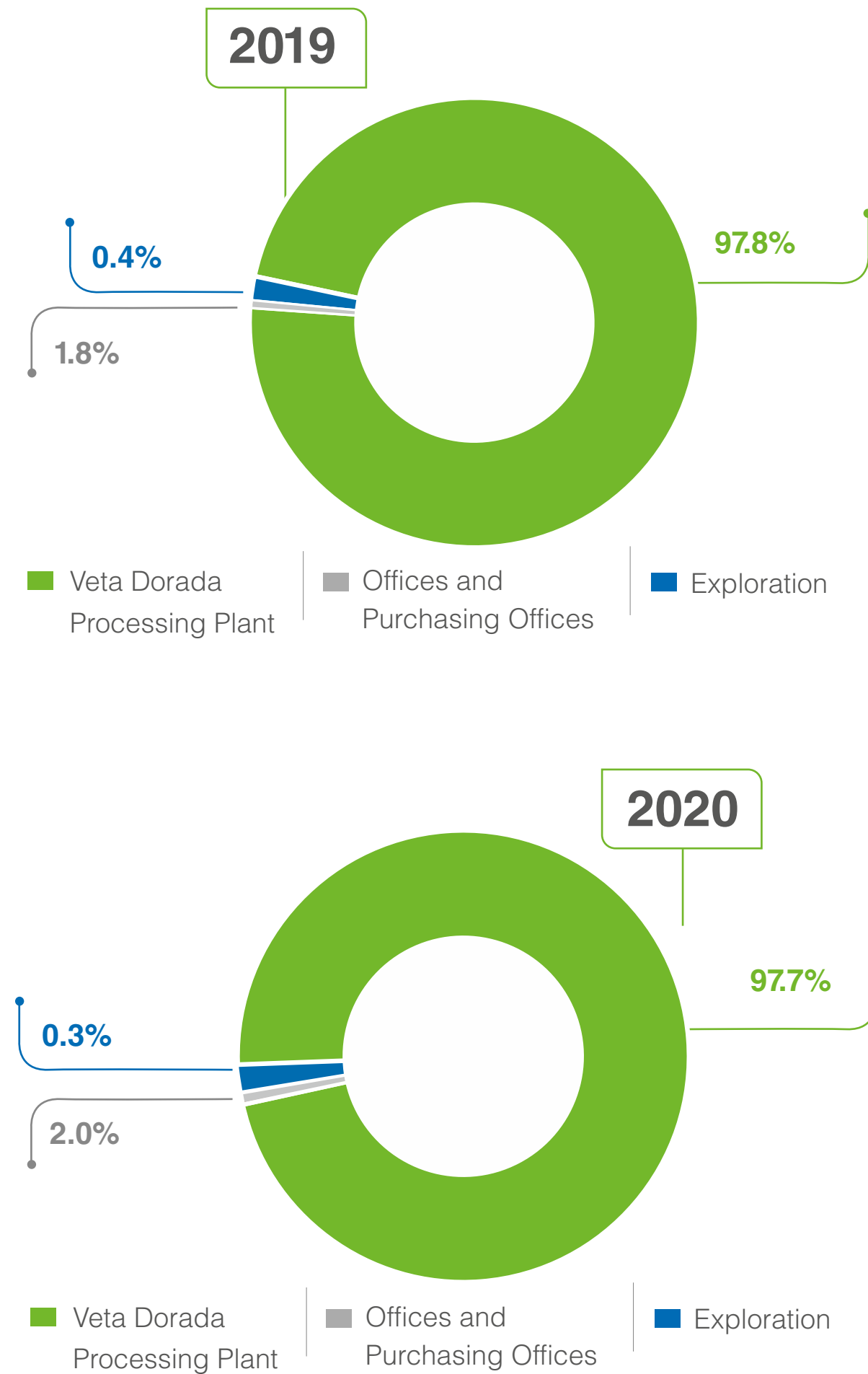
Energy Consumption by Type

GRI-302-1



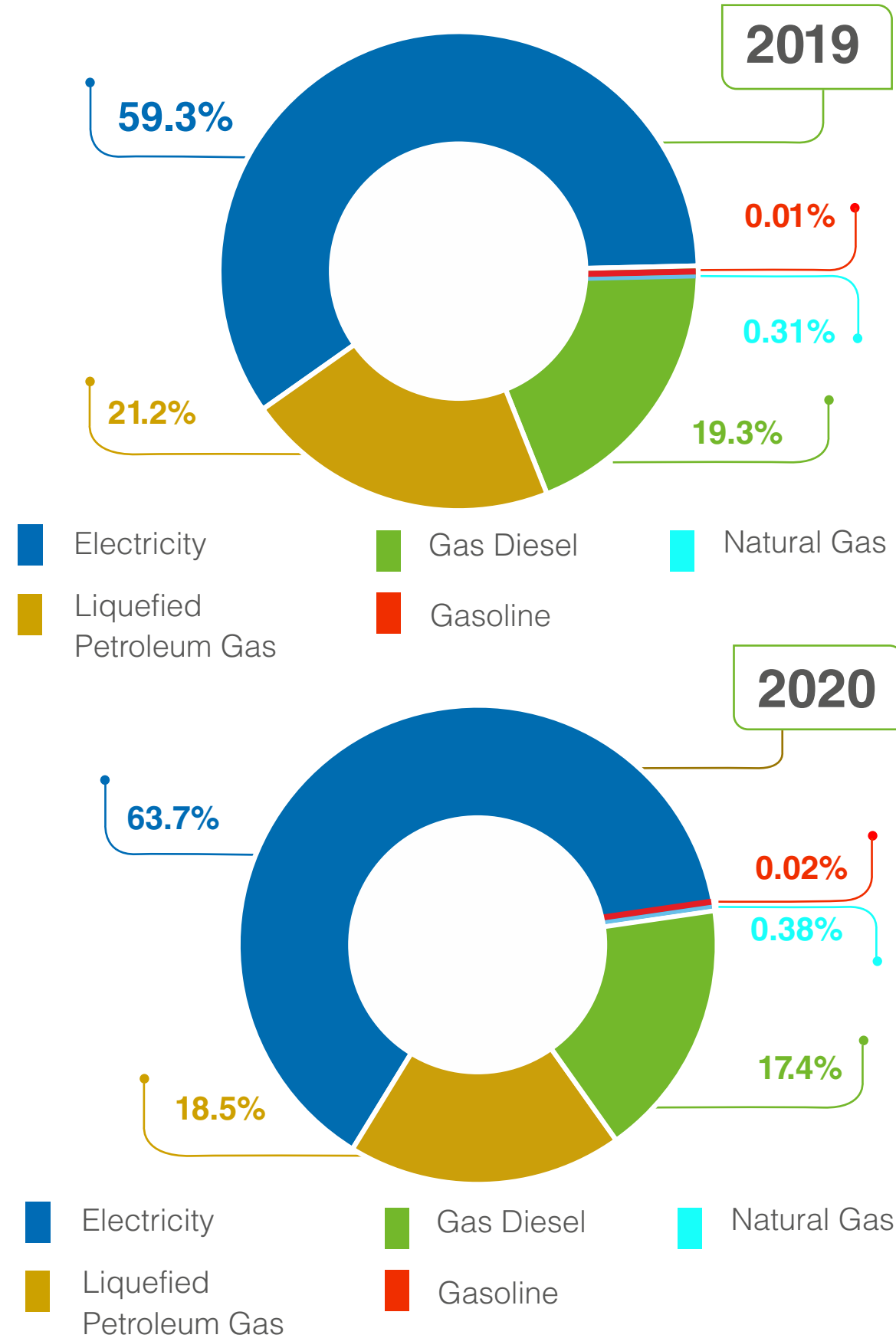
Energy Consumption by Activity

GRI-302-1



Electricity represents approximately 64% of the energy consumption, that is, indirect energy. In the case of direct energy, the main consumption was liquefied petroleum gas (LPG), followed by diesel. GRI-302-1

Detail of Energy Consumption



In 2020, there was a reduction in energy consumption when compared to 2019 (32,466 GJ vs. 43,800 GJ). This reduction is mainly due to the stoppage of our operations from March 16 (when the COVID-19 pandemic started in Peru) to June 5, 2020. GRI 302-4 GRI 302-5

We calculate the energy intensity based on total energy consumption and gold equivalent production. In 2020, energy intensity was 0.6320 GJ per gold equivalent ounce, while in 2019 it was 0.5327 GJ per gold equivalent ounce. This increase was mainly due to the fact that our Veta Dorada Processing Plant completely stopped production, just like its other activities; but electricity and fuels continued to be consumed due to critical activities performed by a limited number of employees at the plant. GRI 302-3

Energy Consumption and Energy Intensity in 2019 and 2020

GRI 302-1

GRI 302-3

	Energy (GJ)	
	2019	2020
Direct Energy (GJ)	17,848.06	11,786.53
Indirect Energy (GJ)	25,952.48	20,679.72
Total Energy (GJ)	43,800.53	32,466.25
Energy Intensity: Total energy per gold equivalent ounce produced (GJ/gold eq. oz)	0.5327	0.6320

3.2 Emissions

Measurement of greenhouse gas emissions

Climate change is one of our most important environmental and social challenges, as it is a reality that affects our lives and may represent a challenge for our operations in the future.

The greatest impact of our business and operations on climate change comes from our energy consumption during the production process and the resulting emission of greenhouse gases (GHG). We are therefore committed to reducing GHG emissions, primarily by improving energy efficiency. We are evaluating our energy consumption to better understand where we need to focus our efforts to achieve better resource efficiency.

In 2020, we carried out our first GHG emissions inventory. This provided us with information related to the total GHG emissions produced in 2019, which will be our baseline year, and will allow us to measure the evolution of our emissions over time.

In 2021, we will keep measuring our GHG emissions as part of our environmental indicators. The most important goals of this indicator are to control and reduce direct GHG emissions and to develop an offsetting mechanism for GHG emissions.

In our strategy to reduce direct GHG emissions, we consider energy efficiency a priority.

In 2020, absolute GHG emissions from all Dynacor facilities (Plant, Offices, Purchasing Offices and Exploration) totaled 4,986 tonnes of carbon dioxide equivalent; 39% of these emissions were direct emissions and 61% were indirect emissions from purchased electricity.

GHG Direct and Indirect Emissions

GRI 305-1

GRI 305-2

GRI 305-4

	GHG Emissions (t CO ₂ eq)	
	2019	2020
Direct Emissions (Scope 1) (t CO ₂ eq)	2,605.26	1,922.55
Indirect Emissions (Scope 2) (t CO ₂ eq)	3,849.34	3,063.64
Total Absolute GHG Emissions (t CO₂ eq)	6,454.60	4,986.20
Total GHG emissions intensity Total emissions per gold equivalent ounce produced (tCO ₂ eq/gold eq oz)	0.0785	0.0971

Direct GHG emissions come from the combustion of fossil fuels used in our Veta Dorada Processing Plant cafeteria, from sample refining, smelting and cupellation processes, from electricity generation in the generator sets, from ore transportation with the

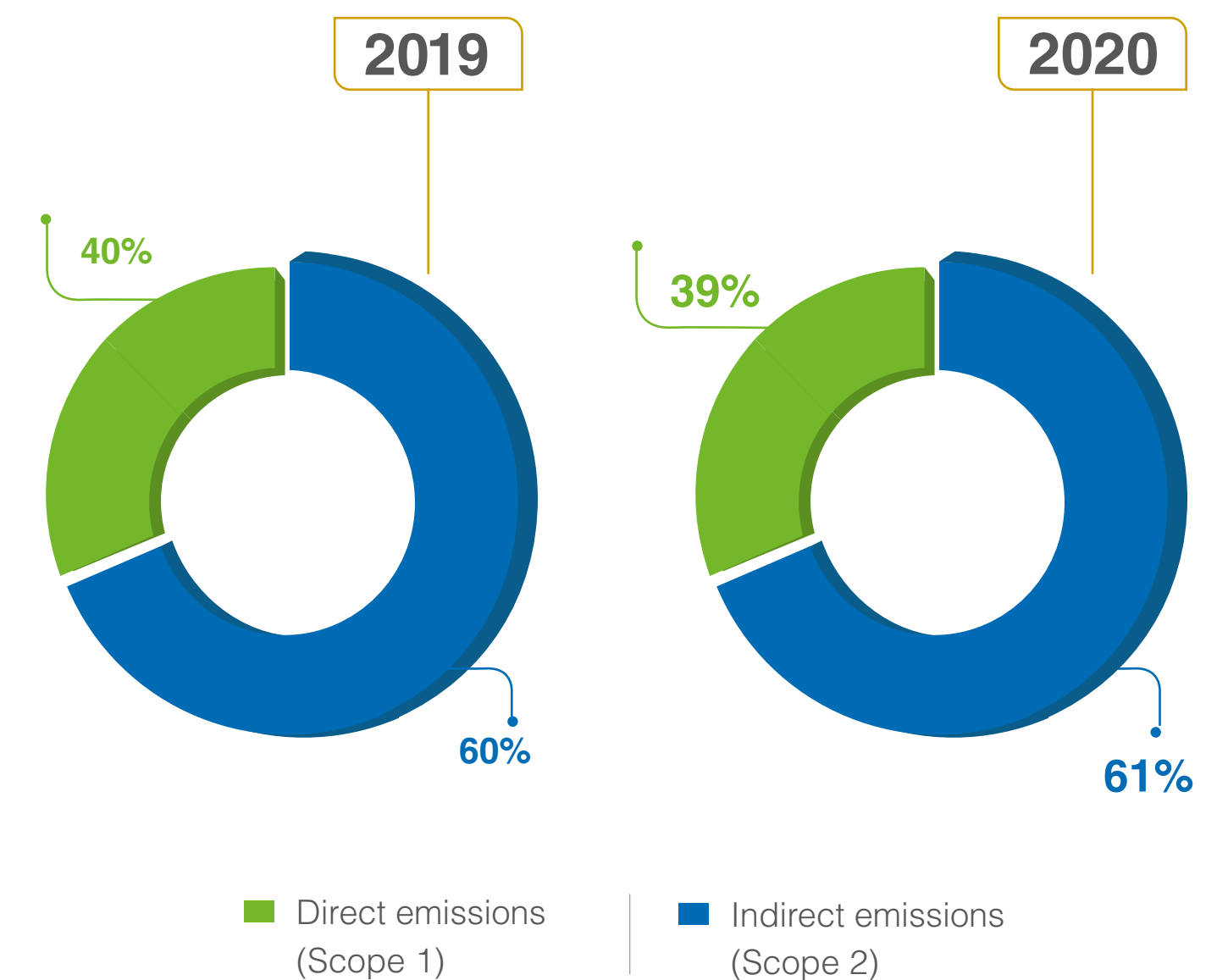
Dynacor vehicles, as well as from fugitive emissions, mainly from the handling and use of refrigerants. Each activity has a specific emission factor, which is used to calculate its GHG emissions.

Electricity represents the main source of emissions for all our operations: In 2020 it was 61%. Mobile combustion represents the second largest source of emissions (24%), followed by diesel (8%) and liquefied petroleum gas (7%).

Direct and Indirect GHG Emissions

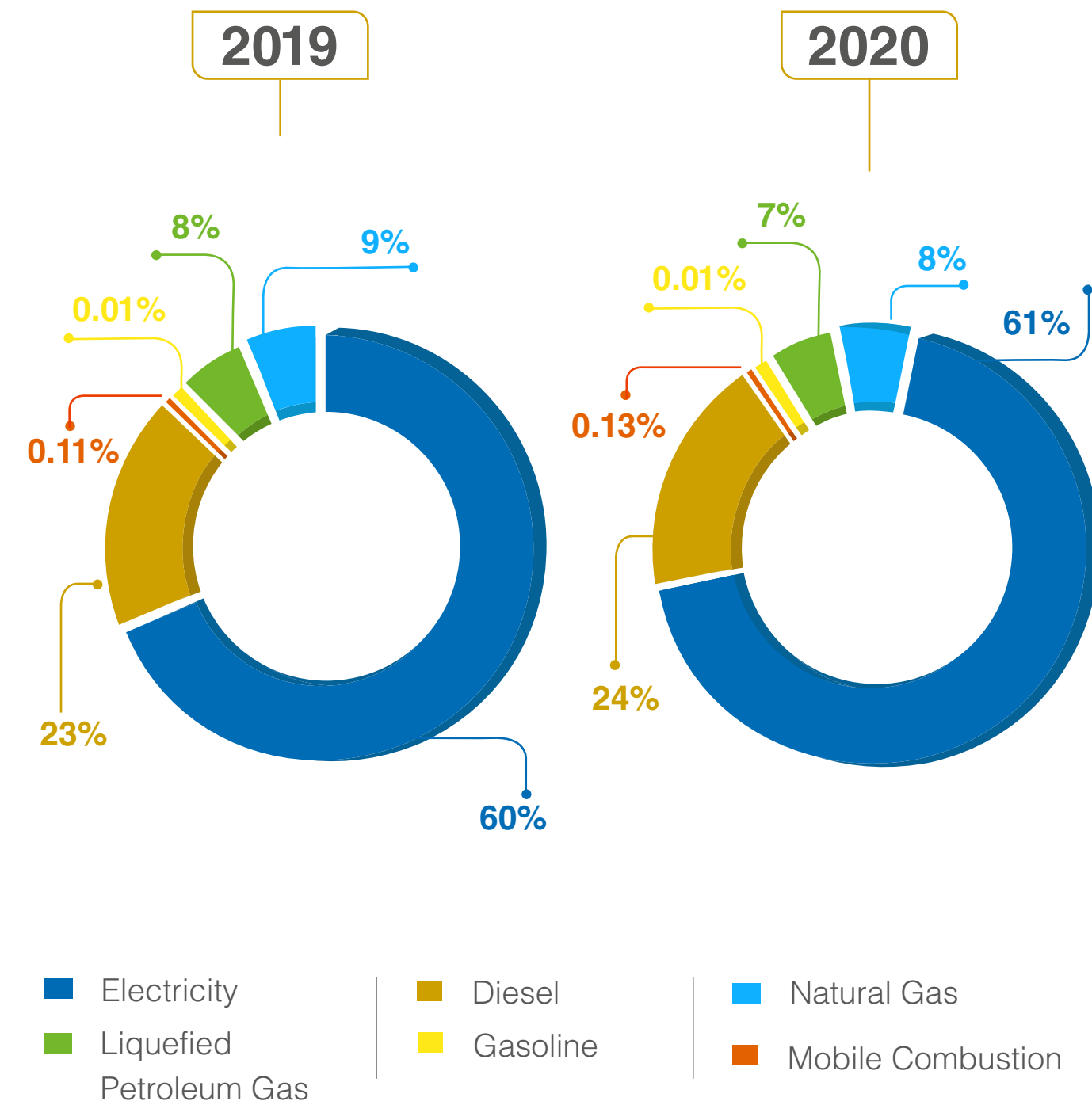
GRI 305-1

GRI 305-2



GHG Emissions

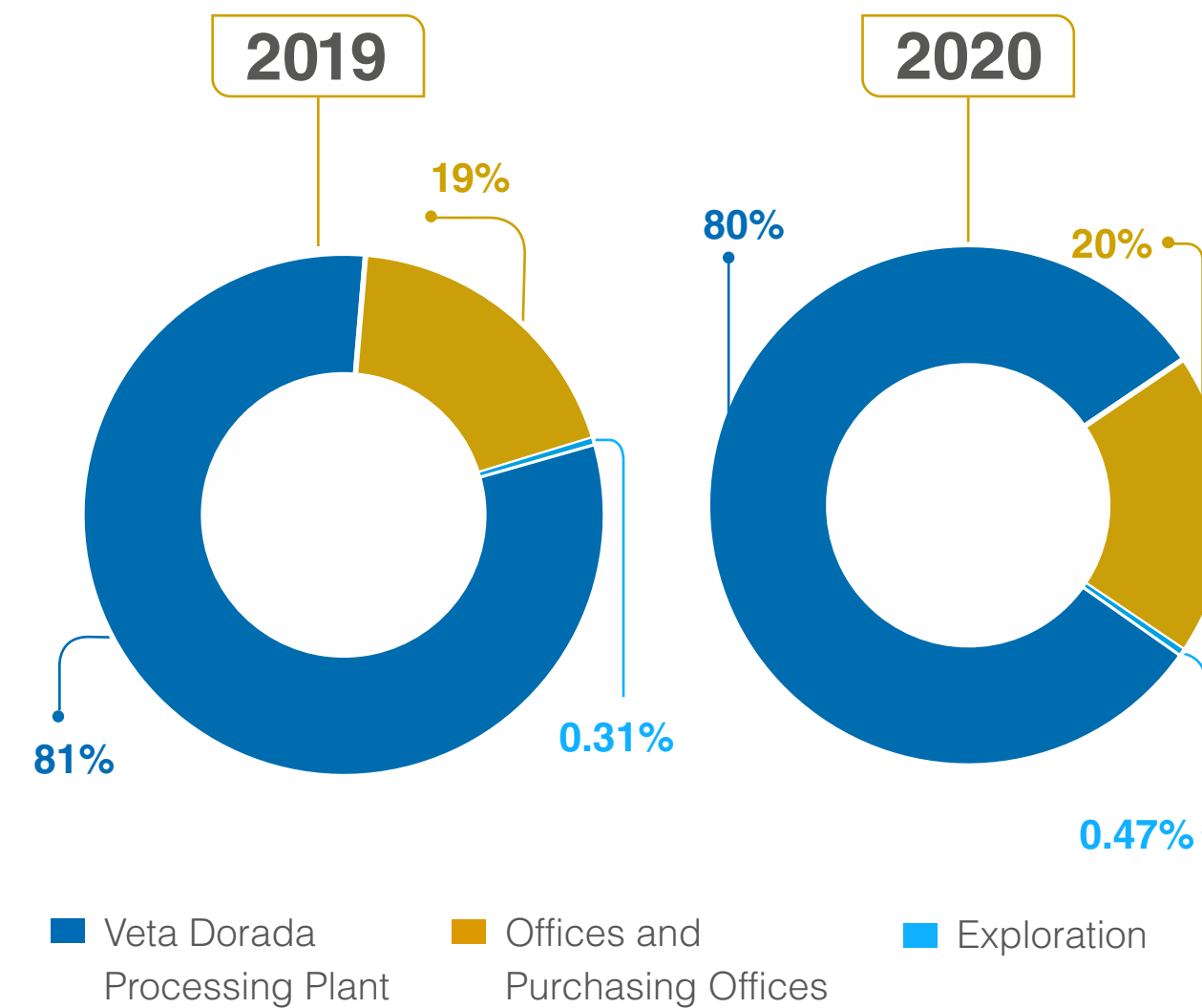
GRI 305-1 GRI 305-2



Our Veta Dorada Processing Plant represents 80% of emissions, and the Offices and Purchasing Offices 20%. The Offices and Purchasing Offices, for its part, have vehicles to assist artisanal miners; this is the reason for emissions resulting from its activities.

GHG emissions by type of activity

GRI 305-1 GRI 305-2



GHG emissions were calculated according to the GHG Protocol Corporate Accounting and Reporting standard, developed by the World Resources Institute and the World Business Council for Sustainable Development. The system limits as regards the development of the GHG emissions inventory are defined under the operational control approach, which include facilities, processes and operations over which Dynacor has control and defined operational limits. The gases included in the emissions calculation are: CO₂, CH₄ and N₂O.

GRI 305-1 GRI 305-2



GHG emissions intensity was estimated based on total GHG emissions (Scope 1 and Scope 2) and gold equivalent production. In 2019 (our baseline year), GHG emissions intensity was 0.0785 tCO₂eq per gold equivalent ounce, while in 2020 it was 0.0971 tCO₂eq. This increase is mainly due to the fact that our Veta Dorada Processing Plant completely stopped production, just like its other activities (from March 16 to June 5, 2020, due to the COVID-19 pandemic in Peru); but electricity and fuels continued to be consumed due to critical activities performed by a limited number of employees at the plant.

GRI 305-4

Comparing GHG emissions with our baseline year (2019), it shows a reduction in total emissions (4,986 tCO₂eq in 2020 vs. 6,455 tCO₂eq in 2019).

Inventory of ozone-depleting substances (ODS)

Dynacor is committed to minimizing the use of synthetic refrigerants, such as hydrochlorofluorocarbon (HCFC) commercially known as R-22, by not purchasing any of these products for our facilities when required.

In this context, we carried out our first inventory of ozone-depleting substances (ODS) in 2019. This inventory allowed us to identify that 22% of the refrigerants in inventory are HCFCs (R-22), used mainly in our older air conditioning units.

This value has remained constant in 2020, and we plan to reduce it when replenishing our equipment and purchasing non-HCFC refrigerants. Natural refrigerants will be the main alternative. **GRI 305-6**

Atmospheric emissions of inorganic compounds

We also estimated atmospheric emissions of inorganic compounds from our stationary sources. In 2019, these emissions totaled 12 tonnes, while, in 2020, they totaled 8 tonnes. Nitrogen oxide (NO_x) represents 99.85% of total inorganic emissions, while sulfur dioxide (SO₂) represents the remaining 0.15%.

Atmospheric emissions of inorganic compounds

GRI 305-7

		2019	2020
Nitrogen oxide (NO _x)	(t/year)	11.99	8.04
Sulfur dioxide (SO ₂)	(t/year)	0.02	0.01
Total inorganic emissions	(t/year)	12.0	8.1
Nitrogen oxide (NO _x)	(%)	99.85%	99.85%
Sulfur dioxide (SO ₂)	(%)	0.15%	0.15%

The two main factors contributing to our total emissions of inorganic air pollutants are the liquefied petroleum gas used in the cafeteria and in the sample refining, smelting and cupellation processes of our Veta Dorada Processing Plant, and the diesel used mainly in the generator sets.

During the study period, monitoring has been carried out at all the stations of the monitoring program, approved as part of the Environmental Impact Assessment (EIA). Monitoring reports were also forwarded to the relevant authorities. The monitoring results comply with local and international standards (for the region) and do not show signs of a significant negative influence on air quality as a result of Dynacor's activities. **GRI 305-7**



«We are evaluating options for **renewable energy** and **energy efficiency** projects that will allow us to **reduce** our environmental footprint». **GRI 305-5**

3.3 Water

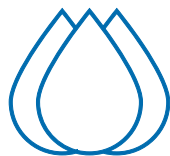
At Dynacor we are committed to the responsible use of water resources. Our largest water consumption occurs in the metallurgical mining process at our Veta Dorada Processing Plant, which consumed 92.2% of Dynacor’s total water demand in 2020.

We do not use water from any Ramsar-listed wetlands or aquifers that have been designated as vulnerable. However, our Veta Dorada Processing Plant is located in an area where there is a certain shortage of water, so it is very important to properly manage this vital resource. At our processing plant, we recirculate 65% of the process water that ends up in the tailings pond.

In 2020, the overall water consumption of all Dynacor facilities was 77.25 ML. Of this consumption, 29.85% came from groundwater, 69.79% corresponded to supplied water and 0.36% was surface water.

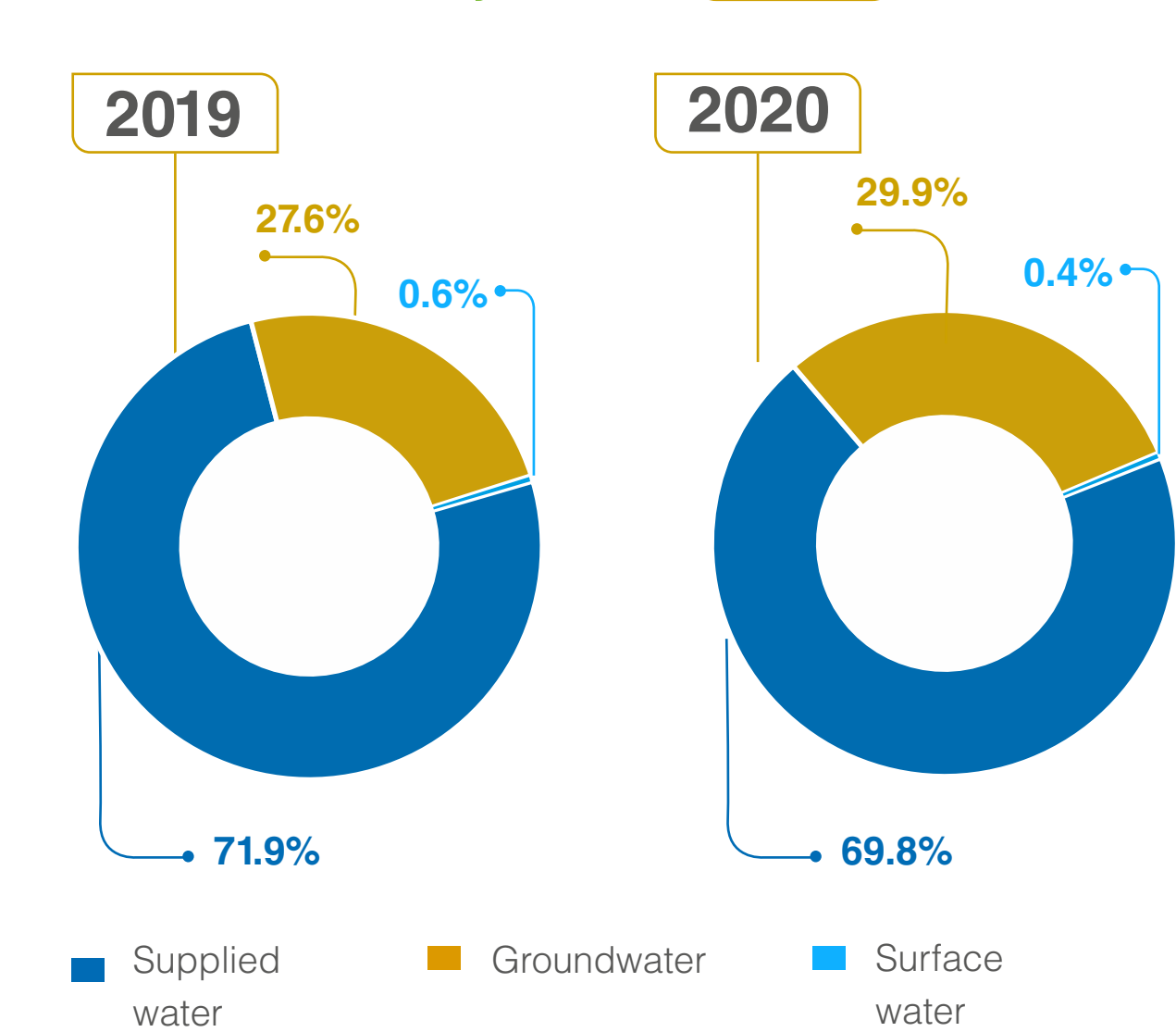
Water withdrawal by source in 2019 and 2020

GRI 303-3

	2019 (ML)	2020 [ML]
 Groundwater	23.30	23.06
Supplied water	60.75	53.91
Surface water	0.48	0.28
Total water consumption	84.52	77.25

Groundwater comes from our wells; supplied water comes from the local supply network or from authorized agreements with the National Water Authority (ANA); and surface water comes from the Poctococha creek, which is used at our exploration camp in Tumipampa.

Water withdrawal by source

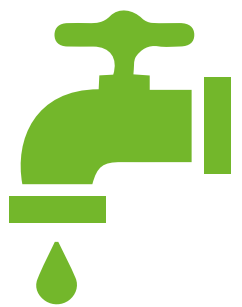


With regard to the type of water, 92% of the total water consumed in 2020 has a total dissolved solids value (TDS) above 1,000 mg/L; the remaining amount (8%) was freshwater. A similar proportion was observed in 2019.

Global water consumption by type in 2019 and 2020

GRI 303-3

	2019 (ML)	2020 [ML]
Freshwater	6.45	6.02
Other water (TDS > 1,000 mg/L)	78.08	71.23
Total water consumption	84.52	77.25

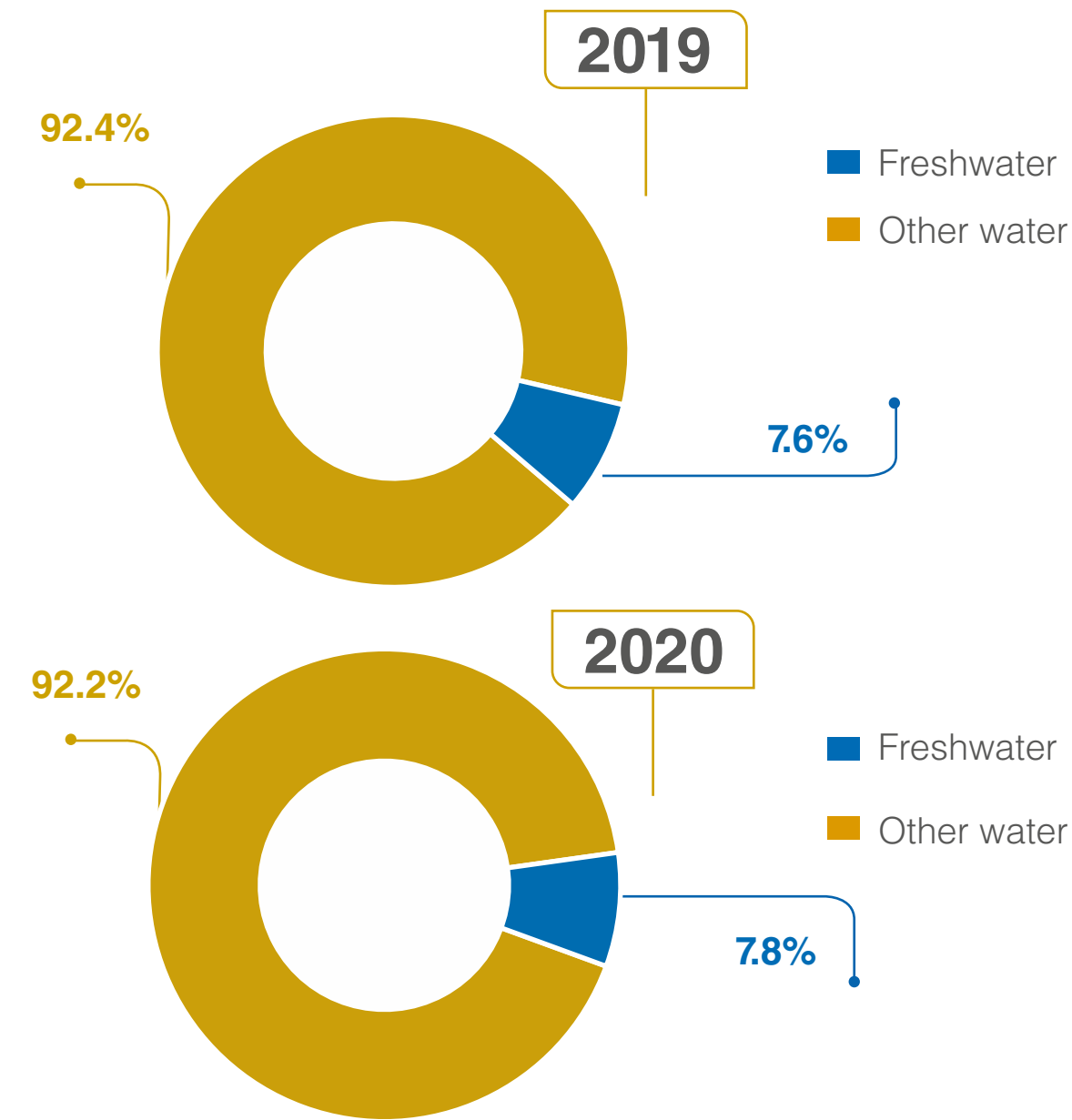


«To reduce **water consumption**, we are looking at **projects** that will allow us to achieve this goal. One of them is to increase the **thickness of the tailings**, leaving the plant to **save water and some inputs**».

GRI 303-1

Global water consumption by type

GRI 303-3

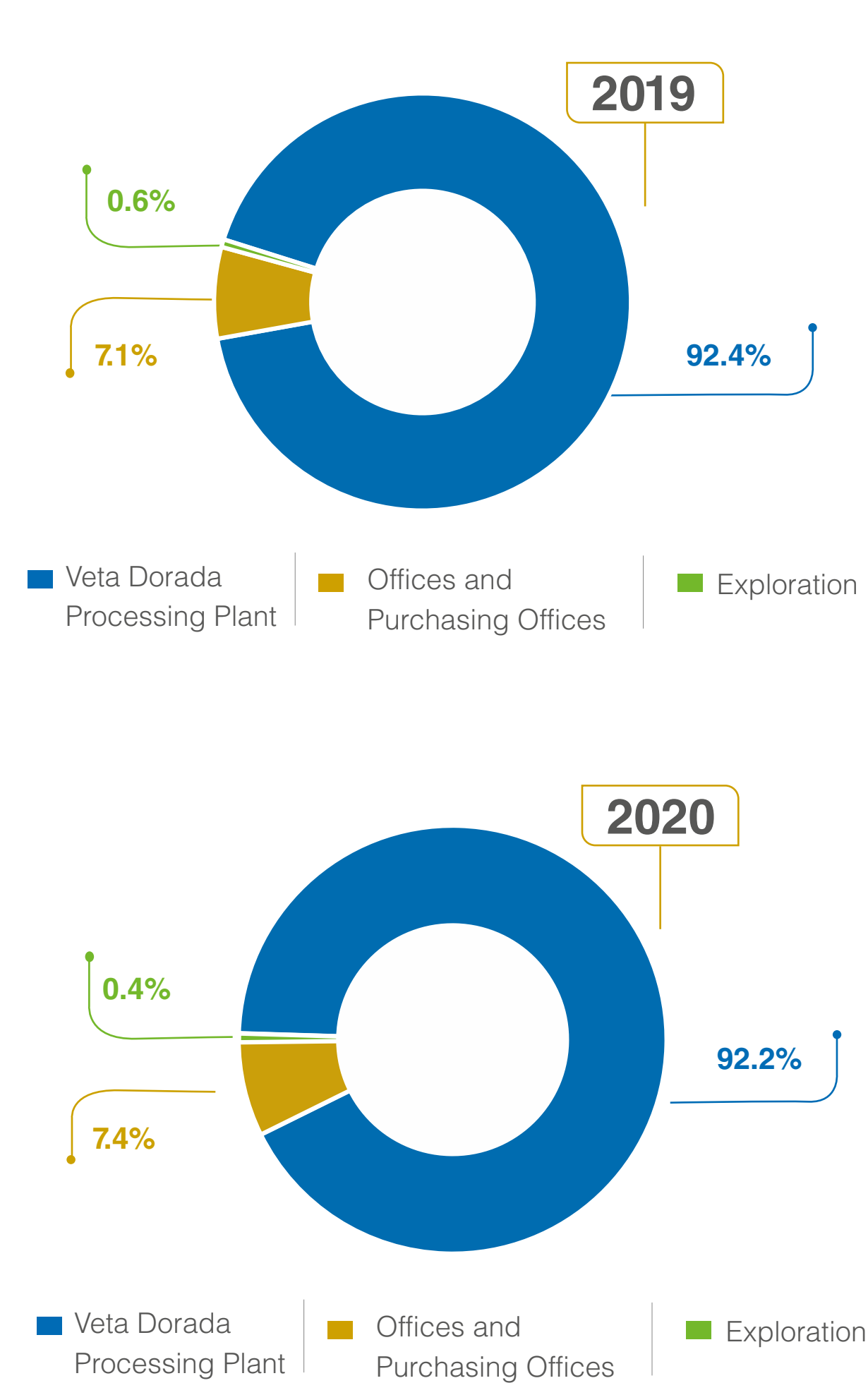


In 2020, our processing plant represented 92.2% of global water consumption, while offices and purchasing offices represented 7.4%, and the exploration camp, a mere 0.4%.

Comparing the global consumption with 2019, a reduction of 7.27 ML was observed in 2020. This reduction is mainly due to the stoppage of our operations from March 16th (when the COVID-19 pandemic started in Peru) to June 5th, 2020.

Water consumption by activity

GRI 303-5



At our Veta Dorada Processing Plant, we have water meters that allow us to measure water consumption on a constant basis and in the offices, we have water meters monitoring monthly readings or consumption, which are recorded on the utility bills. **GRI 303-5**

Effluents

Our Veta Dorada Processing Plant has a wastewater treatment plant which treats domestic effluents produced to be discharged to the tailings pond. Water from the metallurgical mining process, containing very low-grade solid ore and chemical inputs, is also sent to the tailings pond for physical separation of the solids, and 65% of the liquid (barren solution) is recovered and recirculated to the production process. Our processing plant has no external discharge, i.e., it is a zero effluent discharge ore processing plant.

GRI 303-2

GRI 303-4



3.4 Waste

Mining activities may generate considerable quantities of mineral and non-mineral waste. Such waste, as well as the storage and transportation process, may pose risks to the environment and public health. Effective management of waste and ensuring its safe storage and transport are therefore essential to protect people and the environment. Waste not only contributes to landfill issues and associated greenhouse gas emissions, but also represents a costly waste of resources.

Our Veta Dorada Processing Plant processes gold ore from small-scale miners and artisanal miners. This industrial process generates industrial waste, domestic waste, biomedical waste and special waste.

One of our main objectives with respect to environmental sustainability is the reduction of waste through recycling and the establishment of waste prevention measures at all stages of the production cycle. In order to achieve this objective, we have developed and implemented a Waste Management Program based on the 4R-D concept (in order of importance: reduction, reuse, recycling, recovery and disposal), which complies with Peruvian Law on Integrated Management of Solid Waste.



The Program sets out the process for the identification, segregation, treatment and final disposal of waste generated by the operational and administrative processes of our Veta Dorada Processing Plant. It also bears in mind the quantification of all waste in terms of type and weight, on a monthly and annual basis.

Waste classification accounts for: general solid waste, hazardous waste, biomedical waste, recyclable waste and special waste (such as batteries). In our operations, we have containers classified by colour in accordance with the provisions of the Peruvian Technical Standard (NTP) 900.058-2019 and colour codes for solid waste devices.

Waste generated at the plant is disposed of by authorized external companies that are evaluated each year. Each time



«**The Waste Management Program** was implemented at our **Veta Dorada Processing Plant in 2019**, and we plan to implement it in our **offices in 2022**».

there is a disposal or final disposal of waste, a non-hazardous waste disposal certificate and a non-hazardous waste disposal manifest are issued.

The implementation of the Waste Management Program involves taking several key steps: waste segregation at source, waste management, temporary storage and waste disposal for final disposal. These steps have been shared with our plant supervisors and personnel through environmental training sessions in order to foster an environmental culture among our employees.

The on-site environmental personnel support the key stages of the program, which include:

- supervision of waste classification;
- process for handling each type of waste;
- specific information related to waste reduction in the cafeteria, office and facilities;
- process for documenting and reporting information on waste
- identification of the impact our activities have on the environment;
- identification of opportunities to continue raising awareness and integrating waste management practices to reduce waste generated and increase recycling.

In 2020, 129.14 tonnes of waste were generated at our Veta Dorada Processing Plant, of which 56% corresponded to hazardous waste and 44% to non-hazardous waste. Depending on the composition of the waste, it is recycled, reused and/or transferred to a secure or sanitary landfill.

In 2020, waste generation was reduced compared to 2019 (129.14 tons vs. 219.62 tons). This reduction was mainly due to the stoppage of our operations when the pandemic started, as well as due to the implementation of the Waste Management and Minimization Plan. This reduction can also be seen in the intensity, which was 2.51 kilograms of waste per gold equivalent ounce in 2020 and 2.67 kilograms of waste per gold equivalent ounce in 2019, which represents a 6% reduction in the intensity of waste generation.

GRI 306-1

GRI 306-2

GRI 306-3

Waste generation in 2019 and 2020 at the Veta Dorada Processing Plant (Metric Tons)

GRI 306-3

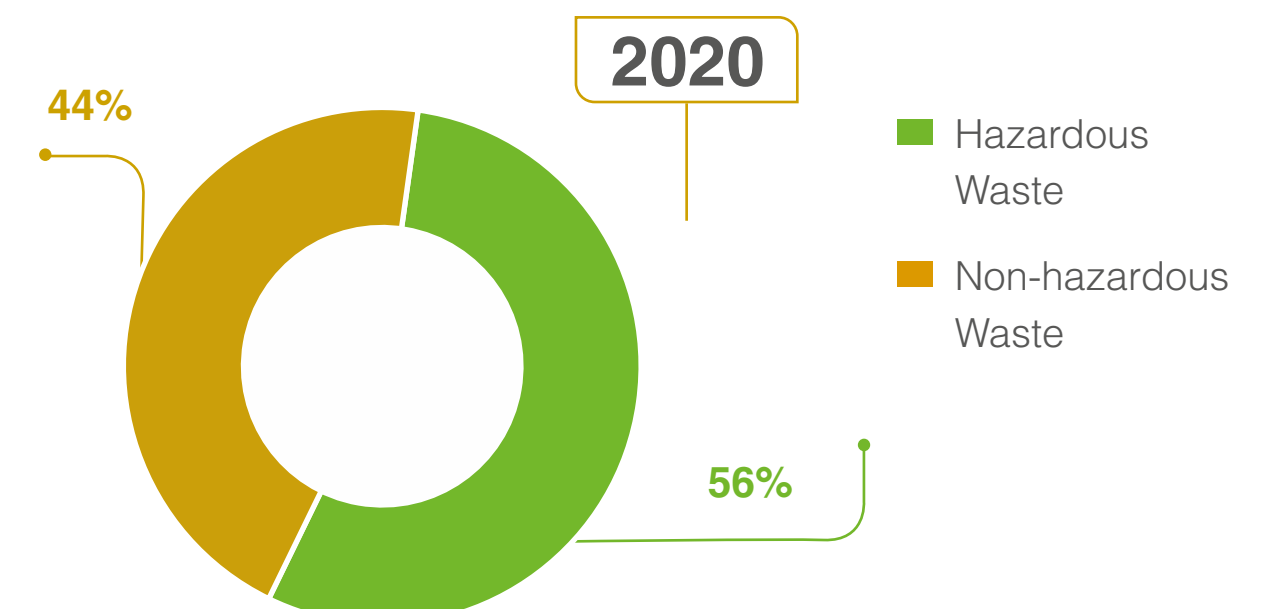
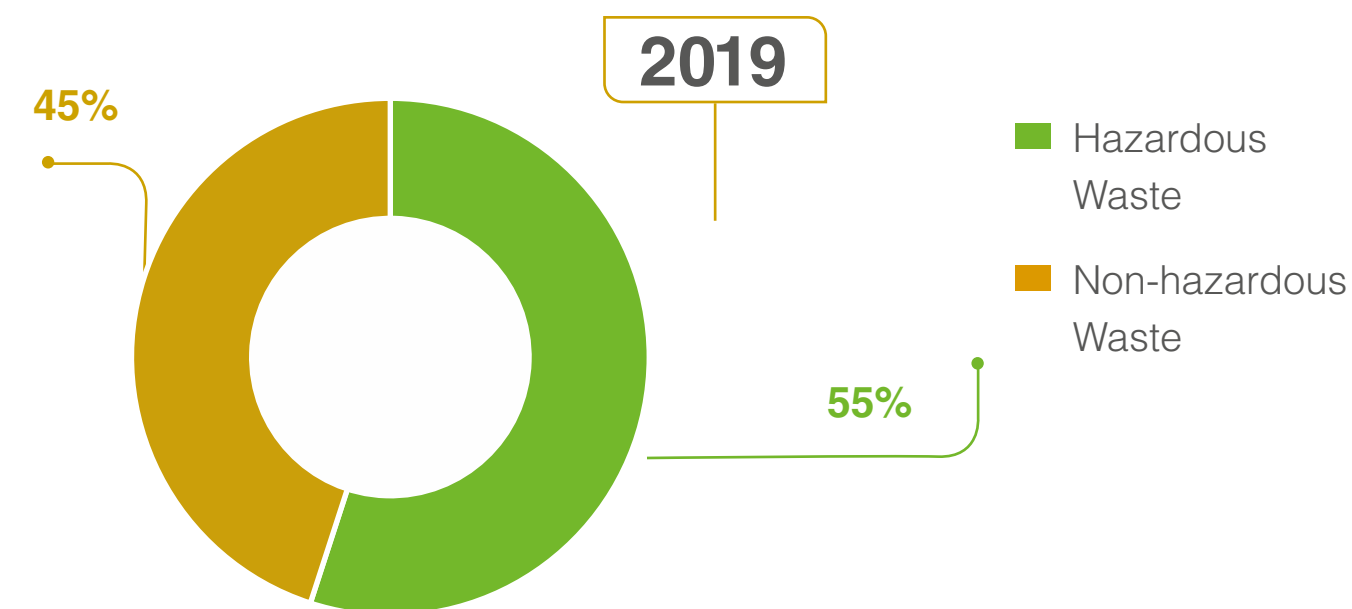
GRI 306-4

GRI 306-5

		2020 (t)	2019 (t)	Sent to
HAZARDOUS WASTE	Non-recycled Hazardous Waste	68.61	112.15	Secure Landfill
	Reused Hazardous Waste	3.60	8.87	Reuse
	Biomedical Waste	0.06	0.08	Secure Landfill
	Special Waste	0.22	0.34	Secure Landfill
	Total hazardous waste	72.49	121.44	
NON- HAZARDOUS WASTE	General Solid Waste	41.86	61.31	Sanitary Landfill
	Recycled Waste	14.79	36.87	Recycling
	Total non-hazardous waste	56.65	98.18	
	Total waste generated	129.14	219.62	
	Waste sent to Disposal (Landfill)	110.75	173.88	
	Recycled or Reused Waste	18.39	45.74	
	Total intensity of waste generation (kg of waste generated / gold eq oz)	2.51	2.67	

Type of waste generated in 2019 and 2020

GRI 306-3



With respect to waste that was recycled or reused, 18.39 tons were recycled in 2020, representing 14% of all waste generated. The main reused hazardous waste is used oil; non-hazardous waste that is recycled is mainly cardboard, plastic, glass, wood, metal and scrap metal. All waste is recycled or reused by duly authorized external companies.

Waste sent for disposal is disposed of through authorized waste management entities who are responsible for transporting and disposing of it in authorized sanitary landfills for non-hazardous waste, and in secure landfills for hazardous waste.

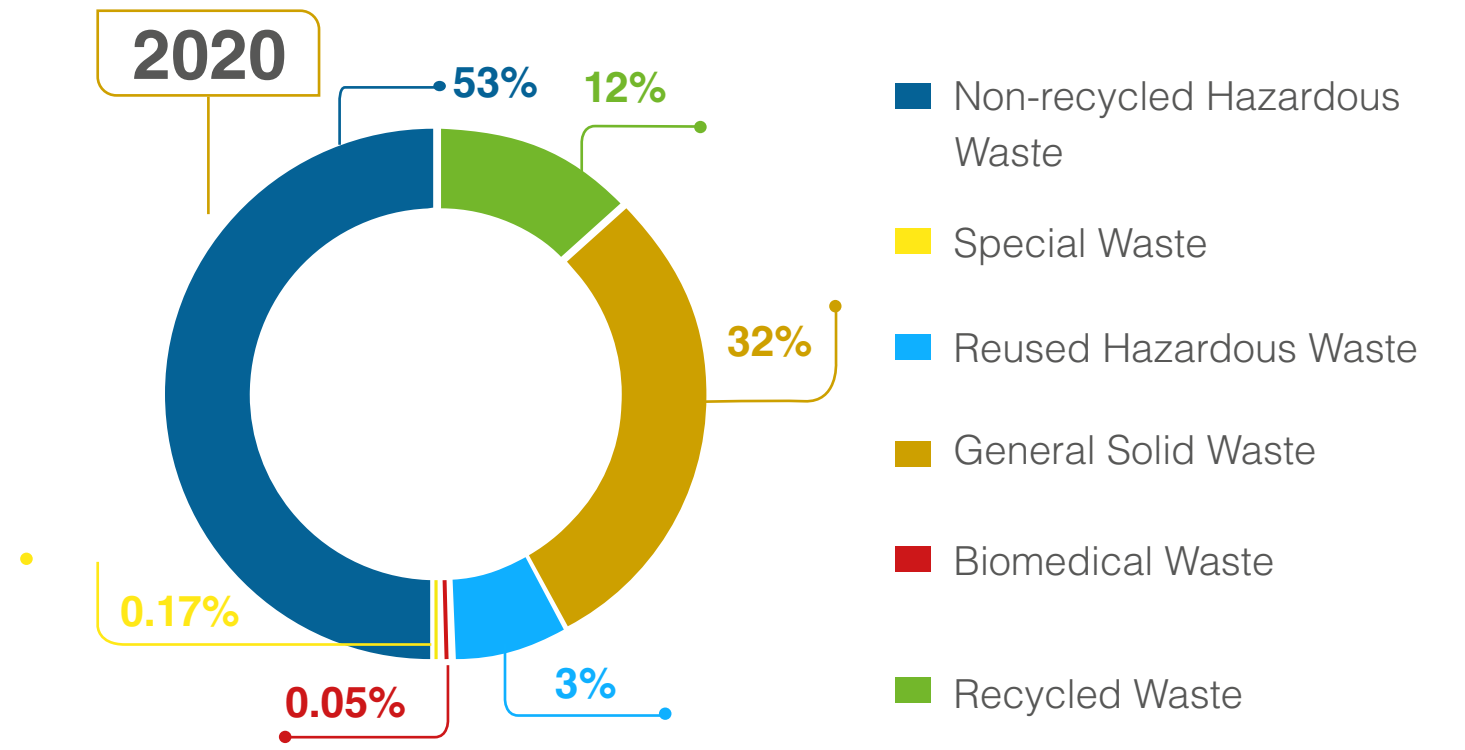
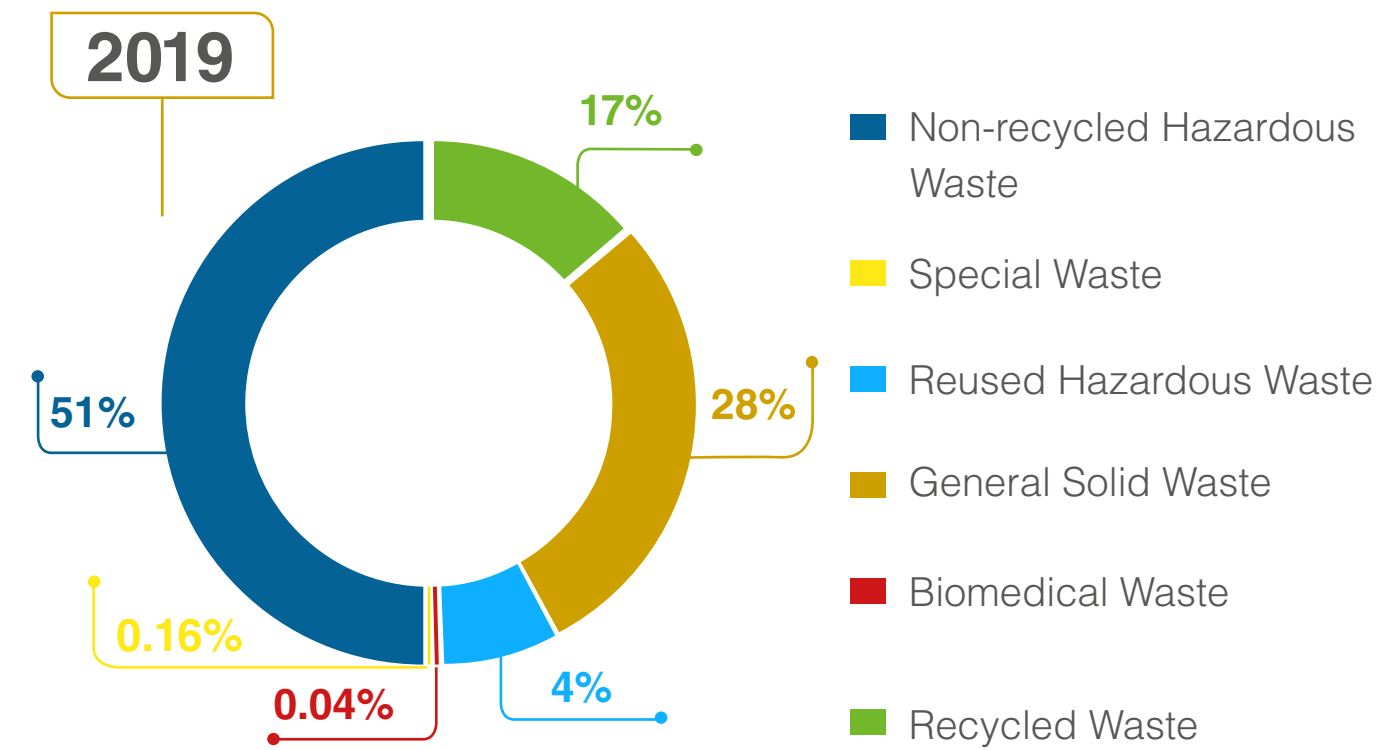
GRI 306-4

Waste classification in 2019 and 2020

GRI 306-3

GRI 306-4

GRI 306-5



4

SOCIAL COMMITMENT



4. Social Commitment

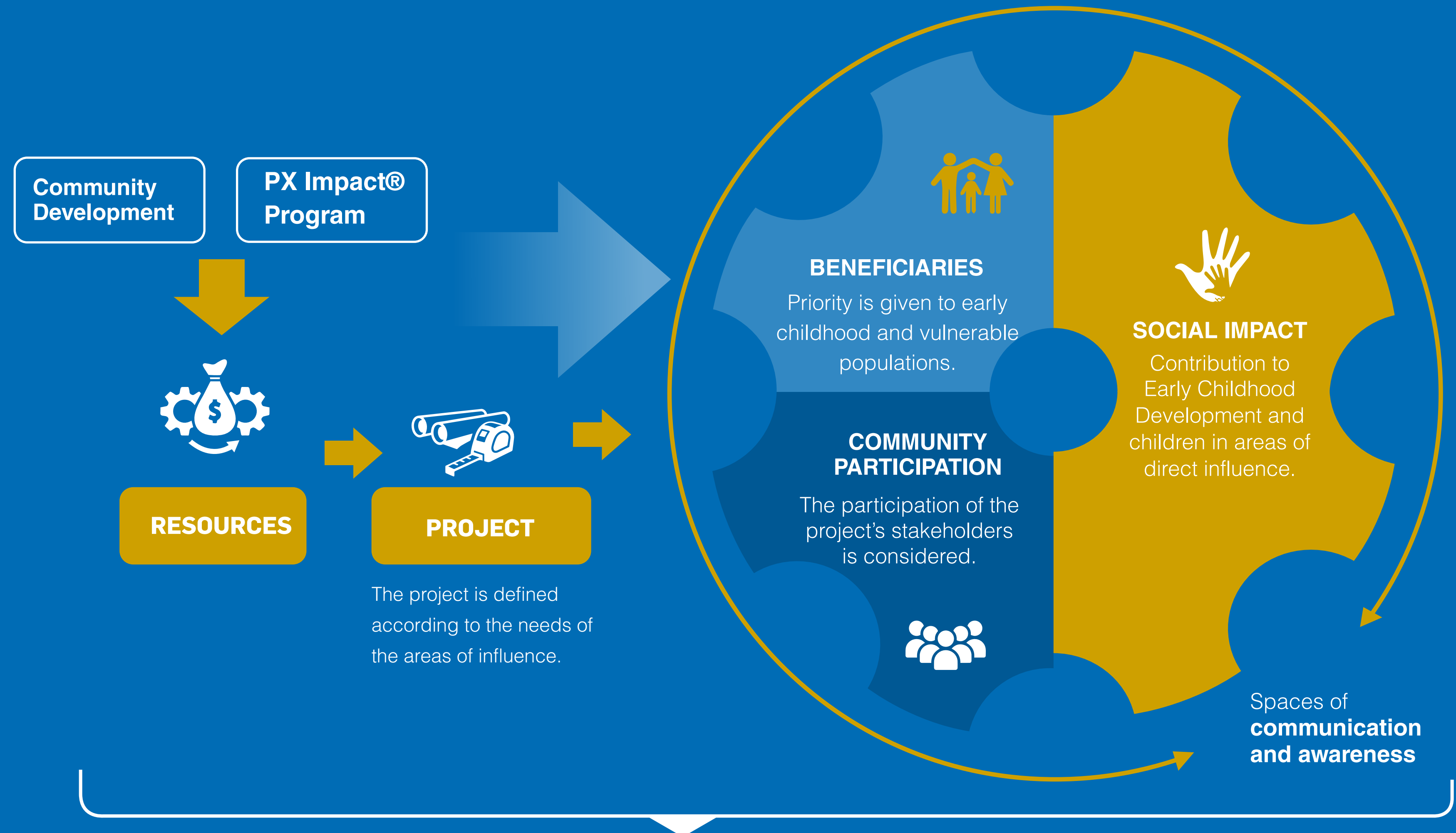
4.1 Social Investment

We are committed to sustainable development and seek to ensure that our operations have a positive social and economic impact, prioritizing the well-being of people. We comply with standards and regulations that guarantee our ethical behavior with our community stakeholders.

Our social investment has been made through:

- Community Development
- PX Impact® Program

In order to allocate resources to social projects, we take in account the following stages:



GRI 413-1



4.2 Community Development **dynacor**

In order to contribute to social and economic well-being, namely in vulnerable populations in the direct area of influence of our ore processing plant located in Chala, we have established social commitments with our stakeholders, fostering a harmonious relationship.

Our social investments were destined for health, nutrition, local employment, local economy, and for the development and capacity-building of local institutions.



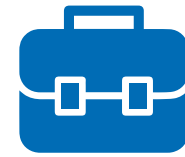
Health and Nutrition Program

In 2020, we allocated US\$ 950 for the donation of supplies to the Health Centre of the district of Chala and to make the ambulance operational, which benefited close to 130 people.



To ensure the nutrition of low-income vulnerable populations, we provided US\$ 521 in supplies to the soup kitchens of Chala. This benefited approximately 100 people who visit the Obras de Misericordia Parish Kitchen and La Aguadita Soup Kitchen.





Local Employment Program

We have also encouraged local employment and the hiring of local companies, for a total investment of US\$ 137,080 in the area of direct influence of our unit. Just in local employment, in the district of Chala, US\$ 83,691 was donated in 2020 for a total of 15 local people who declared having their residence in the area.

To support local entrepreneurship, a local company was hired to perform cleaning and disinfection services in our plant's mining camps, cafeteria and offices. The contract amounted to US\$ 53,389 and created jobs for seven people.



Local Economy Program

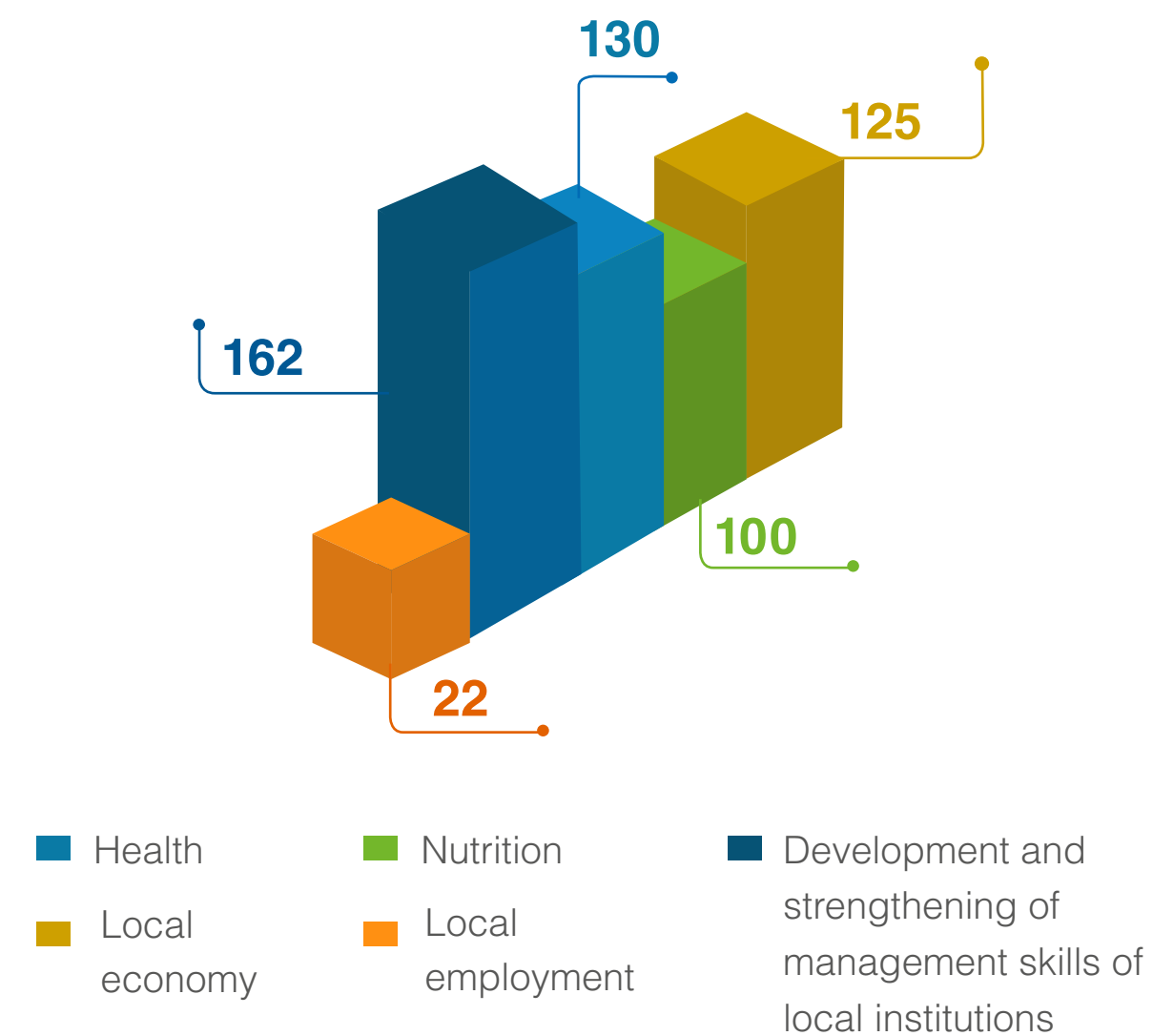
We allocated a total of US\$ 715 in donations for consumer goods to the low-income farming community of Chala Viejo and the shanty town, El Progreso, which benefited 125 people.



Program for the Development and Strengthening of Management Skills of Local Institutions

To keep good relations and strengthen local institutions, we invested US\$ 499 in 2020. Support was given to the Municipal District of Atiquipa for activities to support children from low-income families and employees of other institutions.

Local Development: Number of beneficiaries 2020



«During the reporting period, we have invested a total of **US\$ 139,766** in various **types of support in the communities around us**».

4.3 PX IMPACT® Program

In 2017, after forming an alliance with our Swiss client PX Precinox, we created the PX Impact® Program, with the aim of contributing to improving education and healthcare in the communities of Artisanal and Small-Scale Miners (ASM), who are our ore suppliers. In this way, we aim to produce responsibly sourced traceable gold.

Subsequently, we created the International Fund to Help Artisanal Miners (Fidamar), which is a non-profit association whose objective is to carry out social projects using funds from the PX Impact® Program.

The resources of the PX Impact® Program come from customers who buy gold from PX Precinox and pay a premium on the market price of gold for the execution of work that would improve the infrastructure and equipment in education and health in the communities where the ASMs are located.

The first PX Impact® Program project was implemented in 2018, in the mining town of Secocha, Arequipa, Peru. It improved the infrastructure of environments for the Ricardo Palma Educational Institution with an investment of US\$ 76,744 and directly benefited 860 elementary and secondary students, 40 teachers and 410 parents, while indirectly benefiting the 20,000 inhabitants of Secocha.

During the reporting period, we implemented five projects:

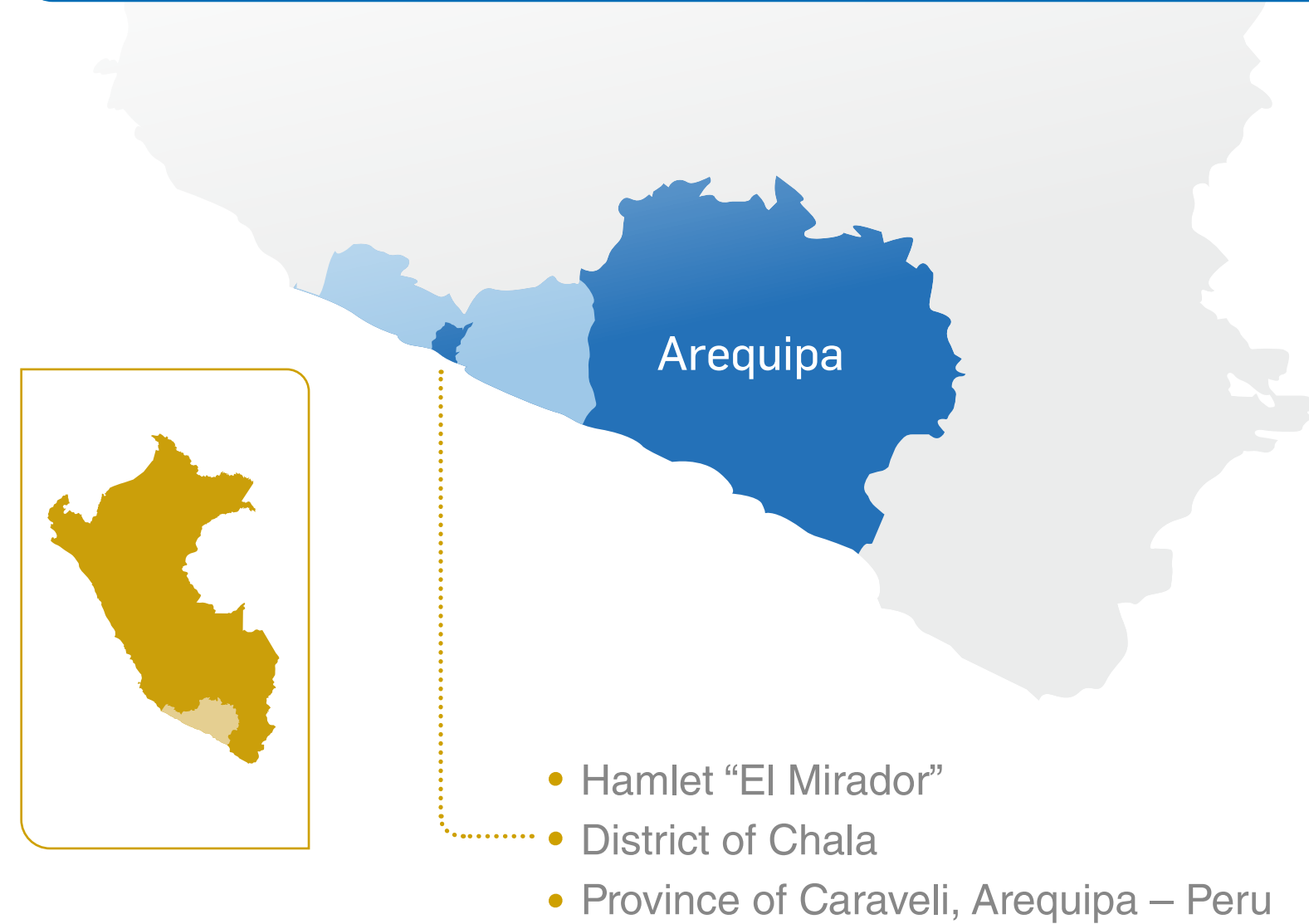


«**The PX Impact® Program** made a **US\$173,706 social investment** dedicated to the **education and health sectors of the communities** of artisanal and small-scale miners, as well as to the area of direct influence of our operation».

Sagrado Corazon de Jesus

Non-Traditional Pre-School Education Program

IMPACT®



Objective:

- ✓ Improve the infrastructure of early childhood development environments and provide adequate supplies and materials for children to use in their psychomotor learning.

Beneficiaries:

- ✓ 14 children, 1 teacher, children’s parents (direct).
122 inhabitants of this hamlet El Mirador (indirect).

Investment 2019: **US\$ 22,151**

ACHIEVEMENTS:

- The Institution Sagrado Corazon de Jesus achieved the highest score in the annual evaluation of the quality of education at the Pre-School level. The evaluation was conducted by the Ministry of Education (Regional Bureau of Education of the Arequipa Region), which qualified the students, the teacher and the program used by this Institution.
- This school was selected as Showcase Classroom of the Province of Caraveli at Pre-School level in 2019, and is supervised at regional level by the education authorities.
- With the social investment, the local authorities were able to designate a position for a Teacher for the 1-year-old children’s class.
- Organization and involvement of parents to: assume financial responsibility for the costs of disinfection and cleaning, and care and maintenance of the renewed spaces and materials.
- Commitment and awareness of the education institution to seek more support from local entities and authorities to continue contributing to early childhood development.
- With the changes and improvements for the well-being of the children, confidence has been generated in the parents and the teacher to continue executing projects in favor of children in the locality.

GRI 413-1



INFRASTRUCTURE | Psychomotor classroom, roof for the play ground and a warehouse.



EQUIPMENT | Interactive Board System and micro-porous floor.



MIGUEL GRAU PRE-SCHOOL

PIXIMPACT®

ACHIEVEMENTS:

- The Local Education Management Unit - Condesuyo managed to have two classrooms for 3-year old children, representing 30% of the total population of 110 students of the Miguel Grau School No. 40446 of Alto Molino.
- Before social investment, children under 3 years old studied in the Non-Traditional Pre-School Program - of Alto Molino and in Pre-School of Iquipi, capital of the District of Rio Grande, moving long distances exposed to accidents and citizen insecurity in the area. Since 2019, the children study in their locality because they have classrooms fitted out for them.
- The education authority has designated a teaching position for the 3-year old class and the appointment of 2 teachers. Previously, the School had only one teacher appointed.
- The teachers did not resign as in previous years, due to the adequate environments for the development of classes.
- With the new classrooms for children's learning, confidence has been generated in parents and teachers to continue executing projects in favor of children in the locality for their early development.

GRI 413-1

Objective:



Implement infrastructure for early childhood development.

Beneficiaries:



33 children, 3 teachers, children's parents (direct).

A total of 5,000 inhabitants of the Village of Alto Molino (indirect).

Investment 2019: **US\$ 20,052**

- Annex Alto Molino
- District of Rio Grande
- Province of Condensuyo, Arequipa – Peru



INFRASTRUCTURE | Psychomotor classroom and a regular classroom.

MI JARDIN DE AMOR PRE-SCHOOL

IMPACT®

Objective:

- ✓ Develop skills for the conservation and preservation of the environment through the implementation of vegetable and fruit garden.

Beneficiaries:

- ✓ 90 children of 3-5 years old, 4 teachers, 87 children's parents (direct).
- ✓ Approximately 3,000 inhabitants of the Village of La Aguadita (indirect).

Investment 2019:
US\$ 17,324

Arequipa

- Village of La Aguadita
- District of Chala
- Province of Caraveli, Arequipa – Peru

ACHIEVEMENTS:

- Mi Jardin de Amor Pre-School implemented a program of participatory and experimental classes so that children can learn more about the importance of conservation and preservation of the environment.
- Parents were committed with the labor during the implementation and, subsequently, they divided the tasks to keep the vegetable garden in good condition.
- Some children's parents have put into practice what they have learned, planting fruit and ornamental plants in their homes.
- Local professionals were involved in the project, helping to improve the care of green areas and the school's vegetable and fruit garden.

GRI 413-1



INFRASTRUCTURE | Implementation of an organic garden and green areas.

MANUEL SCORZA SCHOOL

IMPACT

Objective:

- ✓ Improve the infrastructure of the Manuel Scorza School and provide computer equipment for students' learning.

Beneficiaries:

- ✓ Elementary school students, teachers and parents (direct).
- ✓ Inhabitants of Annex El Trapiche (indirect).

Investment 2019:
US\$ 32,165

ACHIEVEMENTS:

- The school was able to include training on information technology and communications (ITC) in the 2020 annual education plan.
- Secondary school teachers were constantly trained with the help of ITCs and improved their teaching and education work.
- Organization and involvement of parents in the care and maintenance of the renewed spaces and materials.
- Commitment and awareness of the education institution to seek more support in order to contribute to the improvement of the children's education.
- With the implementation of the library with renewed and modern bibliography, the teaching level in elementary education improved by 70% and in secondary education by 80%.
- With the changes and improvements in infrastructure and equipment, confidence was generated in parents and teachers to continue carrying out actions in favor of learning and health care of the students.

GRI 413-1



Trujillo



- Annex El Trapiche
- District of Parcoy
- Province of Patate, Trujillo – Peru



INFRASTRUCTURE | Finish for the computer classroom.



EQUIPMENT | 30 new computers, a multimedia projector, furniture and teaching software.

RICARDO PALMA SCHOOL

IPXIMPACT®

Objective:

- ✓ Provide bibliographic material for the library and furniture for the laboratory that contributes to the learning of elementary and secondary students.

Beneficiaries:

- ✓ 860 elementary and secondary students, 40 teachers and 410 parents (direct).
- ✓ Inhabitants of Annex Secocha - 20,000 approximately (indirect).

Investment 2019:
US\$ 5,271

Annex Secocha
District of Mariano Nicolas Valcarcel
Province of Camana, Arequipa – Peru

Arequipa



EQUIPMENT | Furniture for the science lab and books for the library.

ACHIEVEMENTS:

- Improvement in the education and teaching work of teachers.
- Organization and involvement of parents in the care and maintenance of education materials.
- The teaching level in elementary education improved by 70% and in secondary education by 80% thanks to improvements in the library with renewed and modern bibliography.
- Commitment and awareness of the education institution to seek more support to continue contributing to the improvement of the children's education.

GRI 413-1

5

ABOUT THE SUSTAINABILITY REPORT



5. About the Sustainability Report

Dynacor Gold Mines Inc. is presenting its first sustainability report within the framework of GRI Standards (Global Reporting Initiative). It is geared towards its stakeholders with the purpose of communicating relevant economic, environmental and social issues in a transparent manner, and covers the years 2019 and 2020. The report was published in May 2021.

All material information contained in this report was reviewed internally in order to ensure that our stakeholders have an adequate representation of our performance during 2019 and 2020.

Subsequent to this report, starting in 2021, the company will report annually on its activities in these three areas.

Any questions about this report or its contents may be addressed to esg@dynacor.com

GRI 102-1

GRI 102-46

GRI 102-50

GRI 102-52


GRI 102-53



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