

DYNACOR PROVIDES 2021 FINANCIAL AND CAPITAL EXPENDITURE GUIDANCE, FORECASTING US\$150.0 MILLION (C\$191 MILLION) IN SALES AND NET INCOME OF US\$6.9 MILLION (US\$0.18 EARNINGS PER SHARE) (C\$8.8 MILLION) (C\$0.23 EARNINGS PER SHARE)

Montreal, February 18, 2021 – Dynacor Gold Mines Inc. (TSX-DNG) (Dynacor or the "Corporation"), an international gold ore industrial corporation servicing ASMs (artisanal and small-scale miners), provides the 2021 financial and capital expenditure guidance.

2021 Financial Forecast:

- Total sales of US\$150 million (C\$191 million);
- Net income of US\$6.9 million (US\$ 0.18 EPS), (C\$8.8 million) (C\$0.23 EPS);
- Cash flow from operating activities of US\$10.4 million (US\$0.27 CFPS), (C\$13.2 million) (C\$0.34 CFPS);
- Capital budget of US\$6.3 million (C\$8.0 million)

Dynacor forecasts gold and silver sales of US\$150 million for 2021 which would represent a 47% year over year increase. Based on its 2021 capital budget, operating activities, and expansion development, the Corporation expects to generate significant positive free cash flow in 2021.

The Corporation's 2021 capital budget is US\$6.3 million (C\$8.0 million), which includes sustainable capital at the Veta Dorada plant, a 24% increase in milling capacity to 420 tpd (tonnes per day) in the second half of this year and a 2,735-meter 8-hole diamond drilling program (US\$1 million in 2021) at Tumipampa.

- I. Assumes 2021 average CA/US exchange rate of 1.273:1
- II. 2021 financial guidance is based on an average gold price of \$US 1850 per ounce.
- III. Cash-flow per share is a non-IFRS financial performance measure with no standard definition under IFRS. Therefore, it is possible this measure will not be comparable with a similar calculation of another corporation. Dynacor believes that cash flow from operating activities provides useful information to investors in assessing the Corporation's financial condition and operating results.
- IV. Free Cashflow being defined by the operating cashflow less cashflow from investing activities.

Exploration

The Corporation has planned a six-month diamond drilling program on the disseminated zone at its Tumipampa gold property. This program will begin immediately upon agreement with the local community.

Tumipampa is 500 km from Lima, Peru, Department of Apurimac. Tumipampa's concessions cover 7,027 hectares and are located geographically on the Andes Mountain Range's eastern slopes between 4,200 and 4,800 metres above sea level.

Major mining companies such as Southern Copper, MMG Limited, Buenaventura, Golden Ideal Gold Mining (China), Super Strong Mining (China) and Bear Creek Mining own claims surrounding Tumipampa.

Year-end 2020 audited consolidated financial statements and management and discussion analysis will be released before market open on March 31, 2021.

ABOUT DYNACOR

Dynacor is a dividend-paying ASM (artisanal and small-scale mining) gold ore industrial corporation headquartered in Montreal, Canada. The corporation is engaged in sales by processing ore purchased from the ASM (artisanal and small-scale mining) industry. Dynacor has ASM ore purchasing and processing operations together with a 100% owned gold exploration property in Peru. The corporation's management and processing team has decades of experience and expertise in the ASM gold ore servicing industry.

Dynacor produces environmental and socially responsible gold through its PX IMPACT® gold program. A growing number of supportive firms from the fine luxury jewelry, watchmakers and investment sectors pay a small premium to our customer and strategic partner for this PX IMPACT® gold. The premium provides direct investment to develop health and education projects for our artisanal and small-scale miner's communities.

Dynacor is listed on the Toronto Stock Exchange (DNG) and the OTC in the United States under the symbol (DNGDF).

FORWARD-LOOKING INFORMATION

Certain statements in the preceding may constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Dynacor, or industry results, to be materially different from any future result, performance or achievement expressed or implied by such forward-looking statements. These statements reflect management's current expectations regarding future events and operating performance as of the date of this news release.

Dynacor (TSX: DNG / OTC: DNGDF)

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