

DYNACOR EXPANDS ORE-PROCESSING BUSINESS TO INTERNATIONAL LEVEL

Montreal, July 15, 2020 – Dynacor Gold Mines Inc. (TSX:DNG) (Dynacor or the "Corporation"), an international leading ore purchasing and processing corporation servicing artisanal and small-scale miners (ASM), today announced the completion of its due diligence phase to expand its ore-processing business to an international level by building an ore-processing pilot plant operation in Senegal.

Due Diligence Report

Based on the due diligence phase's positive results, a new company to be created will move forward on the construction of a new ore-processing pilot plant located in Senegal. In addition to executing complete tests of the plant operation, the new company will develop trusting working relationships with the ASMs and encourage their participation in our PX IMPACT® clean gold program. This initiative expands on the successes of the previous due diligence phase, which began with the arrival of Dynacor's technical team sent to evaluate the gold potential and ASM industry in February 2018. Starting with a pilot plant is an important step to laying the foundation for a more extensive full-scale operation.

Dynacor is to operate the plant and own the majority of the new company with 51% ownership. KN Equipments Inc. and FONSIS will hold the balance at 25% and 24%, respectively.

Three (3) alluvial ASM properties in the state of Kedougou are part of the pilot plant program, Kharakhena, Tinkoto and Bantaco. The region of Kedougou is accessible by a two-lane road from Dakar to the city of Kedougou, a distance of 680 km along the state roads Hwy N1 and N7. The three areas of interest provided samples to collect and to review the materials from the artisanal miners working in the pits at depths of 15 m to 70 m. The samples assaying greater than 2 g/t Au for each of the three areas, had average assay grades of 18.19 g/t Au for Kharakhena, 29.07 g/t Au for Bantaco, and 9.72 g/t Au for Tinkoto. The three areas, Kharakhena, Bantaco and Tinkoto, had 55 rock samples assaying greater than 2 g/t Au over 108 rock samples from the pits. The maximum assays from the three areas are 701 g/t Au (Kharakhena), 112 g/t Au (Bantaco), and 27.7 g/t Au (Tinkoto). The complete sampling was a total of 258 samples.

The material is to be supplied by the local miners from the three regions, Tinkoto, Bantaco and Kharakhena.

In addition to the three (3) ASM properties, there are twenty (20) other significant ASM areas, including seven sites at Kharakhena, eight sites at Tinkoto and five sites at Bantaco. There is a high probability that they will supply gold ore to Dynacor.

A satellite imagery study by Japosat Satellite Mapping discovered seventy-six (76) additional ASM operations signalling the future potential to grow Dynacor's Senegal ore-processing division into a much higher capacity.

The Corporation is reviewing a site located in the hub of the ninety-six (96) ASM properties, east of Kedougou on the road towards Kharakhena and near the Gambia River. The prospective plant site is 80 km to Kharakhena, 75 km to Tinkoto and 40 km to Bantaco.

Jean Martineau, president and chief executive officer of Dynacor, commented: "We are excited to execute on our strategy of expanding Dynacor's proven business model into the international market. Besides the significant operational growth potential, which will stem from the Senegal operation, we are very proud to be the first and only company on a global scale to offer our ore-processing service and PX IMPACT® clean gold program to the ASM community.

Our new company brings to Senegal over 20 years of experience in purchasing and processing ore from the ASM industry. The group of three is a low-risk logical partnership bringing together Dynacor's ore processing leadership, KN Equipment's working history and connections in Senegal; a long-standing history of manufacturing milling processing equipment; and the financial strength and support of the Senegalese sovereign fund FONSIIS."

The Ministry of Mines and Geology strongly supports and encourages the Corporation's new ASM ore-processing project. They are pleased to see Dynacor taking this approach, which will help formalize and regulate the ASM industry, maintain the revenues within the country, and bring better control of the gold production at the small-scale mining level. Local authorities at Kharakhena, Tinkoto and Bantaco, are pleased to see Dynacor continue their process of moving forward with this project of providing ore-processing service and developmental support to better the communities of the ASMs living in Senegal.

With a high-growth economy of 6%, Senegal is one of Africa's most stable and gold-rich countries hosting thousands of ASM miners. Mining in Senegal at the artisanal level started in the Sabodala area in the 1960s, but it took place more extensively in the 1990s. In the last decade, the ASM industry has increased dramatically with people from southeast Senegal, Mali, Guinea, Burkina Faso, Benin, Cote d'Ivoire, Ghana, Gambia, etc. These ASMs have been moving to Kedougou, Bantaco, Tinkoto and other areas.

Small-scale mining as of the previous ten years has increased dramatically. Today, up to 70,000 to 100,000 people are working in the ASM industry. Senegal still trails some of the other countries in small-scale mining and gold production (Mali, Ghana, Sierra Leon and Nigeria) but is rapidly gaining ground. The three regions, Kharakhena, Tinkoto and Bantaco, have possibly 8,000 to 10,000 people involved in artisanal mining.

Dynacor's direct contacts with multiple government representatives, Ministries, various services and consultants will benefit the Senegal ASM industry. Through Dynacor's successful PX IMPACT® gold program, the Corporation will educate and encourage the ASM industry to produce clean, responsible gold that is traceable and without the use of mercury.

On June 29, 2020, the Government of Senegal announced an end to the COVID-19 related State of Emergency. The government of Senegal administrative business hours

will return to 8:00 a.m. to 5:00 p.m. International commercial flights will resume July 15. Land and sea borders remain closed until further notice.

However, as foreign governments implement strict travel restrictions and fewer international transportation options are available, it may be challenging to return to Canada, and those travelling may have to remain in Senegal for an indeterminate period. Therefore, the Corporation will continue advancing its new Senegalese expansion project immediately upon the Canadian government lifting its COVID-19 non-essential travel advisory to Senegal.

ABOUT KN EQUIPMENTS

Founded in 1959, KN Equipements is a company based in Rouyn-Noranda (Quebec). It specializes in the design, manufacturing and distribution of mining equipment. Active in the Canadian market since its creation, it has also had a permanent office in Dakar, Senegal since 2016 and has also representatives in Mali and Mexico. KN Equipements has been operating in the West African market since 2008 and is currently building a manufacturing and equipment distribution centre for the mining sector in eastern Senegal.

ABOUT FONSI

FONSI (Fonds Souverain d'Investissements Stratégiques) of Sénégal, is a limited liability company, an investment holding with a capital of FCFA 3 billion, entirely owned by the Republic of Senegal.

FONSI creation was authorized by Law No 2012-34 of December 31st, 2012, which provides for equity capital of FCFA 500 billion (+/- \$US 1 billion) to be constituted in cash and asset transfers. Its governance complies with the benchmark standards (Santiago Principles which govern the functioning of the largest international Sovereign Funds).

The mission of FONSI, as a catalyst for investment, is to promote the Senegalese government's role, a partner of the private sector with the objectives of creating wealth and jobs and building financial reserves for present and future generations.

ABOUT DYNACOR

Dynacor is a dividend-paying gold production corporation headquartered in Montreal, Canada. The corporation is engaged in production through the processing of ore purchased from the ASM (artisanal and small-scale mining) industry. At present, Dynacor produces and explores in Peru, where its management team has decades of experience and expertise. In 2019, Dynacor produced 80,677 ounces of gold.

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 are paying 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 to our small-scale artisanal miner's communities.

Dynacor is listed on the Toronto Stock Exchange (DNG).

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)

Website: <http://www.dynacor.com>

Twitter: <http://twitter.com/DynacorGold>

CONTACT: For more information, please contact:

Director, Shareholder Relations

Dale Nejmeldien

Dynacor Gold Mines Inc.

T: 514-393-9000 #230

E: investors@dynacor.com

Shares outstanding: **38,799,756**