

Dynacor Announces Construction Start on Plant Expansion Enabling 43% Increase in Nameplate Ore-Processing Capacity to Meet Rapidly Growing Demand

MONTREAL, March 24, 2021 (GLOBE NEWSWIRE) -- **Dynacor Gold Mines Inc. (TSX-DNG) (Dynacor or the "Corporation")**, an international gold ore industrial corporation servicing ASMs (artisanal and small-scale miners), today announced a US\$1.8 million investment through internally generated cash flow to expand its Veta Dorada ore processing plant capacity by 43% in Chala, Peru.

The expansion already underway will enable Dynacor to process 430 tonnes per day (TPD) from its current nameplate 300 TPD capacity, a 43% increase. The Corporation has received the construction permit and signed contracts, a first contractor is on-site, and construction work began in the 2nd week of March 2021.

Jean Martineau, President and CEO, states, "This new expansion to our Veta Dorada plant in Chala, Peru, is a first step to meeting our strategic milestone of growing the company's ore processing capacity and gold sales. The significant increase in the plant's throughput will begin immediately after completion of the construction, and therefore we expect to see a healthy rise in sales starting in the 2nd half of this year and ahead of our original forecast."

The plant capacity increase is both ahead of the planned schedule, and larger in scope as ASM ore deliveries are rapidly ramping up and have been doing so for quite some time. As previously reported, for the last number of years, the Veta Dorada plant has been steadily increasing its daily output. It is currently operating at its maximum level of 40-45 TPD above the plant's nameplate capacity of 300 TPD due to the optimization of various plant parameters. The construction completion date is scheduled for June 2021.

Dynacor is one of the first ASM ore processing companies to export gold bars from Peru to Switzerland. Today Dynacor is a significant ASM ore purchasing and processing company strategically located minutes off the Pan American Highway in Peru. Management's decision to move the operation to a much more accessible location than its previous remote and older site about 6 hours off the highway is starting to pay dividends.

ABOUT DYNACOR

Dynacor is a dividend-paying industrial gold ore processor headquartered in Montreal, Canada. The corporation is engaged in gold production through the processing of ore purchased from the ASM (artisanal and small-scale mining) industry. At present, Dynacor operates in Peru, where its management and processing teams have decades of experience working with ASM miners. It also owns a gold exploration property (Tumipampa) in the Apurimac department.

The corporation intends to expand its processing operations in other jurisdictions as well.

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.

Toronto Stock Exchange (TSX): DNG
OTC (United States): DNGDF

Shares Outstanding: 38 815 029

Website: <http://www.dynacor.com>
Twitter: <http://twitter.com/DynacorGold>

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