

Agrees that Shareholders have sent a Powerful Message -- to the Board

NEW YORK, June 25, 2015 /CNW/ --

Dear Fellow Shareholders,

In an ongoing and much needed effort to promote transparency to fellow shareholders, Red Oak Partners, LLC ("Red Oak") wishes to clarify yet another misleading and promotional press release issued by [Dynacor Gold Mines Inc.](#) (TSX: DNG)(OTC: DNGDF) ("Dynacor" or the "Company") on June 23, 2015. Specifically, Dynacor's Board has made incorrect claims about the level of support shown for its Directors at the June 22 election. Dynacor's Board is well aware that only two voting options exist in Canada for the election of Directors: FOR or WITHHOLD. There exists no AGAINST vote concept. Accordingly, WITHHOLD votes represent votes opposing re-election. Despite knowing this, Dynacor's Board ignored a significant number of votes specifically marked as WITHHOLD regarding the re-election of its Chairman as well as certain other Directors. In yet another instance of misleading and cherry-picking of facts, Dynacor's Board has taken a path to skew information in its favor by promoting a fictitious level of support. We have confirmation that the WITHHOLD votes regarding the election of the non-independent Chairman, Rene Branchaud, represented an amount greater than eighty percent of ALL shares which voted at the 2014 election and at least seventy times the number of shares which the eighteen year affiliated Director owns personally. This is a far cry from the laughable 99.83% support which Dynacor's Chairman-led Board claimed was voted in support of its conflicted Chairman Branchaud.

Additionally, because of Red Oak's concern about a fair election, Red Oak voted on Dynacor's proxy card to ensure Dynacor could not find ways to exclude such votes. Despite taking such precautions, Dynacor's Board and representatives conducted the meeting in the absence of an independent inspector of elections. Despite the Dynacor insiders speaking English fluently, they conducted the meeting entirely in French (which was fine) but did not ask (in English) for Red Oak's representative (who was present at the meeting) to propose Red Oak's nominees. A fairly run election would never have seen such a conflicted and intentionally unfair process, and only confirms our concerns about Dynacor's Chairman and Board's alignment with shareholders and vs. its desperation to entrench itself at literally any cost.

Stated David Sandberg, Red Oak's founder and managing member, "Red Oak's goal was to bring important issues to light. We did not actively solicit shareholders and I did not make a single outbound call, and we expect we spent less than 20% vs. the shareholder monies which Dynacor's Board so readily wasted (Dynacor's Board should publicly disclose what it spent even if shareholders will be outraged at the amount). Ultimately we even voted on the Company's proxy card. Through this managed effort, we were successful in confirming that the largest shareholders of the Company expect significant change as a result of this process, we forced Dynacor's Board to publicly confirm it will address all of the issues we raised (although it did recant in a recent press release regarding adopting policies related to Director tenure, but we will almost assuredly contest next year's election in a significant way if tenure as well as tenure-based ownership requirements are not adopted), and we gave a much needed wake up call to the Board and to shareholders, including those who have fiduciary duties to their own investors. In the interim, we – along with all shareholders – anxiously await the Governance Committee's new policies as well as the next nominating process, one which we expect will not be led by the non-independent Chairman and in which shareholder candidates will be strongly considered, if not favored. Until then, we ask that Dynacor's Board require Director training for its less experienced Directors who have not had such training as well as those (such as the CEO and some of the newer Directors not named Depatie) whose only meaningful experience has been at Dynacor and who therefore would not have exposure to public company governance and standard Board processes."

Continued Mr. Sandberg, "We remain excited about the business and continue to increase our investment, and believe our group is currently the largest shareholder of the Company. As long-term holders, we continue to require strong governance and meaningful alignment and representation by shareholders because these are necessary to ensure that shareholders see optimal value and dodge a recurrence of the Malaga bankruptcy (Dynacor's predecessor) which so many of these same insiders played a key role in."

Regards,

David Sandberg
Managing Member
Red Oak Partners, LLC

To view the original version on PR Newswire,
visit:<http://www.prnewswire.com/news-releases/red-oak-partners-llc-clarifies-another-misleading-press-release-from-dynacor-30010>

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