

MONTREAL, QUEBEC--(Marketwired - Sep 2, 2016) - [Dynacor Gold Mines Inc.](http://www.dynacor.com) (TSX:DNG)(OTC:DNGDF) (Dynacor or the Corporation) is pleased to announce that it received the operating permit from the Peruvian Ministry of Energy and Mines for its Veta Dorada ore processing plant. This was the final permit and Dynacor will now begin gold production at its new plant.

The Veta Dorada Ore Processing Plant

Dynacor's Veta Dorada fully permitted 300-tpd (102,000-tpy) ore processing plant has been specifically designed for processing ore from multiple ore suppliers. The carbon in-pulp (CIP) plant also includes a state of the art pressurized desorption unit, laboratory and foundry. Dynacor expects that its new facility will have a better gold extraction yield as well as an improved overall process efficiency. Usage of electrical power from the grid is optimized thanks to advanced electrical power management panels that allow individualized process control.

The plant has now completed its pre-production commissioning process successfully.

Future Development

The operation of Dynacor's new Veta Dorada ore processing facility is a watershed event for the Corporation as gold production will increase by at least 40% (at 300 tpd) and the gross operating margin will also increase due to a more efficient process and a higher throughput.

The Veta Dorada plant has been designed and built to facilitate future capacity increases in a stepwise fashion to 360 tpd, 450 tpd and 600 tpd.

Jean Martineau the Company's CEO and President has commented the following on Dynacor's current situation "*We have successfully built and permitted our new plant using our in-house expertise based on eighteen years of experience operating the Metalex-Huanca plant. I would personally like to thank our employees for all their hard work and dedication that has made this possible. We are now in a position to begin to reap the benefits of this achievement.*

Furthermore, a new government has recently been elected in Peru and has stated that it will implement policies that favor investment in the mining sector. It also plans to enhance and streamline the formalization process for artisanal miners that will favor this sub-sector and which will have a positive impact on our operations."

ABOUT DYNACOR GOLD MINES INC.

Dynacor is a gold ore-processing and exploration Corporation active in Peru since 1996. The Corporation differentiates itself from pure exploration companies as it generates income from its wholly owned ore-processing plant. Dynacor's basic share count at 38.4 million outstanding is in the lowest quartile of the resource sector. The Corporation's assets include three exploration properties, including the advanced high-grade gold Tumipampa property, an operating 85,000 TPY gold and silver ore processing mill at Huanca and its new Veta Dorada 300-tpd (102,000-tpy) ore processing plant located in Chala (Southern Peru). The Corporation's strength and competitive advantage comes with the experience and knowledge it has developed while working in Peru. Its pride remains in maintaining respect and positive work ethics toward its employees, partners and local communities.

FORWARD-LOOKING INFORMATION

Certain statements in the foregoing 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.

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

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

Facebook:<http://www.facebook.com/pages/Dynacor-Gold-Mines-Inc/222350787793085>

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Shares outstanding: 38,380,911

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