

Dynacor Reports Q2-2025 Results and Advances International Expansion Plan

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MONTREAL, Aug. 11, 2025 - [Dynacor Group Inc.](#) (TSX: DNG) ("Dynacor" or the "Corporation") today announced its unaudited financial and operational results¹ for the second quarter ended June 30, 2025, and achievement of key milestones for its 2030 international expansion plan.

"In the second quarter of 2025, Dynacor achieved important milestones that position us well for the future," said Jean Martineau, President & CEO. "While advancing work on the pilot plant in Senegal, we carried out positive due diligence for the Svetlana plant in Ecuador and signed an MOU with a partner in Ghana. The acquisition of Svetlana is a particularly important step towards our 2030 goal of reaching \$1 billion in sales. At the same time, operations saw an unseasonably soft quarter with ore supply headwinds in the latter months. Given the slow quarter and external factors extending into mid-July, we have updated our annual production and sales guidance. We are already seeing improvement in the third quarter and anticipate a stronger second half for Veta Dorada."

Q2-2025 Highlights

- Financial:
 - Sales of \$79.7 million, the second-highest quarterly sales.
 - EBITDA² of \$5.7 million.
 - Non-recurring expenses totaling \$1.4 million, including \$0.8 million in non-cash items.
 - Net income of \$3.5 million.
 - Operating cash flows before changes in working capital items of \$4.2 million.
 - Cash gross operating margin of \$332 per AuEq ounce sold³.
 - Results benefited from the favourable variance of both the Canadian dollar and the Peruvian sol against the US dollar.
- Operational:
 - Lower ore supply than the historical standard partially attributable to temporary government-mandated curfew on artisanal miners (ASM) in northern Peru and planned maintenance.
 - Processed 38,152 tonnes of ore (419 tpd).
 - Produced 24,955 AuEq ounces.
- Solid liquidity with \$58.4 million in cash and short-term investments compared to \$25.8 million at year-end 2024.

Q2-2025 Highlights (suite)

- International expansion plans:
 - Senegal: Placed orders for key pieces of equipment and progressed work for construction of the 50-tpd pilot plant.
 - Ghana: Signed a 12-month Memorandum of Understanding (MOU) joint venture agreement with partner Ansong Askew Ltd.
 - Ecuador: Subsequent to quarter-end, completed due diligence and signed a Share Purchase Agreement to acquire 100% of the shares of the Svetlana processing plant and assets for \$9.75 million.
- Disbursed a monthly dividend representing CA\$0.16 per share on an annual basis or a 3.2% dividend yield based on the current share price.
- Dispensed 8,198 hours of health, safety and environment training to the Veta Dorada team.
- Released 2024 ESG report, the fourth in line with Global Reporting Initiative (GRI) standards.

2025 Outlook versus Actuals

For 2025, the Corporation has updated its production forecast, reflecting the disruption to its ore supply in Q2

from the government-mandated curfew on artisanal miners in certain regions of northern Peru and the impact on initial Q3 production from temporary road blockades. As a result, the Corporation's sales for 2025 are expected to come in on the lower end of the initial guidance range.

	Initial 2025 Guidance	Updated 2025 Guidance	H1-2025
Sales	\$345-\$375 million	\$340-\$350 million	\$159.7 million
Net income	\$14-\$17 million	No Change	\$8.6 million
Production (AuEq oz)	120-130,000 oz	105-110,000 oz	52,005 oz
Capital expenditures (Peru & Senegal)	\$15 million	\$12 million	\$2.6 million
Capital expenditures (Ecuador)	-	\$17 million ¹	-
Other project expenses	\$3 million	No Change	\$1 million

¹ Includes \$9.75 million to purchase the Svetlana plant in Ecuador, disbursed after quarter-end. Acquisition of the plant was funded with the proceeds from the issuance of common shares in Q1-2025.

Guidance is based on the following assumptions:

- (1) No increase in processing capacity.
- (2) Average market gold price of between \$2,800 and \$3,000 per ounce in initial guidance has been updated to between \$3,200 and \$3,400 per ounce.
- (3) The ore grade supplied may vary with the evolution of the gold price.

Operations Overview

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Volume processed (in tonnes)	38,152	42,935	81,493	86,941
Tonnes per day	419	472	450	478
AuEq ounces produced	24,955	28,364	52,005	60,133

- Despite a curfew imposed on some regions in northern Peru during the quarter and planned maintenance, the Corporation processed more than 38,000 tonnes during Q2-2025 which represents an average of 419 tpd.
- The Q2-2025 production compared to Q2-2024 was mainly impacted by lower tonnages processed while the Q1-2025 production was mainly impacted by the supply of lower grade ore.

Financial Overview

(in \$'000) (unaudited)	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2025	2024	2025	2024
Sales	79,706	67,431	159,674	135,164
Cost of sales	(72,560)	(57,437)	(143,552)	(116,022)
Gross operating margin	7,146	9,994	16,122	19,142
General and administrative expenses	(3,315)	(2,127)	(5,719)	(3,831)
Other project expenses	(517)	(327)	(991)	(541)
Operating income	3,314	7,540	9,412	14,770
Financial income net of expenses	302	186	512	357
Write-off of exploration and evaluation assets	(8)	(18)	(8)	(18)
Foreign exchange gain (loss)	1,390	(125)	1,665	(184)
Income before income taxes	4,998	7,583	11,581	14,925
Current income tax expense	(1,416)	(2,841)	(3,189)	(5,418)

Deferred income tax (expense) recovery	(113)	(241)	226	(225)
Net income and comprehensive income	3,469	4,501	8,618	9,282
Earnings per share				
Basic	\$ 0.08	\$ 0.12	\$ 0.21	\$ 0.25
Diluted	\$ 0.08	\$ 0.12	\$ 0.21	\$ 0.25

Q2-2025 Quarterly Results

- A higher inventory level at the beginning of Q2-2024 allowed the Corporation to benefit more from the timing of higher gold prices, whereas a lower inventory level at the beginning of Q2-2025 reduced the positive impact.
- Total sales amounted to \$79.7 million compared to \$67.4 million in Q2-2024. The \$12.3 million increase is explained by the higher average gold price realised (+\$23.4 million), partially offset by lower quantities of gold ounces sold (-\$11.1 million) due to the lower tonnage of ore processed.

Q2-2025 Quarterly Results (continued)

- The Q2-2025 gross operating margin reached \$7.1 million (9.0% of sales) compared to \$10.0 million (14.8% of sales) in Q2-2024. Both the level and the movement in the gold price impact our gross operating margin. Gross operating margin in Q2-2025 was also impacted by non-recurring expenses, including reorganization expenses and asset rationalization expenses.
- General and administrative expenses totaled \$3.3 million in Q2-2025 compared to \$2.1 million in Q2-2024. The increase is primarily attributable to the expansion of the management team and higher salaries to reinforce management capacity and processes in the context of its international expansion and non-recurring expenses related to the special and annual shareholder meetings held in Q2-2025.
- Other projects represent the expenses incurred by the Corporation to duplicate its unique business model in the same or other jurisdictions.
- The foreign exchange gain is mainly attributable to the variance throughout the period of the Canadian dollar against the US dollar.
- A \$1.5 million income tax expense was also recorded during Q2-2025. The decrease as a percentage of the net income before taxes is notably explained by the variance throughout the period of the Peruvian sol against the US\$ which is the Corporation's functional currency, as well as a non-recurring deferred tax expense. Future fluctuations will positively or negatively affect the current and deferred tax at the end of each period.

Q2-2025 Year-To-Date Results

- During the six-month period ended June 30, 2025, the gold price increased from approximately \$2,700/oz in January to approximately \$3,400/oz in June, which impacted the Corporation's financial results for the period.
- Total sales for the six-month period ended June 30, 2025, amounted to a record \$159.7 million, compared to \$135.2 million for the same period in 2024. The \$24.5 million increase is explained by higher average gold price (+\$45.6 million), partially offset by lower quantities of gold ounces sold (-\$21.1 million).

Cash Flows, Working Capital and Liquidity Overview

(in \$'000) (unaudited)	Three-month periods		Six-month periods	
	ended June 30, 2025	ended June 30, 2024	ended June 30, 2025	ended June 30, 2024
Operating activities				
Net income, adjusted for non-cash items	4,156	5,815	9,955	11,466
Changes in working capital items	(2,849)	3,863	6,837	7,803
Net cash from operating activities	1,307	9,678	16,792	19,269
Investing activities				
Change in short-term investments	3,000	-	3,000	-
Acquisition of property, plant and				

equipment, net of proceeds of disposition and other	(818)	(1,582)	(2,122)	(2,300)
Net cash from (used) in investing activities	2,182	(1,582)	878	(2,300)
Financing activities				
Issuance of common shares	-	-	20,433	-
Repurchase of common shares	(1,162)	(143)	(1,162)	(2,895)
Dividends paid	(1,209)	(938)	(2,324)	(1,907)
Other	18	69	74	124
Net cash from (used) in financing activities	(2,353)	(1,012)	17,021	(4,678)
Change in cash during the period	1,136	7,084	34,691	12,291
Effect of exchange rate fluctuations on cash	954	(25)	878	(38)
Cash, beginning of the period	53,298	27,675	19,819	22,481
Cash, end of the period	55,388	34,734	55,388	34,734

Investing activities

- In Q2-2025, Dynacor invested \$1.3 million in capital expenditure of which \$0.8 million was disbursed in Peru, mainly to maintain or improve plant efficiency. The remaining \$0.5 million investment was for the construction of the ore-processing pilot plant in Senegal.
- The Corporation will use the proceeds from the issuance of common shares in Q1-2025 to fund the construction of the pilot plant in Senegal and the acquisition and rehabilitation of the plant in Ecuador.

Working Capital and Liquidity

- As at June 30, 2025, the Corporation's working capital amounted to \$84.7 million, including \$58.4 million in cash and short-term investments (\$58.9 million, including \$25.8 million in cash and short-term investments as at December 31, 2024).

Consolidated Statement of Financial Position

As at June 30, 2025, total assets amounted to \$146.4 million (\$125.3 million as at December 31, 2024). Major variances since year-end 2024 come from the significant increase in cash following the issuance of common shares in February 2025; the decrease in accounts receivable due to the timing of exports and collection of sales taxes and the decrease in ore inventory due to the level of ore supplied compared to the volume processed.

(in '\$'000) (unaudited)	As at June 30, As at December 31,	
	2025	2024
Cash	55,388	19,819
Short-term investments	2,998	5,999
Accounts receivable	17,952	23,747
Inventories	23,210	29,376
Prepaid expenses and other assets	1,161	361
Current tax assets	445	-
Property, plant and equipment	25,997	26,160
Exploration and evaluation assets	18,575	18,570
Right-of-use assets	662	1,070
Other non-current assets	-	159
Total assets	146,388	125,261
Trade and other payables	16,395	18,185
Asset retirement obligations	3,681	3,732
Current tax liabilities	-	2,125

Deferred tax liabilities	339	565
Lease liabilities	696	1,108
Share unit plan liabilities	392	389
Shareholders' equity	124,885	99,157
Total liabilities and shareholders' equity	146,388	125,261

About Dynacor

Dynacor Group is an industrial ore processing company dedicated to producing gold sourced from artisanal miners. Since its establishment in 1996, Dynacor has pioneered a responsible mineral supply chain with stringent traceability and audit standards for the fast-growing artisanal mining industry. By focusing on fully and part-formalized miners, the Canadian company offers a win-win approach for governments and miners globally. Dynacor operates the Veta Dorada plant and owns a gold exploration property in Peru. The company plans to expand to West Africa and within Latin America.

The premium paid by luxury jewellers for Dynacor's PX Impact® gold goes to Fidamar Foundation, an NGO that mainly invests in health and education projects for artisanal mining communities in Peru. Visit www.dynacor.com for more information.

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.

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¹ All figures are in US dollars unless stated otherwise. All variance % are calculated from rounded figures. Some additions might be incorrect due to rounding.

² EBITDA: "Earnings before interest, taxes and depreciation" is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure could not be comparable with a similar measure of another corporation. The Corporation uses this non-IFRS measure as an indicator of the cash generated by the operations and allows investor to compare the profitability of the Corporation with others by canceling effects of different assets basis, effects due to different tax structures as well as the effects of different capital structures. EBITDA is calculated on p.15 of the MD&A. See the "Non-IFRS Measures" section 18 of the Corporation's MD&A for the three- and six-month periods ended June 30, 2025.

³ Cash gross operating margin per AuEq ounce is in US\$ and is calculated by subtracting the average cash

cost of sale per equivalent ounce of Au from the average selling price per equivalent ounce of Au and is a non-IFRS financial performance measure with no standard definition under IFRS Accounting Standards. It is therefore possible that this measure could not be comparable with a similar measure of another company. See the "non-IFRS Measures" in section 18 of the Corporation's MD&A.

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