



DYNARESOURCE, INC.

FOR IMMEDIATE RELEASE

DynaResource, Inc. Closes \$ 3.9M USD Direct Private Placement Of Convertible Promissory Notes; and, Provides Corporate Update

Irving, Texas (May 27, 2020) OTCQB: DYNR - DynaResource, Inc. (“DynaUSA”, and “the Company”), a minerals investment, management, and exploration company based in Irving, Texas, currently conducting test mining and pilot mill operations at the San Jose de Gracia high grade gold project in northern Sinaloa State, Mexico (“SJG”), is pleased to announce that **on May 14, 2020**, the Company closed a financing agreement with Golden Post Rail, LLC, a Texas limited liability company (“Golden Post”), and with certain individual shareholders of DynaUSA (“DynaUSA Shareholders”). **And, on May 20, 2020**, the Company filed on Form 8-K, a disclosure of the transaction with Golden Post, DynaUSA Shareholders, and related events. A summary of the transactions and related events is set forth below:

1. Pursuant to the May 14, 2020 Note Purchase Agreement (the “NPA”) among the Company, Golden Post Rail, LLC (the “Lead Purchaser”), and the other parties listed on Exhibit A thereto (the “Remaining Purchasers”):
 - o Golden Post acquired the following securities:
 - a) A convertible promissory note (the “Golden Post Note”) payable to Golden Post in the principal amount of \$2,500,000, bearing interest at 10%, and maturing two years from the date of execution. One half of the principal amount of Golden Post Note, or \$1,250,000, has been fully funded in accordance with an agreed-upon draw summary and budget. The balance of the principal amount will also be funded in accordance with agreed-upon draw summaries and the budget. The Golden Post Note is convertible, at the option of Golden Post, into shares of Series D Senior Convertible Preferred Stock (the “Series D Preferred”) at a conversion price of \$2.00 per share; and
 - b) A common stock purchase warrant (the “2020 Warrant”) for the purchase of 783,976 shares of the Company’s common stock, at an exercise price of \$0.01 per share, and maturing on the 10-year anniversary of the date of issuance. The 2020 Warrant contains anti-dilution provisions; and
 - o The Remaining Purchasers acquired the following securities:
 - a) Convertible promissory notes (the “Remaining Notes”) in the aggregate principal amount of \$1,400,000, bearing interest at 10%, and maturing two years from the date of issuance. The Remaining Notes have been fully funded. The Remaining Notes are convertible, at the option of each individual Remaining Purchaser, into shares of Series D Preferred at a conversion price of \$2.00 per share; and

- b) Common stock purchase warrants (the “Remaining Purchasers Warrants”) for the purchase of an aggregate of 439,026 shares of the Company’s common stock, at an exercise price of \$0.01 per share, and maturing on the 10-year anniversary of the date of issuance. The Remaining Purchasers Warrants contain anti-dilution provisions.
2. Also pursuant to the NPA, the Company and the Lead Purchaser have agreed to amend the common stock purchase warrant dated June 30, 2015 (the “2015 Warrant”), issued to the Lead Purchaser in connection with that certain Securities Purchase Agreement dated as of May 6, 2015. The 2015 Warrant contemplates the purchase, upon exercise, of 2,166,527 shares (subject to adjustment) of the Company’s common stock and matures June 30, 2020 (the “Termination Date”). The amendment to the 2015 Warrant provides that, following the expiration of the 2015 Warrant pursuant to its terms, the Company will issue to the Lead Purchaser a new warrant (the “New Warrant”), substantially in the same form of the 2015 Warrant, for the number of shares of the Company’s common stock that went unexercised on the Termination Date, if any. The New Warrant would have a maturity date of June 30, 2022.

As part of the transaction contemplated by the NPA, the Company executed an Amended and Restated Registration Rights Agreement pursuant to which Golden Post may require the Company to register the shares of common stock which may be issued upon (i) the conversion of the Series C Senior Convertible Preferred Stock (“Series C Preferred”), (ii) the conversion of the Series D Preferred, and (iii) the shares of common stock issuable upon the exercise of the 2015 Warrant, the 2020 Warrant, and a compensatory warrant issued to the Lead Purchaser on May 13, 2020 (described below under the heading “Compensatory Issuances”), including any additional shares of common stock issuable pursuant to anti-dilution provisions of such securities.

Pursuant to the transaction contemplated by the NPA, the Company has agreed to call a special meeting of Company stockholders, to be held not later than July 14, 2020, to solicit stockholder approval of (a) an amendment of the Company’s certificate of incorporation to increase the number of authorized shares of common stock from 25,000,000 shares to 40,000,000 shares, and (b) an amendment of the Certificate of Designations of the Series C Preferred, in order to (a) extend the maturity date of the Series C Preferred by an additional two (2) years, (ii) add an equity cap in respect of the conversion of Series C Preferred into common stock of the Company, and (iii) add certain restrictions on the ability of the Company to issue Series C Preferred.

Compensatory Issuances. On May 13, 2020, one business day prior to the NPA, the Company issued to the Lead Purchaser the following: (i) a common stock purchase warrant for 2,306 shares, at an exercise price of \$0.01 per share, and maturing on the 7-year anniversary of the date of issuance (the “Compensatory Warrant”); and (ii) 1,771 shares of Series C Preferred. These issuances were occasioned by the Company’s obligations under the Securities Purchase Agreement dated as of May 6, 2015.

In order to accommodate the issuance of the additional 1,771 shares of Series C Preferred, on May 13, 2020 the Company filed with the Secretary of State of Delaware a Certificate of Increase of Series C Senior Convertible Preferred Stock, to increase the number of shares of preferred stock designated as Series C Preferred from 1,733,221 shares to 1,734,992 shares (“Certificate of Increase”).

Also on May 13, 2020, the Company filed with the Secretary of State of Delaware a Certificate of Designations of the Powers, Preferences and Relative, Participating, Optional and Other Special

Rights of Preferred Stock and Qualifications, Limitations and Restrictions thereof of Series D Senior Convertible Preferred Stock, contemplating the authorization of 3,000,000 shares of Series D Preferred (“Certificate of Designation”).

The sale of the Golden Post Note, the Remaining Notes, the 2020 Warrant, the Remaining Purchasers Warrants, the Compensatory Warrant, and the Series C Preferred was made pursuant to a privately negotiated transaction that did not involve a public offering of securities and, accordingly, the Company believes that the transaction was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof. Each investor represented that it (A) is an “accredited investor” and (B) has such knowledge and experience in financial and business matters that the investor is capable of evaluating the merits and risks of acquiring the securities acquired by such investor. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act.

Appointment of Class III Director

On June 29, 2015, Golden Post designated one person to the Company’s Board of Directors; accordingly, the Board of Directors of the Company ratified Mr. Phillip Andrew Rose as a Class III director of the Company. Mr. Rose’s tenure as a member of the Board of Directors is continuing.

Management Comments

Mr. K.D. Diepholz, Chairman/CEO of DynaResource, Inc. said: “I am pleased to receive the confidence and continued support from Golden Post and DynaUSA Shareholders. The recent financing of convertible promissory notes issued to Golden Post and DynaUSA Shareholders continues the Company’s tradition and business plan of financing business activities through the support of existing investors familiar with the DynaUSA and its operations. The proceeds from the convertible promissory notes will primarily provide funds to Mineras de DynaResource, SA de CV., the exclusive Operator at San Jose de Gracia (“DynaMineras”), in order to improve and expand its current underground test mining and pilot production operations at SJG. I will look forward to reporting the results of operations by DynaMineras at SJG. I believe we can accomplish significant results at SJG, and I’m looking forward to leading a team of operators at SJG towards our target of building a world class asset.”

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This News release contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Certain information contained in this news release, including any information relating to future financial or operating performance may be deemed “forward-looking”. All statements in this news release, other than statements of historical fact, that address events or developments that DynaResource expects to occur, are “forward-looking information”. These statements relate to future events or future performance and reflect the Company’s expectations regarding the future growth, results of operations, business prospects and opportunities of DynaResource. These forward-looking statements reflect the Company’s current internal projections, expectations or beliefs and are based on information currently available to DynaResource. In some cases forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “projects”, “potential”, “scheduled”, “forecast”, “budget” or the negative of those terms or other comparable terminology. Certain assumptions have been made regarding the Company’s plans at the San Jose de Gracia property. Many of these assumptions are based on factors and events that are not within the control of DynaResource and there is no assurance they will prove to be correct. Such factors include, without limitation: capital requirements, fluctuations in the international currency markets and in the rates of exchange of the currencies of the United States and México; price

volatility in the spot and forward markets for commodities; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local governments in any country which DynaResource currently or may in the future carry on business; taxation; controls; regulations and political or economic developments in the countries in which DynaResource does or may carry on business; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits, diminishing quantities or grades of reserves; competition; loss of key employees; additional funding requirements; actual results of current exploration or reclamation activities; changes in project parameters as plans continue to be refined; accidents; labor disputes; defective title to mineral claims or property or contests over claims to mineral properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance or inability to obtain insurance, to cover these risks) as well as those risks referenced in the Annual Report for DynaResource available at www.sec.gov. Forward-looking information is not a guarantee of future performance and actual results and future events could differ materially from those discussed in the forward-looking information. All the forward-looking information contained in this news release is qualified by these cautionary statements. Although DynaResource believes that the forward-looking information contained in this news release is based on reasonable assumptions, readers cannot be assured that actual results will be consistent with such statements. Accordingly, readers are cautioned against placing undue reliance on forward-looking information. DynaResource expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise.

For further information on DynaResource, Inc. ("DynaUSA") and Mineras de DynaResource, SA de CV. ("DynaMineras"), please visit www.dynaresource.com or contact:

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DynaResource, Inc. - Chairman / CEO.

Mineras de DynaResource-Presidente

