STRACON Group Acquires Majority Stake in Dumas to Expand its Services into North America and Underground Mining

Transformational Acquisition Adds Key Underground Mining Services and Positions STRACON for Further Expansion in the Growing North American Market

Toronto, Canada and Lima, Peru – October 26, 2018 – STRACON Group ("**STRACON**" or "the **Group**"), a leading provider of state-of-the-art mining services, today announced that it has acquired a 60% controlling interest in Dumas Holdings Inc. ("**Dumas**"), a full-service underground mining contractor headquartered in Canada with operations in Canada and Mexico (the "**Acquisition**"). This strategic Acquisition positions STRACON for further expansion in the growing North American market by capitalizing on Dumas' extensive underground mining capabilities and strong track record of mine construction, development, and production. The terms of the Acquisition were not disclosed.

Since its inception in 1994, Dumas has evolved from a small, French-Canadian-owned boutique underground mining contractor to an internationally recognized full-service operator, boasting a workforce of more than 1,000 qualified employees with the highest safety standards. Dumas' underground mining expertise complements STRACON's expertise in surface mining, and will grow the Group's revenues by approximately 25% to 30%. The Acquisition also strengthens the comprehensive range of services offered to the clients of both companies and opens up the opportunity to cross-sell services to achieve revenue synergies.

"Our acquisition of a controlling interest in Dumas is the result of our long-term strategy and a patient process," said Steve Dixon, CEO of STRACON Group. "When we undertook a review of our strategy in early 2013, we prioritized the diversification of our geographic footprint and the growth of STRACON's underground mining services. After being introduced to Dumas in 2014, this Acquisition is the culmination of our long-term commitment to diversify the services we offer and the jurisdictions we operate in. We're excited to welcome Dumas to the STRACON family. Dumas commands a significant share of the underground mining market in Canada and Mexico, and the combination of their and STRACON's capabilities forms a powerful service offering for our clients."

Some of Dumas' recent work includes a project awarded by Goldcorp at their Hoyle Pond Mine in Timmins, Ontario. Contracted to provide development mining services, Dumas is supporting an ongoing exploration program at Hoyle Pond that will continue through the remainder of 2018.

Under the newly established partnership, Daniel Dumas will retain a 40% shareholding in the company and maintain his position as a member of the Board of Directors at Dumas.