Annual Information Form

Date: March 28, 2019

2018

For the Year Ended
December 31, 2018

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PRELIMINARY NOTES

Unless the context indicates otherwise, a reference to the "Company" and "DPM" in this Annual Information Form ("AIF") means Dundee Precious Metals Inc. and its subsidiaries and other entities owned or controlled, directly or indirectly, by Dundee Precious Metals Inc. Defined terms used herein and not otherwise defined shall have the meanings ascribed to them elsewhere in this AIF.

Cautionary Note Regarding Forward Looking Information

This AIF contains "forward looking statements" or "forward looking information" (collectively, "Forward Looking Statements") that involve a number of risks and uncertainties. Statements that constitute Forward Looking Statements include, but are not limited to, certain statements with respect to the estimated capital costs, key project operating costs and financial metrics and other project economics with respect to Krumovgrad; the timing of the completion of construction, commissioning activities, commencement of production and the receipt of the operating permit in respect of Krumovgrad, timing of further optimization work at DPMT and potential benefits of the planned rotary furnace installation; price of gold, copper, silver and acid, toll rates, metals exposure and stockpile interest deductions; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cost measures, capital expenditures, rates of return at Krumovgrad and other deposits and timing of the development of new deposits; results of economic studies; success of exploration activities; success of permitting actions, permitting time lines; currency fluctuations; requirements for additional capital; government regulation of mining and smelting operations; success of permitting activities; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; and timing and possible outcome of pending litigation. Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and QPs (in the case of technical and scientific information), as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the Forward Looking Statements. In addition to factors already discussed in this document, such factors include, among others: the uncertainties with respect to actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations and economic studies; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; uncertainties and risks inherent to developing and commissioning new mines into production, such as the Krumovgrad project, which may be subject to unforeseen delays; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, social and non-governmental organizations opposition to mining projects and smelting operations; uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; fluctuations in metal and acid prices, toll rates and foreign exchange rates; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber-attacks; risks related to the implementation, cost and realization of benefits from digital initiatives; failure to realize projected financial results from MineRP; risks related to operating a technology business reliant on the ownership, protection and ongoing development of key intellectual properties; as well as those risk factors discussed or referred to in this AIF under the heading "Risk Factors" and other documents filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that Forward Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management's estimates or opinion should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

Non-GAAP Measures

This AIF contains certain non-GAAP measures such as expected cash cost per tonne/ounce/pound processed, sustaining capital expenditures and EBITDA. Such measures have no standardized meaning under IFRS and may not be comparable to similar measures used by other issuers. See DPM's latest MD&A for more information about non-GAAP measures reported by the Company.

Defined Terms and Abbreviations

Appendix A contains a list of defined terms and abbreviations that are used throughout this AIF.

Conversion

The following table sets forth the factors for converting imperial measurements into metric equivalents:

To convert from Imperial	To Metric	Multiply by:
Acres	Hectares	0.404686
Feet	Metres	0.304800
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounce (troy)	Grams	31.103477

Currency Conversion

All dollar amounts referred to herein are in USD unless stated otherwise.

Date of Information

All information contained in this AIF is as of December 31, 2018, the last day of the Company's most recently completed financial year, unless otherwise indicated.

Mineral Resource and Mineral Reserve Estimates

Unless otherwise stated, all Mineral Resource and Mineral Reserve estimates contained in this document are calculated in accordance with NI 43-101 of the Canadian Securities Administrators and the CIM definition Standards dated May 10, 2014. This AIF uses the terms "Measured", "Indicated" and "Inferred" Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

Technical Information

Unless otherwise stated, the technical or scientific information in this AIF has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101. See "Names and Interests of Experts" for further details.

All quoted Mineral Reserves and Resources have also been reviewed and approved by DPM's Technical Consultants, CSA Global. See "Names of Experts" for information with respect to QPs who have reviewed, supervised the preparation of, or prepared technical or scientific information.

"Timok 2018 Technical Report"	A technical report entitled "NI 43-101 Technical Report – Mineral Resource Estimate Update for the Timok Gold Project, Serbia" dated May 15, 2018 and filed on SEDAR, prepared by Maria O'Connor, MAusIMM, MAIG, Gary Patrick, MAusIMM CP (Met) and David Muir, MAIG, each of whom are QPs under NI 43-101, and Ms. O'Connor, Mr. Patrick and Mr. Muir being independent of DPM.
"Chelopech 2018 Technical Report"	A technical report entitled "NI 43-101 Technical Report – Mineral Resource & Reserve Update, Chelopech Project, Chelopech, Bulgaria" dated March 28, 2018, and filed on SEDAR, prepared by Maria O'Connor, MAusIMM, MAIG, Karl van Olden, BSc (Eng), GDE, MBA, FAusIMM, Simon Meik, BSc (Hons), PhD, FAusIMM, and Ross Overall, BSc (Hons) CSci, MIMMM, FGS, each of whom are QPs under NI 43-101, and Ms. O'Connor and Mr. van Olden being independent of DPM.
"Revised Krumovgrad 2014 Technical Report"	A technical report entitled "Revised NI 43-101 Technical Report – Ada Tepe Deposit, Krumovgrad Gold Project, Bulgaria" re-issued on November 7, 2017 and filed on SEDAR, originally dated March 21, 2014, prepared by Galen White, BSc (Hons) FAusIMM FGS, Julian Bennett, BSc, ARSM, FIMMM, CEng, Simon Meik, BSc (Hons), PhD, FAusIMM, and Peter Corrigan BAI, CEng, each of whom are QPs under NI 43-101, and Messrs. White, Bennett and Corrigan being independent of DPM.

GENERAL INFORMATION

History

Dundee Precious Metals Inc. was amalgamated under the *CBCA* by articles of amalgamation dated September 2, 1983. The Company's name was changed by articles of amendment on June 9, 1999. The investment restrictions set forth in Schedule "B" of the articles of the Company were amended on August 13, 1997 and November 10, 2000, and subsequently removed in their entirety on April 16, 2004, pursuant to articles of amendment upon the Company's conversion from a closed-end precious metals investment company to an operating mining company (the "Conversion").

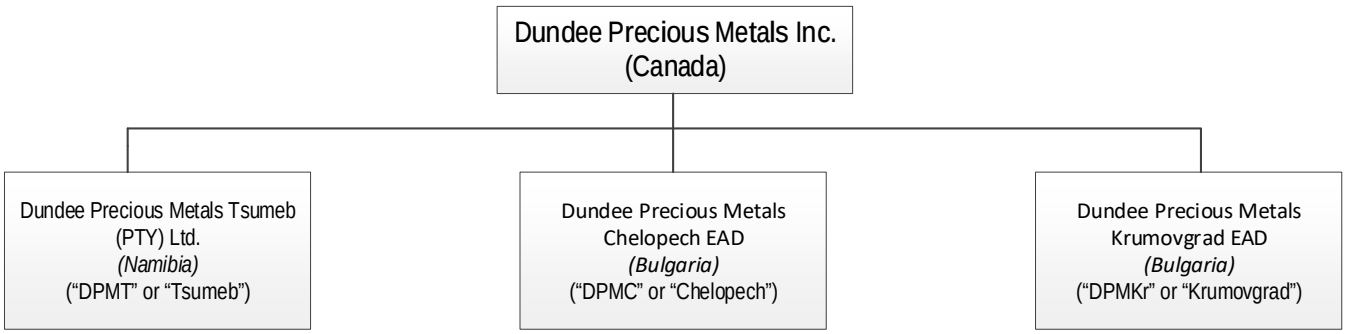
As part of the Conversion, the Company completed a capital reorganization and eliminated its dual class share structure. The Company amended its articles on April 16, 2004 which resulted in: (a) the reclassification of the 3,000 outstanding common shares in the capital of the Company as class A shares in the capital of the Company (the "Class A Shares"); (b) the subdivision of each issued and outstanding Class A Share (including the 3,000 outstanding common shares in the capital of the Company reclassified as Class A Shares) into five (5) Class A Shares; (c) the cancellation of the existing class of common shares in the capital of the Company; (d) the reclassification of all of the unissued and all of the issued and outstanding Class A Shares as a new class of common shares in the capital of the Company (the "Common Shares"); and (e) the creation of an unlimited number of preference shares in the capital of the Company (the "Preference Shares") issuable in series. A summary of the attributes of the Common Shares and the Preference Shares is provided herein under the heading "Description of Capital Structure".

The Company amended its articles on May 18, 2010 to allow directors to appoint directors within the minimum and the maximum number permitted by the Company's articles. It also amended its by-laws in February 2014 to adopt advance notice requirements for the nomination of directors at its shareholders' meetings.

The head and registered office of the Company is 1 Adelaide Street East, Suite 500, Toronto, Ontario, M5C 2V9.

The following chart illustrates the Company's material subsidiaries (the "Subsidiaries") and the jurisdiction of incorporation of each company as of the date hereof. All Subsidiaries are 100% owned by DPM[1].

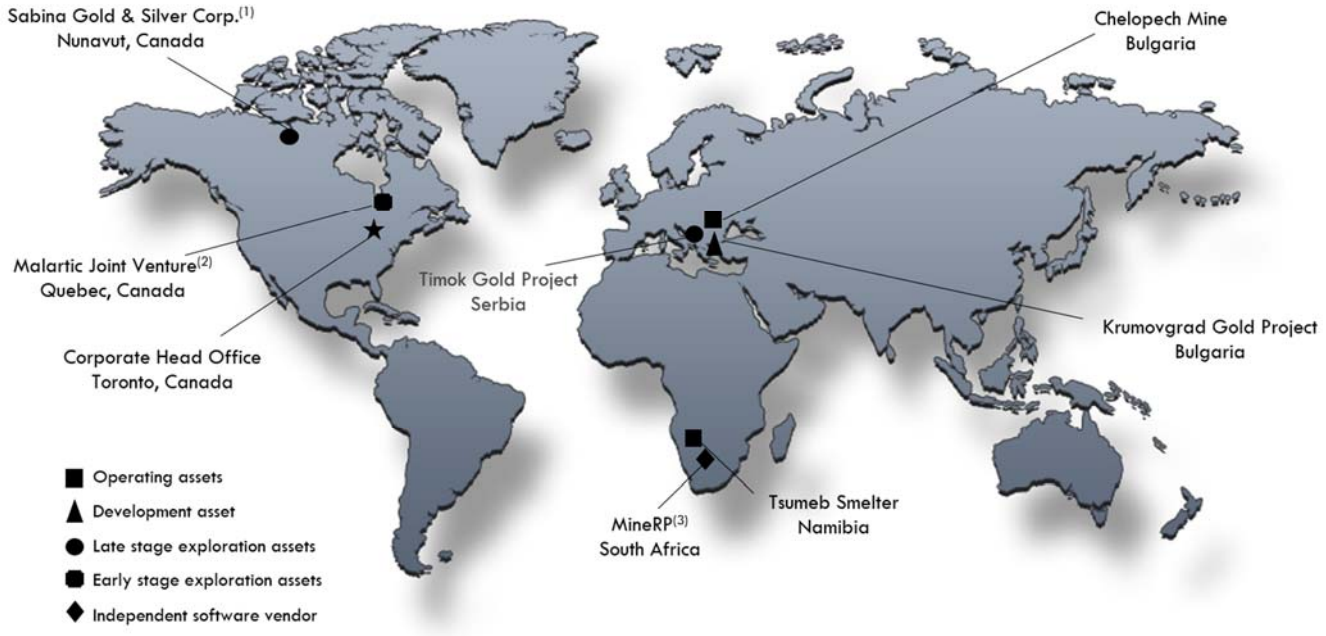
Corporate Structure



(1) The Subsidiaries are held through the following 100% owned holding entities: Dundee Precious Metals Holdings Inc., Dundee Precious Metals Cooperatief U.A.; in the case of DPMT, by Dundee Precious Investments B.V.; in the case of DPMC, by Dundee Precious (Chelopech) B.V.; and in the case of DPMKr, by Dundee Precious (Krumovgrad) B.V.

Areas of Interest

The following map illustrates the location of DPM's principal operating, development and exploration assets.



(1) The Company has a 10.45% interest in Sabina.
(2) The Company has an option to earn up to a 71% interest in the Malartic Property.
(3) The Company has a 78% interest in MineRP.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Significant developments in the Company's business during the three most recently completed financial years are summarized below. Additional information for the financial year ended December 31, 2018, along with guidance and information with respect to the Company's plans for 2019, are contained in the MD&A for the financial year ended December 31, 2018.

Recent Developments

2018

- Construction of the Krumovgrad gold project continued throughout 2018, with first concentrate production achieved on target in the first quarter of 2019, and with commercial production expected in the second quarter of 2019. See "Mining Properties – Krumovgrad Gold Project, Krumovgrad, Bulgaria – Project Implementation" for further details.
- On September 24, 2018, DPM announced an updated mineral resource estimate for the Timok Gold Project and on November 7, 2018, DPM filed the associated technical report. During the fourth quarter of 2018, DPM initiated a scoping study to assess the preliminary economics of a potential mine development at the Timok Gold Project. See "Exploration Assets – Serbia – Timok Gold Project" for further details.
- To further strengthen its stakeholder partnerships in Namibia through a transaction to address the empowerment initiatives being developed to aid previously disadvantaged Namibians, on May 17, 2018, DPM announced that it had entered into an agreement with Greyhorse Mining (Pty) Ltd. ("GHM") pursuant to which GHM will acquire an indirect 8% interest in DPMT. An additional 2% interest in DPMT is also expected to be acquired by an employee trust benefiting DPMT's employees. This transaction is subject to the execution of definitive documentation, which has been substantially agreed to, with closing expected to occur in 2019. See "Description of the Business – Sustainability and Social Responsibility" for further details.
- On May 11, 2018, DPM announced that the TSX accepted its notice of intention to renew its normal course issuer bid to repurchase certain of its Common Shares through the facilities of the TSX for the period between May 16, 2018 to May 15, 2019. See "Description of Capital Structure" for further details.

2017

- On October 25, 2017, DPM completed a business combination pursuant to which it acquired a 78% equity interest

in MineRP Holdings (Proprietary Limited), an independent software vendor for the mining industry, through MineRP Holdings Inc., a newly created subsidiary. See "Risk Factors – MineRP" for further details.

- On September 7, 2017, Jonathan Goodman was appointed Chair of the board resigning his role as Executive Chairman.
- On July 4, 2017, the Company announced that it had entered into an option agreement with Pershimex Resources Corporation (formerly Khalkos Exploration Inc., "Pershimex") to earn up to a 71% interest in their Malartic gold property (the "Malartic Property") located in the Archean Abitibi greenstone belt in the Malartic mining camp in Quebec. See "Exploration Assets" for further details.
- On May 11, 2017, DPM announced that the TSX accepted its notice of intention to initiate a normal course issuer bid to repurchase certain of its Common Shares through the facilities of the TSX.
- On May 4, 2017, Messrs. Murray John and Garth MacRae retired from the Board, following 12 and 29 years of service, respectively.
- On February 15, 2017, DPM announced the appointment of Ms. Juanita Montalvo to the Board.
- On January 24, 2017, DPM completed a $33.2 million (Cdn$43.7 million) strategic equity investment with the European Bank for Reconstruction and Development ("EBRD"). See "Material Contracts" for further details.

2016

- The Company received the final construction permit for the Krumovgrad gold project in August 2016 and commenced construction in the fourth quarter of 2016. See "Mining Properties – Krumovgrad Gold Project, Krumovgrad, Bulgaria – Project Implementation" for further details.
- On July 11, 2016, DPM completed a bought deal financing with a syndicate of investment dealers pursuant to which the Company issued 18,216,000 Common Shares at a price of Cdn$3.00 per Common Share, for aggregate gross proceeds of $41.9 million (Cdn$54.6 million) (the "Offering"). Concurrent with the Offering, DPM also completed a non-brokered private placement of 840,000 Common Shares of the Company at a price of Cdn$3.00 per Common Share, for additional gross proceeds of $1.9 million (Cdn$2.5 million).
- In April 2016 DPM acquired the remaining outstanding shares of Avala Resources Ltd. ("Avala") to increase its ownership of Avala's exploration assets in Serbia from 50.1% to 100%. As a result of this transaction, Avala's Mineral Resources are now included in DPM's total Mineral Resources. See "Summary of Mineral Reserve and Mineral Resource Estimates", and "Exploration Assets" for further details.
- On April 28, 2016, the Company completed the sale of Dundee Precious Metals Kapan CJSC ("DPMK" or "Kapan") to Polymetal International Plc ("Polymetal").
- The Company completed commissioning of the new, larger copper converters at the DPMT smelter in the first quarter of 2016.

DESCRIPTION OF THE BUSINESS

General

DPM is a Canadian-based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals.

The Company's vision is to be a progressive gold mining company that unlocks superior value through innovation and strong partnerships with stakeholders. Through operational excellence and innovation capability, DPM is focused on optimizing the performance of each of its operating assets to deliver strong margins and safe and reliable production results. The Company is also focused on building a pipeline of future growth opportunities that leverages that same expertise to unlock value and generate a superior return on the capital employed. DPM's demonstrated ability to engage and work closely with key stakeholders, and conduct its business in a responsible and sustainable manner, allows the Company to be successful in each of the countries in which it operates.

The Company's principal operating assets include the Chelopech mine, which produces a gold-copper concentrate containing gold, copper and silver, and a pyrite concentrate containing gold, located east of Sofia, Bulgaria and the Tsumeb smelter, a specialty complex copper concentrate processing facility located in Tsumeb, northern Namibia. DPM owns 100% of the Krumovgrad gold project, which is currently under construction, with first concentrate production achieved in the first quarter of 2019 and commercial production expected in the second quarter of 2019. DPM also holds interests in a number of developing gold and exploration properties located in Bulgaria, Serbia, and northern Canada, including a 10.45% interest in Sabina Gold & Silver Corp. ("Sabina").

DPM also owns 100% of Avala, which is incorporated in British Columbia, Canada and focused on the exploration and development of the Lenovac project, the Timok Gold Project, the Tulare copper and gold project and other early stage

projects in Serbia and through an option agreement, the right to earn up to a 71% interest in Pershimex's Malartic gold property located in the Archean Abitibi greenstone belt in the Malartic mining camp in Quebec, Canada.

On October 25, 2017, the Company completed a business combination pursuant to which it acquired a 78% equity interest in MineRP, an independent software vendor for the mining industry with operations in South Africa, Canada, Australia and Chile.

Principal Product

The Company's principal product is a gold-copper concentrate containing gold, copper and silver, which is produced at the Chelopech mine in Bulgaria. The complexity of the Chelopech concentrate limits processing options to a few smelters worldwide and the majority of this concentrate is therefore processed at the Company's Tsumeb smelter in Namibia.

DPM strategically acquired the smelter in March 2010 and thereby secured the downstream processing of the Chelopech concentrate. Following the completion of an agreement between DPM and IXM S.A. ("IXM") (formerly Louis Dreyfus Commodities Metals Suisse SA) in May 2010, and subject to certain rights of the Company, IXM has exclusive rights through 2022 to purchase the Chelopech concentrate for toll processing through Tsumeb, to source the balance of the concentrate for toll processing through the smelter, and to receive and sell blister copper produced by the smelter. A wholly-owned subsidiary of DPM, DPMT has secured 100% of its planned copper concentrate throughput for 2019 and over 50% of its planned copper concentrate throughput for 2020 pursuant to tolling arrangements established with IXM. The pricing agreed under these arrangements provides DPMT with substantially higher treatment charge and penalty revenue than is typically received by smelters for normal copper concentrates due to the complex nature of the concentrate being processed.

During the financial years 2017 and 2018, the Company sold 103,644 tonnes and 102,524 tonnes of gold-copper concentrate, 242,660 tonnes and 255,063 tonnes of pyrite concentrate and smelted 219,252 tonnes and 232,043 tonnes of complex concentrate, generating net revenue from continuing operations of $348.7 million and $377.1 million, respectively.

Foreign Operations

The Company currently owns 100% of the Chelopech mining operation in Bulgaria and 100% of the Tsumeb smelter located in Namibia, which represent its foreign operations. In addition, it holds a 100% interest in the Krumovgrad gold project in Bulgaria, which is currently under construction. Any changes in regulations (or the application of regulations) or shifts in political attitudes in these foreign jurisdictions are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by factors such as government regulations (or changes to such regulations or the application of regulations) with respect to the restrictions on production, export controls, taxes, royalties, expropriation of property, repatriation of profits, the environment land use, water use, operating activities, land claims of local people and mine safety. The impact of these factors cannot be accurately predicted. See "Risk Factors – Foreign Country and Political" for further details.

Sustainability and Social Responsibility

Mining today is as much a social science as it is engineering. Communities, civil society, governments and media all play an increasingly important role in determining whether a mining project is successful or not. Ensuring the health and safety of the people on site and in the local communities, as well as minimizing and properly managing the environmental impacts, are prerequisites of modern mining. As such, the Company continuously works toward achieving best practice in mining, processing, environmental responsibility and stewardship, and health and safety programs across all of its operations, projects or other assets. The Company also works toward ensuring that sustainable returns are delivered to its stakeholder communities and countries and that it is seen as a responsible contributor to the social and economic wellbeing of those communities. The Company is committed to doing its business in an ethical and transparent way, respecting the rights of all stakeholders and developing strong and mutually beneficial partnerships with them.

At DPM, sustainability begins with the way we think, the way we behave as individuals and as a company, and the way we operate. This is achieved through an integrated approach to Corporate Responsibility, which is one of the Company's four "Strategic Imperatives" - together with Effective & Accountable Organization, Core Business Excellence and Creativity & Innovation - embedded into all aspects of the business over the lifecycle of our activities. The entire foundation of the Company and its approach to corporate responsibility is built on our six Core Values: Safety, Dignity & Respect, Environmental Responsibility, Community Investment, Continuous Improvement, and Transparency.

We continue to strengthen our corporate-wide management systems, including the introduction of our new Corporate Responsibility Policy in 2018. Informed by DPM's Core Values, the Corporate Responsibility Policy reinforces and strengthens our integrated approach to managing our commitments and responsibilities across three broad, but interrelated, pillars: Health and Safety, Environment and Social. Corporate Responsibility is not subordinated to other business considerations and processes but rather is aligned with and integrated into all of our policies and procedures throughout the organization.

The Company has been reporting against its identified material sustainability aspects since 2011. In 2016, the Company moved to a two-year reporting cycle and published updated data tables providing information on performance for 2015. In May 2017, the Company published its 2016 Sustainability Report in accordance with the Global Reporting Initiative guidelines. The materiality assessment remained unchanged for this reporting cycle. It includes four main categories: health

and safety; environment; labour practices (including human rights); and social. In May 2018, the Company published the Sustainability Data set followed shortly after by a Sustainability Update booklet providing visibility to some of the best practices in place at our operations. In conformance with our reporting cycle, the 2018 Sustainability Report will be published in the second quarter of 2019.

At the 2015 United Nations Summit on Sustainable Development, seventeen Sustainable Development Goals ("SDGs") were adopted that aim to end poverty, protect the environment and promote prosperity by 2030. We believe that the private sector, and in particular the mining industry, has a vital role to play in these goals. In our view, both the appropriate international and national policies together with the alignment of private sector business strategies and objectives are required if these goals are to be successfully achieved by 2030. Our internal management systems and policy frameworks are also informed by a variety of external frameworks, including the UN General Principles on Business and Human Rights, Extractive Industries Transparency Initiative, Global Reporting Initiative. In January 2017, the Company finalized a strategic equity investment by EBRD. DPM and EBRD agreed to extend the EBRD Performance Requirements ("PRs") to all DPM projects and operations. An updated Environmental and Social Action Plan was put in place for the smelter operation in Namibia, which further specifies the areas that the Company will be working on to achieve full compliance with the PRs.

In May 2018, DPM announced that it further strengthened its stakeholder partnerships in Namibia through a transaction to address the empowerment initiatives being developed to aid previously disadvantaged Namibians whereby it has entered into an agreement with GHM pursuant to which GHM will acquire an indirect 8% equity interest in DPMT. This transaction is subject to the execution of definitive documentation, which has been substantially agreed to, with closing expected to occur in 2019. An additional 2% indirect equity interest in DPMT will be acquired by an employee trust benefiting DPMT's employees and is also expected to be completed in 2019.

Health and Safety

The health and safety of our workforce is a fundamental value of DPM and the Company allocates a significant amount of resources to ensuring that all workers go home safe and healthy every day.

DPM's Corporate Responsibility Policy applies to all employees and contractors who work at the Company's sites. In addition to internal policies and standards, the Company also complies with strict and rigorous health and safety standards and laws in all jurisdictions.

As a value and priority, the Company strives to make safety present in the everyday life of each of its employees. For example, the Company has a variety of safety-focused procedures, regulations, toolbox talks, meetings and conversations and implements mandatory safety training for visitors and employees. These procedures are also applicable to DPM's contractors and subcontractors. As well, the Company makes every effort to ensure that the safety dialogue continues in the conversations of local community residents and amongst the families of the Company's employees. DPM believes that maintaining an open dialogue about safety successes and failures will help the Company get closer to its goal of zero harm.

Guided by the Company's core values, DPM takes a systems approach to managing its environmental, health and safety risks and programs. One of the primary goals of the Company is to have one consistent and auditable integrated management system across the entire company for its environmental, health and safety programs.

Environment

The material environmental aspects that are most relevant to DPM are emissions, energy use, waste management, water use and discharge and, where relevant, biodiversity impacts. DPM's environmental commitments are defined in our Corporate Responsibility Policy.

At all of its operations, the Company employs experienced environmental experts that oversee its day-to-day activities. In addition, DPM engages external environmental consultants for the design and implementation of various environmental projects, regulatory audits, management planning, feasibility studies and environmental and social impact assessments.

The bulk of materials used in mining and processing, including the Company's smelter operations at Tsumeb, are non-renewable and are primarily derived from fossil fuels (i.e. oil, diesel, gasoline), and purchased electricity. Other materials used include refractories, lime, cement (primarily at Chelopech), blasting agents (at Chelopech and Krumovgrad) and steel balls.

DPM acknowledges that water is a major element of all our operations and a fundamental consideration for developing environmentally responsible projects and operational sites. As such, we continuously strive for efficient and effective water management systems.

The Company also acknowledges the level of impact the mining industry has on climate change. DPM's ongoing investment in plant upgrades and modernization, and its innovative use of technology to "digitalize" its operations at all DPM sites is resulting in incremental improvements in energy efficiency and reductions in key emissions, such as greenhouse gases ("GHG") and SO_2. As leaders in promoting sustainable growth and environmental responsibility, DPM has several programs in place at its sites to reduce DPM's overall contribution to GHG and other emissions.

Corporate-wide waste management policies, commitments and management systems are also being developed for the management of arsenic and the Company is implementing a number of internal initiatives to ensure that best practice in arsenic processing and environmental management is followed. Also, with the assistance of independent technical advisors, the Company continues to develop and improve a set of internal arsenic management principles and standards that guides all aspects of the Company's responsible management, monitoring, stewardship, storage and neutralization of arsenic by-products at DPM's sites.

During 2017, DPM ceased the production of arsenic trioxide and decommissioned its production facility at the Tsumeb smelter. DPM continues to work on developing alternative ways to deal with the arsenic waste which is generated from the smelting of the complex concentrates and is currently deposited in an onsite hazardous waste management facility.

It has been part of DPM's long-term strategy to bring the Tsumeb smelter to internationally accepted environmental standards. The Company determined that a sulphuric acid plant was the best solution to capture and process the off-gases from the smelter, and, in turn, reduce emissions and considerably improve working and living conditions around the smelter. This acid plant was completed and commissioned in the third quarter of 2015 and allows the smelter to meet the ambient air SO_2 standards in the town of Tsumeb. A new water abstraction permit was issued by the Government in Namibia for smelter operations during 2017 and a number of initiatives are underway to further improve the water management on site, further reduce the fugitive emissions and improve the environmental monitoring program. See "Risk Factors" – "Environmental, Health and Safety" for further details with respect to the financial and operational effects of environmental protection requirements on the Company's business.

Labour Practices and Community Relations

Each DPM site is located adjacent to communities that are directly and indirectly impacted by the Company's operations. The Company relies on these communities to be a source of talent and other essential services that ensure smooth, efficient and profitable operations. In short, the execution of the Company's strategic business plan is reliant on the good relations with, and full support of, local communities.

DPM conducts extensive stakeholder engagement activities on a regular basis. The Company's efforts are supplemented by environmental and social impact assessments, and further supported by formal stakeholder engagement plans. Additionally, the Company's Community Investment Policy is intended to provide guidance and boundaries on selecting and designing community investment that is mutually beneficial to DPM's stakeholders and its operations and assist local communities in achieving their sustainable development aspirations.

DPM's employees are one of its most important stakeholder groups. A substantial proportion of the Company's financial resources is allocated to employee training, fair compensation and to protecting the Company's employees from exposure to undue health and safety risks. Due to the cultural diversity of DPM's workforce, the Company has created a blend of corporate, regional and site-based human resource policies and programs. This combined approach has allowed the Company to implement targeted local programs that attract, retain and motivate the Company's staff, while still reflecting local needs and cultures.

Human resource policies are incorporated into the Company's Code of Business Conduct & Ethics, the Company's various corporate and site-specific policies and collective bargaining agreements, where applicable, and the local labour laws and standards in the countries where DPM operates.

At all of DPM's operations, the Company strives to attract and hire locally-based employees and is progressing with its plans to build and develop in-country senior management teams comprised of local nationals. Professional development is a key objective and the Company provides a variety of learning opportunities.

DPM believes that a strategic approach to local employment and community investment is the best way to ensure the sustainability of communities after mine closure.

Operational Risk Management

In addition to managing health, safety and environmental risks, the Company applies a consistent approach to operational risk management. This approach consists of a multidisciplinary risk assessment where all risks are identified and measured on an annual basis. Mitigation plans are developed and implemented with monitoring throughout the year. The operational risk management process is linked to the external risk assessment process used to determine the required insurance coverage.

Operations of the Company

Three Year Production History

	Chelopech		
	2018	**2017**	**2016**
Ore Mined (mt)	2,211,557	2,232,799	2,211,814
Ore Milled (mt)	2,216,753	2,218,717	2,212,340
Head Grade (ore milled):			
Copper (%)	0.92	0.91	0.98
Gold (g/mt)	3.72	3.74	3.43
Silver (g/mt)	6.77	7.52	8.95
Gold-Copper Concentrate Produced (mt)	104,087	100,994	107,108
Metals contained in Gold-Copper Concentrate Produced:			
Copper (lbs)	36,672,666	35,772,650	38,458,797
Gold (oz)	141,840	141,235	118,428
Silver (oz)	183,283	206,767	227,673
Gold-Copper Concentrate Delivered (mt)	102,524	103,644	106,752
Payable Metals in Gold-Copper Concentrate Sold:			
Copper (lbs)	33,650,828	34,366,752	36,074,302
Gold (oz)	126,858	136,255	107,944
Silver (oz)	165,035	182,721	160,537
Pyrite Concentrate:			
Pyrite Concentrate Produced (mt)	258,884	248,810	214,775
Gold Contained in Pyrite Concentrate Produced (oz)	59,255	56,449	47,237
Pyrite Concentrate Sold (mt)	255,063	242,660	217,872
Payable Gold in Pyrite Concentrate Sold (oz)	36,737	35,714	31,380
	Tsumeb		
	2018	**2017**	**2016**
Complex concentrate smelted (mt)	232,043	219,252	200,272
Acid produced (mt)	240,404	221,050	191,630

For further financial information relating to the production of the Company and other business and financial information, please refer to the MD&A for the financial year ended December 31, 2018 filed on SEDAR at www.sedar.com on February 12, 2019 and on the Company's website at www.dundeeprecious.com.

Specialized Skills and Knowledge

Various aspects of the Company's business require specialized skills and knowledge, including in areas of geology, metallurgy, drilling, mine planning and operations, engineering, construction, regulatory compliance, information technology, finance and accounting. The Company has been successful to date in locating and retaining employees and contractors with such skills and knowledge. See "Risk Factors – Key Executives and Senior Personnel" for further details.

Competitive Conditions

The mining business is a competitive business. The Company competes with numerous companies and individuals that have resources significantly in excess of the resources of the Company in the search for: (i) attractive mineral properties; (ii) qualified service providers and employees; (iii) equipment and suppliers; and (iv) capital to finance exploration, development and exploration. The ability of the Company to acquire additional mineral properties in the future will depend on its ability to operate and develop its present properties, and also on its ability to select and acquire suitable producing properties or prospects for development or exploration. See "Risk Factors - Competition" for further details.

Business Cycles

The mining business is subject to commodity price cycles. The marketability of minerals and mineral concentrates and the ability to finance the Company on favourable terms is also affected by worldwide economic cycles. See "Risk Factors – Metal Prices" for further details.

Employees

At the end of our last financial year, we employed directly, or through our subsidiaries, 3,876, employees, as well as expatriates, at our operations, including exploration and corporate head offices.

Summary of Mineral Reserve and Mineral Resource Estimates

In 2015, DPM adopted a new method for the reporting of Measured and Indicated Mineral Resources. Estimates of Measured and Indicated Mineral Resources are reported, exclusive of those Mineral Resources modified to produce the Mineral Reserves. This methodology presents what can potentially be added to the life of each project/operation. The following table summarizes the Company's Mineral Reserve and Mineral Resource estimates as at the dates set out in the footnotes.

MINERAL RESERVES		**GOLD**		**SILVER**		**COPPER**	
	Tonnes M	**Grade g/t**	**Ounces M**	**Grade g/t**	**Ounces M**	**Grade %**	**Pounds M**
Proven	**12.3**	**3.29**	**1.306**	**6.32**	**2.507**	**-**	**195**
Chelopech	9.8	2.73	0.857	7.25	2.273	0.91	195
Krumovgrad (Upper Zone)	1.1	3.46	0.124	1.91	0.068	-	-
Krumovgrad (Wall)	1.5	6.83	0.325	3.50	0.166	-	-
Timok	-	-	-	-	-	-	-
Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-
Probable	**11.9**	**3.34**	**1.276**	**5.54**	**2.121**	**-**	**160**
Chelopech	8.3	3.45	0.919	7.17	1.913	0.87	160
Krumovgrad (Upper Zone)	3.5	3.00	0.337	1.75	0.197	-	-
Krumovgrad (Wall)	0.1	5.54	0.020	2.93	0.011	-	-
Timok	-	-	-	-	-	-	-
Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-
Proven and Probable	**24.2**	**3.31**	**2.582**	**5.94**	**4.629**	**-**	**355**
Chelopech	18.0	3.06	1.776	7.21	4.186	0.89	355
Krumovgrad (Upper Zone)	4.6	3.11	0.461	1.79	0.266	-	-
Krumovgrad (Wall)	1.6	6.74	0.345	3.46	0.177	-	-
Timok	-	-	-	-	-	-	-
Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-

MINERAL RESOURCES		**GOLD**		**SILVER**		**COPPER**	
	Tonnes M	**Grade g/t**	**Ounces M**	**Grade g/t**	**Ounces M**	**Grade %**	**Pounds M**
Measured	**8.5**	**3.40**	**0.934**	**9.48**	**2.604**	**1.13**	**212**
Chelopech	8.5	3.40	0.934	9.48	2.604	1.13	212
Krumovgrad (Upper Zone)	-	-	-	-	-	-	-
Krumovgrad (Wall)	-	-	-	-	-	-	-
Timok	-	-	-	-	-	-	-

Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-
Indicated	**50.9**	**1.49**	**2.440**	**-**	**1.283**	**-**	**87**
Chelopech	4.0	3.47	0.444	10.04	1.283	0.99	87
Krumovgrad (Upper Zone)	-	-	-	-	-	-	-
Krumovgrad (Wall)	-	-	-	-	-	-	-
Timok	46.9	1.32	1.996	-	-	-	-
Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-
Measured and Indicated	**59.4**	**1.77**	**3.374**	**-**	**3.887**	**-**	**299**
Chelopech	12.5	3.42	1.378	9.66	3.887	1.08	299
Krumovgrad (Upper Zone)	-	-	-	-	-	-	-
Krumovgrad (Wall)	-	-	-	-	-	-	-
Timok	46.9	1.32	1.996	-	-	-	-
Tulare - Kiseljak	-	-	-	-	-	-	-
Tulare - Yellow Creek	-	-	-	-	-	-	-
Inferred	**551.7**	**-**	**4.014**	**-**	**0.435**	**-**	**2830**
Chelopech	1.5	2.63	0.123	9.04	0.424	0.93	30
Krumovgrad (Upper Zone)	0.3	1.31	0.013	1.06	0.011	-	-
Krumovgrad (Wall)	0.0	0.87	0.000	0.88	0.000	-	-
Timok	2.9	0.83	0.078	-	-	-	-
Tulare - Kiseljak	459.0	0.20	3.000	-	-	0.22	2,200
Tulare - Yellow Creek	88.0	0.30	0.800	-	-	0.3	600

1. *The rounding of tonnage and grade figures has resulted in some columns showing relatively minor discrepancies in sum totals;*
2. *Mineral Reserves, Measured, Indicated and Inferred Mineral Resources have been reported in accordance with NI 43-101 and the classification adopted by the CIM;*
3. *Measured and Indicated Mineral Resources are reported additional to Mineral Reserves;*
4. *Mineral Reserves and Resources may be subject to legal, political, environmental and other risks and uncertainties. Refer to the disclosure in this AIF and the Company's technical reports for more information with respect to key assumptions, parameters and risks relating to the above estimates;*
5. *Mineral Reserves and Resources estimates have been reviewed and prepared by CSA Global and AMC consultants, which provide multi-disciplinary services to the global resources industry and are independent of the Company;*
6. *Mineral Reserves and Resources estimates for Chelopech, Krumovgrad and Timok are based on long term metals prices of USD 1,250/oz Au, USD 23/oz Ag and USD 2.75/lb Cu;*
7. *Chelopech Mineral Resources are based on a gold equivalent cut-off 3.0 g/t (Au + Cu*2.06) and a greater than USD 0 profit/tonne test using NSR analysis and are effective as of 31st December 2018;*
8. *Chelopech Mineral Reserves are based on a gold equivalent cut-off of 3.0 g/t (Au + Cu*2.06) and a cut-off of USD 10 profit/tonne using NSR analysis and are effective as of 31st December 2018;*
9. *Krumovgrad Mineral Reserves and Resources are based on a gold cut-off grade of 0.6 g/t for the Upper Zone and Overburden and of 0.8 g/t for the Wall and are effective as of 31st December 2013;*
10. *Timok Mineral Resource estimates are effective as of 15th May 2018;*
11. *Timok Mineral Resources are based on a cut-off of 0.20 g/t Au for the Oxide material, 0.25 g/t Au for the Transitional material, and 0.60 g/t Au for the Sulphide material, appplied to the Bigar Hill prospect;*
12. *Timok Mineral Resources are based on a cut-off of 0.20 g/t Au for the Oxide material, 0.25 g/t Au for the Transitional material, and 0.65 g/t Au for the Sulphide material, applied to the Korkan and Korkan West prospects;*
13. *Timok Mineral Resources are based on a cut-off of 0.35 g/t Au for the Oxide material, 0.40 g/t Au for the Transitional material, and 1.05 g/t Au for the Sulphide material, applied to the Kraku Pester prospect;*
14. *Mineral Resource estimates for Tulare-Kiseljak and Tulare-Yellow Creek are based on metal prices of USD 1,300/oz Au and USD 3.00/lb Cu;*
15. *Tulare-Kiseljak Mineral Resources are based on a cut-off of 0.15% CuEq ((Au*41.80)+(Cu*66.00))/66.00) and assumes an open pit mining scenario. The effective date of the Mineral Resource estimates is 31st March 2014;*
16. *Tulare-Yellow Creek Mineral Resources are based on a cut-off of 0.3% CuEq (((Au*41.80)+(Cu*66.00))/66.00) and assumes a bulk underground mining scenario. The effective date of the Mineral Resource estimates is 31st March 2014;*
17. *Economic assumptions for Tulare – Kiseljak and Tulare – Yellow Creek were prepared by Dunav Resources Ltd., prior to the acquisition by DPM; and*

18. *A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable, while a Mineral Reserve includes diluting materials and allowances for losses that are expected to occur when the material is mined.*

Other Disclosure Relating to OSC Requirements for Companies Operating in Emerging Markets

Controls Relating to Corporate Structure Risk

DPM has implemented a system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries. These systems are overseen by the Company's Board and implemented by the Company's senior management. The relevant features of these systems include:

(a) *DPM's Control over Subsidiaries.* DPM's corporate structure has been designed to ensure that the Company has a measure of direct oversight over the operations of its material subsidiaries. DPM's material subsidiaries are either wholly-owned or controlled to a large extent by the Company. Accordingly, the Company directly controls the appointments of either all of the directors or such number of directors reflecting the Company's proportional ownership interest of its material subsidiaries. The directors of DPM's material subsidiaries are ultimately accountable to DPM as the shareholder appointing him or her, and the Board and DPM's senior management. The annual budget and capital investment and exploration programs in respect of each of its material subsidiaries are reviewed and approved by the Company. In addition, the Company has established delegations of authority and company policies to control commitments and expenditures.

Signing officers for foreign material subsidiary bank accounts are either employees of DPM or employees/directors of the material subsidiary. The establishment of any new banking relationships and/or new bank accounts requires approval from DPM. Monetary authorization limits are established by the Company's material subsidiaries and put in place with the respective banking institutions. Signatories and authorization limits for bank accounts are reviewed and revised as necessary, with changes being communicated to the appropriate banking institutions.

(b) *Strategic Direction.* The Board is responsible for the overall stewardship of the Company and, as such, supervises the management of the business and affairs of the Company. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving, subject to certain delegated authorities, acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are material to the Company, including those of its material subsidiaries.

(c) *Internal Control over Financial Reporting and Disclosure Controls and Procedures.* The Company prepares its consolidated financial statements on a quarterly and annual basis, using IFRS as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Chartered Professional Accountants of Canada Handbook - Accounting. The Company implements internal controls over the preparation of its financial statements and other financial disclosures, including its MD&A, to provide reasonable assurance that its financial reporting is reliable in all material respects and that the quarterly and annual financial statements are being prepared in accordance with IFRS and other financial disclosures, including its MD&A, are being prepared in accordance with relevant securities legislation. These internal controls include the following:

(i) The Company has a disclosure control process in place to facilitate the communication of all significant items that should be considered for disclosure in the consolidated financial statements and MD&A, which includes clear lines of responsibility and accountability for those involved in the financial reporting and disclosure process as well as certifications and questionnaires that are completed by management and other personnel;

(ii) All public documents and statements relating to the Company and its subsidiaries containing material information (including financial information) are reviewed by management and other personnel, and as applicable, members of the Disclosure Committee, which includes the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Vice President, Legal and Corporate Secretary, before such material information is disclosed to ensure that all material information has been considered by management of the Company and properly disclosed;

(iii) As more fully described in paragraph (d), the Audit Committee of the Board of Directors obtains confirmation from the CEO and CFO as to the matters addressed in the quarterly and annual certifications required under NI 52-109;

(iv) In addition, the Audit Committee:

1. reviews and approves the Company's quarterly and annual financial statements and MD&A and recommends to the Board for the Board's approval of the Company's quarterly and annual financial statements and MD&A, and any other financial information requiring Board approval, prior to their publication or release;

2. oversees the Company's internal control systems including those systems to identify, monitor and mitigate business risks as well as compliance with legal, ethical and regulatory requirements; obtains and reviews reports of the external and internal auditors on significant findings and recommendations on the Company's internal controls together with management's responses;

3. assesses and evaluates the adequacy and effectiveness of the Company's systems of internal control over financial reporting and disclosure, including policies, procedures and systems to assess, monitor and manage the Company's assets, liabilities, revenues and expenses. In addition, the Committee reviews and discusses the appropriateness and timeliness of the dispositions of any recommendations for improvements in internal control over financial reporting and procedures; and

4. discusses and reviews with management and the internal auditor, the Company's policies and guidelines that govern financial risk management.

(v) Although not specifically a management control, the Company engages its external auditor to perform reviews of the Company's quarterly consolidated financial statements and an audit of the annual consolidated financial statements in accordance with Canadian generally accepted auditing standards.

(d) *CEO and CFO Certifications*. In order for the CEO and CFO to be in a position to attest to the matters addressed in the quarterly and annual certifications required by NI 52-109, the Company has developed internal processes and procedures and responsibilities throughout the organization for its regular periodic and special situation reporting, in order to provide reasonable assurance that documents and statements relating to the Company and its subsidiaries containing material information are prepared with input from the responsible officers and employees, are available for review by the CEO and CFO in a timely manner, and are appropriately disseminated.

These systems of corporate governance, internal control over financial reporting, and disclosure controls and procedures are designed to ensure that, among other things, the Company has access to material information about its subsidiaries.

Procedures of the Board

Fund Transfers from the Company's Subsidiaries to DPM

In executing certain normal course monetary transactions, funds are transferred between the Company and its subsidiaries by way of wire transfer. These transactions would typically include the payment of applicable fees for services; reimbursement of costs incurred by the Company on behalf of the subsidiaries; repayment of interest and/or principal on intercompany loans; and the return of capital or payment of dividends from subsidiaries. Capital funding arrangements are established between the Company and its subsidiaries, with defined terms and conditions. The return of capital, or dividends, are declared and paid, if appropriate, after consideration of the current and projected profitability and available liquidity of the applicable subsidiary. Where regulatory conditions exist in the form of exchange controls, all necessary approvals are obtained in advance of the proposed transactions.

Removal of Directors of Subsidiaries

In respect of its wholly-owned subsidiaries, subject to applicable local corporate laws and the respective constating documents, the Company may remove directors of these subsidiaries from office either by way of a resolution duly passed at a shareholders' meeting or by way of a written shareholders' resolution.

Records Management of the Company's Subsidiaries

The original minute books, corporate seal and corporate records of each of the Company's subsidiaries are kept at each subsidiary's respective registered office.

RISK FACTORS

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, financing, exploration, development, construction, commissioning and operation of its mine, mill and concentrate processing facilities and the research, development and sales activities of MineRP, a software vendor for the mining industry. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geo-political, regulatory, legal, tax and market risks impacting, among other things, precious metals and copper prices, acid prices, toll rates, foreign exchange rates, inflation and the availability and cost of capital to fund the capital requirements of the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements contained in this AIF. The Company endeavors to manage these risks and uncertainties in a balanced manner with a view to mitigating risk while maximizing total shareholder returns. It is the responsibility of senior management, and the functional head of each business, to identify and

to effectively manage the risks of each business. This includes developing appropriate risk management strategies, policies, processes and systems. There can be no assurance that the Company has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful. A description of the more significant business risks and uncertainties affecting the Company are set out below. These risks, along with other potential risks not specifically discussed in this AIF, should be considered when evaluating the Company and its guidance. Additional risks not identified below may affect the Company.

Metal Prices

The Company sells and hedges the metals contained in copper and pyrite concentrates produced at prices that are effectively determined by reference to the traded prices on major commodity exchanges, including the LME and the LBMA. The fluctuation of the price of a metal sold by the Company can significantly impact revenues and can significantly impact all-in sustaining cost per ounce of gold and other cost measures that are reported net of by-product credits. Therefore, the prices of gold, copper and silver are major factors influencing the Company's business, results of operations and financial condition, and, in turn, the price for its Common Shares.

Gold, copper and silver prices can fluctuate widely and are affected by numerous factors beyond the Company's control, including overall global market conditions; the sale or purchase of gold and silver by various central banks, financial institutions and Exchange Traded Funds; interest rates; foreign exchange rates; inflation or deflation; global and regional supply and demand; and the political and economic conditions of major gold, silver and copper producing and consuming countries throughout the world. If gold, silver and copper prices were to decline significantly from current levels, there can be no assurance that cash flow from operations, together with cash on hand and available lines of credit under the Company's RCF, will be sufficient to meet the Company's operating and capital requirements, including its contractual commitments and mandatory debt repayments, and the Company could be forced to discontinue production, reassess the feasibility of a particular project, and/or could lose its interest in, or be forced to sell, some of its properties. In addition, a significant commodity price decline could result in significant reductions in Mineral Reserve and Mineral Resource estimates, which could have a material adverse impact on the value of one or more of the Company's cash generating units and result in an impairment of the carrying value of certain assets, including exploration and evaluation assets, mine properties, and property, plant and equipment.

In accordance with established risk management policies, from time to time, the Company enters into cash settled commodity swap contracts to swap future contracted monthly average metal prices for fixed metal prices in order to reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales as well as its by-product metals price exposure on future sales. The Company also selectively enters into commodity option contracts from time to time to reduce its price exposure. These contracts are entered primarily to provide price protection below a specified "floor" price and, to reduce the upfront cost of these contracts, are typically accompanied by option contracts that provide price participation up to a specified "ceiling" price. Currently, no hedges are in place for the Company's 2019 expected payable copper production.

Financing and Liquidity

The Company relies on the cash flows generated from its mining and smelting operations, including provisional payments received from its customers, cash on hand, available lines of credits under its RCF, and its ability to raise debt and equity from the capital markets to fund its operating, investment and liquidity needs. The cyclical nature of the Company's businesses, general economic conditions and the volatility of capital markets are such that conditions could change dramatically, affecting the Company's cash flow generating capability, its ability to maintain, or draw upon, its RCF or the existing terms under its concentrate sales or toll agreements, as well as its liquidity, cost of capital and its ability to access additional capital, which could have a material adverse impact on the Company's earnings and cash flows and, in turn, could affect total shareholder returns. To reduce these risks, the Company: (i) prepares regular cash flow forecasts to monitor its capital requirements, available liquidity and compliance with its debt covenants; (ii) strives to maintain a prudent capital structure that is comprised primarily of equity financing and a long-term committed RCF; and (iii) targets a minimum level of liquidity comprised of surplus cash balances and/or available committed lines of credit to avoid having to raise additional capital at times when the costs or terms would be regarded as unfavourable.

The RCF is comprised of a $45.0 million tranche A maturing in February 2022, a $150.0 million tranche B maturing in February 2020, and an $72.0 million tranche C maturing in September 2021 that contains quarterly availability reductions of $4.0 million that commenced in the third quarter of 2018. The RCF bears interest at a spread above LIBOR, which varies between 2.75% and 5.50% depending upon the tranche being drawn upon and the Company's debt leverage ratio (funded net debt to adjusted EBITDA), as defined in the RCF agreement.

As at December 31, 2018, the Company's total debt was $29.0 million (December 31, 2017 - $23.0 million). As at December 31, 2018, the Company's total debt, as a percentage of total capital, was 4% (December 31, 2017 – 4%) and total debt, net of cash, as a percentage of total capital, was negative 1% (December 31, 2017 – 1%). As at December 31, 2018, the Company was in compliance with all of its debt covenants.

There can be no assurance that the Company's operations will remain profitable or that the Company will be able to raise capital on terms that it considers reasonable. Adverse commodity market, general economic conditions and adverse capital market conditions could result in a delay or the indefinite postponement of development or construction projects and could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

Smelter Toll Rates, Metal Recoveries and Feed

The availability of sufficient volumes of high value complex concentrate, at suitable toll rates, is critical to the profitability of the Tsumeb smelter, given the fixed cost nature of the operation. To facilitate the procurement of complex concentrates, the Company entered a long-term agreement with IXM that currently matures on December 31, 2022. Under this agreement, the Company typically secures complex concentrate volumes at specified toll rates covering the next 12-24 months. Currently, the Company has contracted sufficient quantities of suitable high value complex concentrate through to the first half of 2020. There can be no assurance that such concentrate will be available to the smelter in future or that the parties will agree on contracted toll rates that will be sufficient to generate an adequate return. Failure to find sufficient quantities of suitable high value complex concentrate to be processed at acceptable toll rates could have a material adverse impact on the Company's business, financial condition and results of operations.

Under the agreement with IXM, DPMT must return specified quantities of copper, gold and silver. Metal over and under recoveries at the smelter are subject to smelter processing capabilities, contracted terms, and various estimates, including the quantities of metal contained in concentrate received, material in-process and blister delivered. These estimates are based on the Company's process knowledge and multiple assay results. Actual metal deliveries could differ materially from initial estimates and could have a material adverse impact on the Company's business, financial condition and results of operations as any over or under recovery of metals is recorded in revenue. In July 2017, the Company and IXM agreed to amend the existing tolling agreement to provide for, among other things, lower stockpile interest deductions on excess secondary materials specified quarterly targeted reductions designed to eliminate excess secondary materials over a period that extends to December 31, 2020, the purchase of secondary materials in excess of established quarterly targeted levels, and the extension of the tolling agreement by one year, with additional annual extensions until 2020 if normal secondary levels are achieved during this period.

Completion of Construction and Start-up of Krumovgrad

The Company has made estimates with respect to capital costs, operating costs and other project economics with respect to the Krumovgrad gold project. The Company's actual costs, production, returns, payback and other financial and economic performance metrics for the Krumovgrad gold project are dependent on a number of factors, including currency exchange rates, the price of gold and by-product metals, the cost of inputs used in mining development and operations and events that impact cost and production levels that are not in the Company's control. DPM's actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade, recoveries, labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or other economic performance metrics or material increases in costs could have a material adverse impact on the Company's future cash flows, profitability, financial condition and results of operations.

As a result of the substantial expenditures involved in development projects, development projects are at risk of material cost overruns versus budget. It is not unusual for new mining operations to experience construction challenges or delays and unexpected problems during the start-up phase, including failure of equipment, machinery, the processing circuit or other processes to perform as designed or intended, inadequate water, insufficient ore stock pile or grade, and failure to deliver adequate tonnes of ore to the mill, any of which could result in delays, slowdowns or suspensions and require more capital than anticipated. Given the inherent risks and uncertainties associated with the development of a new mine, there can be no assurance that the commencement of operations at the Krumovgrad gold project take place in accordance with current expectations or that operating and sustaining costs will be consistent with the budget, or that the mine will operate as planned.

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The revenue from its mining and smelting operations received by the Company is denominated in U.S. dollars since the prices of the metals that it produces are referenced in U.S. dollars, while the majority of operating and capital expenditures of its mining and smelter operations are denominated in Bulgarian leva, which is pegged to the Euro, the Namibian dollar, which is tied to the South African rand, and the Canadian dollar. Fluctuations in these foreign exchange rates give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's business, financial condition and results of operations.

From time to time, the Company enters into forward and option foreign exchange contracts in order to reduce the foreign exchange exposures associated with projected operating expenses and capital expenditures denominated in foreign currencies. Approximately 83% of projected Namibian dollar operating expenses for 2019 have been hedged with a series of call and put options with an average floor and ceiling rates of 14.00 and 15.46, respectively. The remaining construction cost of the Krumovgrad gold project has been substantially hedged at an average exchange rate of 1.1506.

Counterparty Risk

The Company is exposed to counterparty risk, including market pricing and credit-related risk, in the event any counterparty, whether a customer, debtor or financial intermediary, is unable or unwilling to fulfill their contractual obligations to the Company or where such agreements are otherwise terminated and not replaced with agreements on substantially the same terms.

Under the terms of the Company's existing concentrate sale contracts, the risk to counterparties is mitigated, in part, through required provisional payments that range between 70% and 95% of the provisional value of each lot at the time title of the concentrate transfers. A final adjusting payment, reflecting the actual metal prices for the specified quotation period, is made when final weights and assays are established. During 2018, the Company had contracts with 12 customers in connection with its mining and smelting operations, one of whom accounted for approximately 74% (2017 - 79%) of the Company's revenue. All contractual commitments are subject to force majeure clauses which, if implemented, could have a material adverse impact on the Company's business, financial condition and results of operations.

While there can be no assurance that the Company will not experience a material loss for non-performance by any counterparty with whom it has a commercial relationship, the Company has established policies to manage its credit exposure that include assessing financial strength, limiting aggregate exposure to new and existing counterparties, and using contractual arrangements, including provisional payments and letters of credit. Should any such losses arise, they could have a material adverse impact on the Company's business, financial condition and results of operations.

Environmental, Health and Safety

The Company's mining and smelting operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. These regulations mandate, among other things, emissions; air and water quality standards; land use; rehabilitation and reclamation; and safety and work environment standards, including human rights. They also set forth limitations on the generation, transportation, storage and disposal of various wastes, including hazardous wastes. Environmental, health and safety legislation continues to evolve and, while the Company takes active steps to monitor this legislation, it could result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Amendments to current laws and regulations governing the Company's mining, processing, development and exploration activities, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition and results of operations, and cause increases in exploration expenses, capital expenditures, production costs or future rehabilitation costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. The Company's exploration programs are also subject to health and safety and environmental protection controls adopted by governmental authorities as well as the rights of adjoining property owners.

Environmental hazards may exist on the properties in which the Company holds interests, which are unknown to the Company at present, and which have been caused by previous or existing owners or operators of the properties.

The Company may also acquire properties with known or undiscovered environmental risk. Any indemnifications by the previous owners or others may not be adequate to pay all the fines, penalties and costs incurred related to such properties. Some of the Company's properties have also been used for mining and related operations for many years before the Company acquired them and were acquired "as is" or with assumed environmental liabilities from previous owners or operators. The Company has been required to address contamination at its properties in the past and may need to do so in the future, either for existing environmental conditions or for leaks, discharges or contamination that may arise from its ongoing operations or other contingencies. The cost of addressing environmental conditions or risks, and liabilities associated with environmental damage may be significant, and could have a material adverse impact on the Company's business, financial condition and results of operations. Production at the Company's mines and processing facilities involves the use of various chemicals, including certain chemicals that are designated as hazardous substances. Contamination from hazardous substances, either at the Company's own properties or other locations for which it may be responsible, may subject the Company to liability for the investigation or remediation of contamination, as well as for claims seeking to recover costs for related property damage, personal injury or damage to natural resources. The occurrence of any of these events could have a material adverse impact on the Company's business, financial condition and results of operations.

In 2016, the Company completed a major multi-year capital program at its smelter in Namibia directed at modernizing the environmental equipment being utilized and debottlenecking its processing capacity. This included the completion of a sulphuric acid plant, which has reduced the plant's SO_2 emissions. The Company is committed to making further improvements to the health, safety and environmental performance of the smelter and is continuously assessing the scope of any capital expenditures required to support these further improvements. The Company's environmental and occupational health and safety performance will be subject to continued monitoring by the Namibian authorities and deviation from expected environmental and occupational health and safety outcomes could have a material adverse impact on the Company's future production, business, financial condition and results of operations.

The Company recognizes a liability for its asset retirement obligations ("ARO") when a legal and/or constructive obligation is identified. The liability is measured at the present value of estimated costs required to rehabilitate the operating locations based on the risk free nominal discount rates applicable to the countries in which the operations are located. The carrying value of the ARO liability was $38.4 million and $38.0 million at December 31, 2018 and 2017, respectively. Changes in the underlying assumptions used to estimate the AROs as well as changes to environmental laws and regulations could cause material changes in the expected cost and the fair value of the AROs and these changes could have a material adverse impact on the Company's business, financial condition and results of operations.

Operations

Mining operations and related processing and infrastructure facilities are subject to risks normally encountered in the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, disruptions in the supply of critical materials and supplies, labour disputes, changes in laws, technical difficulties or failures, equipment failure, failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material. Such risks could result in damage to, or destruction of, mines and other processing facilities, damage to life or property, environmental damage, delays in mining and processing, losses and possible legal liability. Any prolonged downtime or shutdowns at the Company's mining and processing facilities could have a material adverse impact on the Company's business, financial condition and results of operations.

Success of the Company's operations also depends on adequate public infrastructure. Reliable roads, bridges, power sources and water supplies are important determinants which affect capital and operating costs. Natural events, such as seismic events and severe climatic conditions, as well as sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company's business, financial condition and results of operations.

Dependence on a Restricted Portfolio of Assets

The Company's operations at the Chelopech mine in Bulgaria accounted for all of the Company's gold and copper production in 2018. Any adverse condition affecting the Chelopech mine could have an adverse impact on the Company's business, financial condition and results of operations. Until such time as the Company acquires or develops other significant producing assets, and the Krumovgrad gold project starts commercial production of concentrate, which is currently expected in the second quarter of 2019, the Company will continue to be dependent on its operations at the Chelopech mine for all of its cash flow provided by mining activities.

Production, Operating and Shipping Costs

Many unforeseen factors can impact the Company's future production and total cash costs of production, such as cost of inputs used in mining and processing operations; cost of fuel, energy, supplies, labour and equipment; availability of suitable high value complex concentrates to be processed at the smelter; regulatory factors; royalties and taxes; foreign exchange rates; adverse climatic conditions and natural phenomena; and industrial accidents can impact the accuracy of these projections. As such, there can be no assurance that production and production cost estimates will be achieved. Failure to achieve production or total cash cost estimates could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company contracts for the shipment of its concentrates to its customers on varying terms and conditions, all subject to the prevailing rates, availability and general circumstances surrounding this market. Any material changes to the shipping markets and/or the terms and conditions of shipping contracts could have a material adverse impact on the Company's business, financial condition and results of operations.

Mineral Resources and Mineral Reserves

The Mineral Resources and Mineral Reserves disclosed by the Company are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the Company's control. Such estimation is a subjective process and the accuracy of any resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold, copper or silver recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuations in gold, copper and silver prices, results of drilling, change in cut-off grades, metallurgical testing, production and the evaluation of mine plans subsequent to the date of any estimates may require revision of such estimates. The volume and grade of Mineral Reserves mined and processed, and the recovery rates achieved may not be the same as currently anticipated. Any material reduction in the estimated Mineral Resources and Mineral Reserves could have a material adverse impact on the Company's business, financial condition and results of operations. A significant decrease in the Mineral

Resource and Mineral Reserve estimates could have a material adverse impact on the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, depletion and depreciation charges, and rehabilitation provisions, and could result in an impairment of the carrying value.

Inferred Mineral Resources

Inferred Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to Inferred Mineral Resources, there can be no assurance that Inferred Mineral Resources will be upgraded to Proven and Probable Mineral Reserves as a result of continued exploration.

Need for Mineral Reserves

As mines have limited lives based on Proven and Probable Mineral Reserves, the Company must continually develop, replace and expand its Mineral Reserves as its mines produce gold, copper and silver concentrates. The Company's ability to maintain or increase its annual production of gold, copper and silver and its aggregate Mineral Reserves will be significantly dependent on its ability to expand Mineral Reserves both at its existing mines and new mines it intends to bring into production in the future.

Exploration

Exploration is speculative and involves many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with gold or other precious metal mineralization is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish Mineral Reserves and to permit and construct mining and processing facilities. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

Foreign Country and Political

The majority of the Company's operations and business are outside of Canada, primarily in Eastern Europe and southern Africa, and as such, the Company's operations are exposed to various political and other risks and uncertainties.

These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; corruption; crime; hostage taking or detainment of personnel; military repression; extreme fluctuations in foreign currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; absence of reliable rule of law, regulatory and judiciary processes; illegal mining; changes in taxation or royalty policies; restrictions on foreign exchange and movements of capital; changing political conditions; inappropriate laws and regulations; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Any changes in mining or investment policies or shifts in political attitude in the countries in which the Company conducts its business and operations may have a material adverse impact on the Company's business, financial condition and results of operations. It is difficult to predict the future political, social and economic direction of the countries in which the Company operates, and the impact government decisions could have on its business. For example, in Namibia, the Company is addressing expectations for black economic empowerment initiatives. See "Smelter Operations – Tsumeb smelter, Namibia - Economic Empowerment" for further details. Any political or economic instability in the countries in which the Company currently operates could have a material adverse impact on the Company's business, financial condition and results of operations.

In addition, authorities and court systems in the countries in which the Company conducts its business and operations may be unpredictable. Challenges to foreign asset ownership, operations and regulatory compliance may be brought by government authorities for reasons that cannot be predicted and that may not be motivated by substantive law. It is also not unusual, in the context of a dispute resolution, for a party in these foreign jurisdictions to use the uncertainty of the legal environment as leverage in its business negotiations.

Failure to comply with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements.

Bribery and Corruption

The Company's operations are governed by, and involve interactions with, public officials and many levels of government in numerous countries. Its operations take place in jurisdictions ranked unfavourably under Transparency International's Corruption Perception Index. These jurisdictions may be vulnerable to the possibility of bribery, corruption, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions. The Company is required to comply with anti-bribery and anti-corruption ("ABC") laws, including the *Canadian Corruption of Foreign Public Officials Act* ("CFPOA"), as well as similar laws in the countries in which the Company conducts its business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under

such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by third parties, such as, but not limited to, contractors, suppliers, consultants, agents and customers. Although the Company has adopted number of steps to mitigate bribery and corruption risks, which include, among others, developing policies and procedures, establishing a robust third party due diligence process, implementing training programs and performing regular internal monitoring activities and audits, such measures may not always be effective in ensuring the strict compliance with ABC laws of the Company, its employees or third parties. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse impact on the Company's reputation, business, financial condition and results of operations.

MineRP

In October 2017, the Company completed a business combination pursuant to which it acquired a 78% equity interest in MineRP, an independent software vendor for the mining industry with operations in South Africa, Canada, Australia and Chile. Up to 10% of the fully-diluted common shares of MineRP are reserved for incentive compensation arrangements, with up to half being allocated to certain officers of DPM who serve as directors of MineRP and half being reserved for issuance to MineRP employees. As a result, assuming the issuance of all common shares reserved under the foregoing incentive arrangements, DPM will hold a 70% fully-diluted interest in the common shares of MineRP. Total cash paid by the Company to acquire MineRP was $20.0 million, including $8.1 million that was used to repay all outstanding debt and certain other liabilities. Non-cash consideration through transfer of Terrative Digital Solutions Division assets was $0.7 million. Since October 2017, DPM has provided MineRP with $9.0 million of financing to support its working capital and growth initiatives.

There can be no assurance that the Company will be able to realize the projected financial results from MineRP. Failure to realize the projected financial results from MineRP could have an adverse impact on the Company's business, financial condition and results of operations.

MineRP's business as a software vendor is reliant upon the ownership, protection and ongoing development of key intellectual properties. There is no assurance that such ownership rights will not be challenged and that MineRP will successfully maintain its rights in such intellectual properties. Further, there is no assurance that MineRP will be able to develop and market commercially successful intellectual property assets.

Risks with Respect to Inadequate Controls over Financial Reporting

The Company assessed and tested its internal control procedures in order to satisfy the requirements of NI 52-109, which require an annual assessment by management of the operating effectiveness of the Company's internal control over financial reporting. The Company's failure to satisfy the requirements of NI 52-109 on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could have a material adverse impact on the Company's business and share price. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

No evaluation can provide absolute assurance that the Company's internal control over financial reporting will detect or uncover all material information required to be reported. Furthermore, there can be no certainty that the Company's internal control over financial reporting will prevent or detect all errors and fraud. In addition, with ever increasing regulations and changes in the Company's business it is expected that the Company's internal control over financial reporting will continue to evolve and improve over time.

Stakeholder Relations and License to Operate

The Company's relationships with stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining and smelter activities on the environment and on communities impacted by such activities. NGOs and civil society groups, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances and the handling, transportation and storage of various waste, including hazardous waste. Adverse publicity generated by such NGOs and civil society groups or others related to the extractive industries generally, or the Company's operations specifically, could have a material adverse impact on, including but not limited to, the laws under which the Company operates, its ability to secure new permits and its reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, obtain permits and licenses and/or continue its operations, which could have a material adverse impact on the Company's business, results of operations and financial condition.

Development Projects

As part of the Company's growth strategy, it expects to invest in the development, design, construction, operation and optimization of existing and new facilities to enhance operations and increase future production. In developing these new projects, the Company may be required to incur significant preliminary engineering, environmental, permitting and legal-

related expenditures prior to determining whether a project is technically feasible and economically viable. The commercial viability of development projects is based on many factors, including: in the case of a mine, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal recoveries, metal prices and, in the case of the smelter, toll rates, each of which are highly cyclical; availability of complex concentrate; government regulations; capital and operating costs of such projects; and foreign currency exchange rates. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits, subsequent appeals of such permits, including favourable EIA decisions, the acquisition of satisfactory surface or other land rights and having adequate funding arrangements in place.

All projects are approved for development on a project-by-project basis after considering its strategic fit, inherent risks, and expected financial returns. This approach, which incorporates a gated project governance model, and combined with an experienced management team, staff and contract personnel, mitigates some of the risk associated with development projects. However, there can be no assurance that there will not be delays in obtaining the necessary permits or that the development or construction of any one or more projects will be completed on time, on budget or at all, or that the ultimate operating cost of the operation will not be higher than originally envisaged. In addition, to secure long lead times required for ordering equipment, the Company may place orders for equipment and make deposits thereon or advance projects before obtaining all requisite permits and licenses. Such actions are taken only when the Company reasonably believes such licenses or permits will be forthcoming prior to the requirement to expend the full amount of the purchase price. In the event a project, which was deemed economically viable, is not completed or does not operate at anticipated performance levels, the Company may be unable to fully recover its investment and be required to record a write-down. This, in turn, may have a material adverse impact on the Company's business, financial condition and results of operations.

It is not unusual in the mining industry, especially in jurisdictions like Bulgaria and Namibia, for operations to experience construction challenges or delays and unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Given the inherent risks and uncertainties associated with any major capital project, there can be no assurance that construction will proceed in accordance with current expectations or at all, or that construction costs will be consistent with the budget, or that the operation will operate as planned.

Competition

The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals, as well as the ultimate sale of its production. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain attractive operations or sell its production on economically acceptable terms, which could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company also faces competition from other smelting companies as well as trading companies, notably those with blending operations, to secure complex feed for its Tsumeb smelter operation. Such competitive forces and supply-demand dynamics could cause terms for complex copper concentrate to fall below levels at which it is economic for the Company to smelt this material and therefore have a material adverse impact on the Company's business, financial condition and results of operations.

MineRP faces competition from other software vendors in the development and sale of its intellectual properties. There can be no assurance that MineRP will be able to successfully develop and market its products.

Enforcement of Legal Rights

The Company's material subsidiaries are organized under the laws of foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. See "Other Disclosure Related to OSC Requirements for Companies Operating in Emerging Markets" for further details.

Insurance and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or processing facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining and processing, monetary losses and possible legal liability.

In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance coverage does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain

insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance that insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made. Losses arising from any such events that are not fully insured may cause the Company to incur significant costs that could have a material adverse impact on its business, financial condition and results of operations.

Value of Investment Portfolio

The value of the Company's investment portfolio of securities will vary based on the underlying value of the securities acquired by the Company. The business activities of issuers in the resource industry ("Resource Issuers") are speculative and may be adversely affected by factors outside the control of those issuers. Resource Issuers may not hold or discover commercial quantities of precious metals or minerals, have limited access to capital, and profitability may be affected by adverse fluctuations in commodity prices, demand for commodities, general economic conditions and cycles, unanticipated depletion of reserves or resources, native land claims, liability for environmental damage, competition, imposition of tariffs, duties or other taxes and government regulations, as applicable. Because the Company has and may continue to invest primarily in securities issued by Resource Issuers engaged in the mining industry or related resource businesses (including junior issuers), the value of the Company's investment portfolio of securities may be more volatile than portfolios with a more diversified investment focus. In some cases, the value of securities owned by the Company may also be affected by such factors as investor demand, specified rights or restrictions associated with the security, general market trends or regulatory restrictions. Fluctuations in the market values of such securities may occur for a number of reasons beyond the control of the Company, and there can be no assurance that an adequate liquid market will exist for securities or that quoted market prices at any given time will properly reflect the value at which the Company could monetize these securities.

Laws, Regulations and Permitting

The activities of the Company are subject to various laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, archaeological discovery and other matters. Although the Company currently carries out its operations and business in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be changed or be applied in a manner which could limit or curtail production or development. Furthermore, amendments to current laws and regulations governing operations and activities of mining, milling and processing or more stringent implementation thereof could cause costs and delays that could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company's current and future operations and development activities are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company currently has the required permits for its current operations, there can be no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations or additional permits for planned new operations or changes to existing operations that could have a material adverse impact on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining and processing operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining and processing activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Labour Relations

While the Company has good relations with both its unionized and non-unionized employees, there can be no assurance that it will be able to maintain positive relationships with its employees or that new collective agreements will be entered into without work interruptions. In addition, relations between the Company and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions that the Company operates. Adverse changes in such legislations or in the relationship between the Company and its employees could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company has entered into a two-year collective agreement with its unionized employees in Bulgaria, for Chelopech and Krumovgrad, that is in effect until July 2019. Negotiations have been concluded with the Company's unionized employees at the Tsumeb smelter on a new agreement to cover the 2019 calendar year.

Income & Other Taxes

The Company operates in Canada and several foreign jurisdictions, through a number of subsidiary intermediary entities. As a result, it is subject to potential changes in tax laws, judicial interpretations in respect thereof, and the administrative and/or assessing practices of tax authorities in each jurisdiction. While these tax risks are proactively managed and monitored by senior management and outside tax experts, there can be no assurance that there will not be tax changes or rulings, including changes applicable to DPMT's status under the Export Processing Zone Act in Namibia or to any other preferential tax status

applicable to the Company or any of its subsidiaries, that could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company believes that it is not currently a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes and it does not anticipate becoming a PFIC in the foreseeable future. However, the PFIC rules are complex, and, as a Canadian company publicly listed on the TSX, the Company does not operate its business in a manner specifically intended to avoid being classified as a PFIC. Accordingly, there can be no assurance that the Company will not be considered a PFIC. The Company also has not and does not expect to provide any shareholder with information that will enable a U.S. shareholder to make a qualified electing fund election in respect of the Company. To the extent that the Company is a PFIC in respect of any taxable year, its status as such would have adverse tax consequences for taxable U.S. investors. U.S. investors should consult their own tax advisors regarding the PFIC rules and the potential adverse U.S. Federal income tax consequences to which they may be subject in respect of an investment in the Company's Common Shares.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and DPM may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including the particular attributes of the deposit, political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital, future metal prices, foreign currency rates and toll rates, in the case of the smelter. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have a material adverse impact on the Company's business, financial condition and results of operations.

Land Title

Although the title to the properties owned by the Company were reviewed by, or on behalf of, the Company, there can be no assurances that there are no title defects affecting such properties or the shares of subsidiaries that hold such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt.

Accordingly, the Company's interest in mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Market Price of Common Shares

The Common Shares are listed on the TSX. The price of these and other shares making up the mining sector have historically experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, including those impacting the price of commodities, interest rates, market perceptions concerning equity securities generally and the precious and base metal sectors in particular, and factors that may be specific to the Company, including daily traded volumes of the Common Shares.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value, which in turn could impact the ability of the Company to raise equity or raise equity on terms considered to be acceptable. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources and have a material adverse impact on the Company's business, financial condition and results of operations.

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the Company's Common Shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of Common Shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a negative effect on the price of the Company's Common Shares.

The Company may need to raise additional financing in the future through the issuance of additional equity securities. If the Company raises additional funding by issuing additional equity securities, such financings may substantially dilute the interests of shareholders of the Company and reduce the value of their investment in the Company's securities.

Information Systems Security Threats

DPM has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts; damage to physical plants; natural disasters; terrorism; fire; power loss; hacking; computer viruses; vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software to mitigate the risk of failures. Any of these and other events could result in information loss, system failures, business interruptions and/or increases in capital expenses, which could have a material adverse impact the Company's reputation, business, financial condition and results of operations**.**

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that DPM will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Interest Rate

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and cash equivalents, revolver line of credit and finance lease obligations, the majority of which have associated cash flows based on fixed interest rates.

Climate Change Legislation Risks

Many governments are moving to enact climate change legislation and treaties at the international, national, state, provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are becoming more stringent. Some of the cost associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs, which could have a material adverse impact on the Company's business, results of operations and financial condition.

Foreign Subsidiaries

The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among DPM and such entities, could restrict or impact the Company's ability to fund or receive cash from its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse impact on the Company's business, financial condition and results of operations. In addition, the corporate law and other laws governing the Company's foreign subsidiaries differ materially from Canadian corporate and other laws. Challenges to the Company's ownership or title to the shares of such subsidiaries or the subsidiaries' title or ownership of their assets may occur based on alleged formalistic defects or other grounds that are based on form rather than in substance. Any such challenges may cost time and resources for the Company or cause other adverse effects.

Key Executives and Senior Personnel

The Company is dependent on the services of key executives, including its President and CEO and a number of highly skilled and experienced executives and senior personnel. The loss of these persons or the Company's inability to attract and retain additional highly skilled employees could have a material adverse impact on the Company's future operations and business.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development or investment in or provide services to natural resource companies and consequently there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *CBCA* and other applicable laws.

Messrs. Goodman and Nixon may, from time to time, be in a conflict of interest with Dundee Corporation, which owns approximately 20.4% of the Common Shares of the Company, as Mr. Goodman holds the position of Chairman and Chief Executive Officer of, and has an ownership interest in, Dundee Corporation and Mr. Nixon also serves as a director of Dundee Corporation. Messrs. Howes and Walsh are also directors of Sabina, in which the Company holds an approximate 10% interest, which may create potential conflicts of interest. We are not aware of any other existing or potential conflict of

interest between the Company and any of our other directors or officers. The Board is aware of these potential conflicts and these individuals recuse themselves from Board deliberations and voting when necessary.

Significant Shareholder

Dundee Corporation owns approximately 20.4% of the Common Shares. As a result, Dundee Corporation has the ability to influence the outcome of corporate actions requiring shareholder approval, including the election of directors of DPM and the approval of certain corporate transactions.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

MINING PROPERTIES

Chelopech Mine, Chelopech, Bulgaria

The following summary and technical information of the Chelopech mine is derived in part from, and in some cases, includes direct extracts of the Chelopech 2018 Technical Report, which has been filed on the SEDAR website at www.sedar.com. See "Technical Information" for further details. Updated information since the date of the Chelopech 2018 Technical Report is provided below under the subheading "Capital and Operating Costs", which has been reviewed and approved by Karl van Olden, who is a "qualified person" for the purposes of NI 43-101.

Project Description, Location, and Access

Chelopech is an operating underground gold-copper mine which produces copper and gold contained in a concentrate grading between 15% and 17% Cu, 25 to 45 g/t Au and approximately 5.5% As. The high arsenic content of the copper minerals (enargite and tennantite) in the concentrate requires special arsenic recovery systems during the downstream smelting processes. Since 2010, the majority of the concentrate produced has been transported to the Company's smelter in Namibia, which has the required treatment facilities and, since 2014, a portion of the gold-copper concentrate production has been sold to third parties in China and Canada.

Chelopech also produces a pyrite concentrate which was designed to capture a portion of the unrecovered gold contained in the pyrite that was previously going into the tailings management facility ("TMF"). From 2016 to 2018, Chelopech sold pyrite concentrate containing 103,831 ounces of payable gold**.**

The Chelopech mine is situated adjacent to the Chelopech village, in the Sofia District of Bulgaria, 75 km east of the capital of Sofia. It is situated approximately 350 km to the west by road and rail from the Black Sea ports of Bourgas and Varna. Chelopech is located at the foot of the Balkan Mountains, at an elevation of approximately 700 m ASL. The infrastructure area is bounded to the north by the foothills of the Balkan Range, to the east by a government-owned road maintenance organization and residential housing and agricultural land to the west and south, respectively.

Chelopech lies at the base of a range of hills on gently undulating terrain. The plant site is located at approximately 730 m ASL while the ranges of hills which form a backdrop to the plant site rise to over 1,000 m ASL.

The Chelopech mine is easily accessible via major sealed roads from Sofia. The principal rail and road links between Sofia and the country's largest port, Bourgas, which is located on the Black Sea, pass through the village of Chelopech and the Chelopech mine site.

The Company holds a 100% interest in Chelopech. The mining license for Chelopech covers the concession area of 452 hectares, which consists of the deposit area and additional area necessary for implementation of the mining activities, including the area of the TMF.

Royalties

The royalty, payable to the Ministry of Energy (the "ME"), is fixed at a rate of 1.5% of the value of the gross copper, gold and silver metals contained in the ore mined during the period.

Permitting

DPMC operates the Chelopech mine based on a concession contract from May 1999 when the concession rights, and an associated obligation, were granted for a period of 30 years and owns the necessary land upon which the facilities are

constructed. DPMC's compliance with its obligations under the concession contract is monitored by the ME.

Mining and processing activities are carried out based on a LOM plan and Annual Production Plans ("APP"), Overall Closure and Rehabilitation Plan ("OCRP") and Annual Closure and Rehabilitation Plan ("ACRP") where the operating activities for each specific year are described in detail. These plans require approval by the ME.

The LOM plan was approved in November 2009 and the OCRP was approved in April 2010, updated in December 2015 and in September 2018. The 2019 APP and 2019 ACRP were approved in November 2018.

Tailing management facilities are operated based on an approved Mine Waste Management Plan ("MWMP"). Further, operators of class A mine waste management facilities require a permit, which is issued based on the approved MWMP. As an operator of a class A facility, DPMC has an approved MWMP, last updated in November 2013 and a permit, issued in June 2015.

In May 2017, the Regional Inspectorate of Environment and Water – Sofia, issued a positive decision for the "TMF Chelopech 630 level upgrade" investment proposal. All of the required land for the upgrading of the TMF was purchased by DPMC in 2017. The permitting process under the Spatial Development Act has been completed. Construction permits for the TMF upgrade and for power lines reconstruction were issued in the fourth quarter of 2018. Construction has started and will continue through 2019.

According to the Bulgarian and EU requirements the Company is required to meet the water quality standards of discharge of domestic waste water. In November 2016 the Company obtained the required construction permit and built a Waste Water Treatment Plant ("WWTP") for domestic water. The WWTP is part of the Company's commitment made under an Environmental and Social Agreement between DPMC and EBRD. WWTP has been in operation since February 2018.

Finally, the day-to-day operating activities require a number of specific permits, which the Company maintains on an ongoing basis. These can be grouped in three categories: water use and discharge; blasting activities; and general waste treatment. All permits required in order to maintain the continuity of the business have been obtained. The water abstraction permit from the Kachulka dam was renewed in July 2018 for 3 years.

Environmental Requirements

To the Company's knowledge, there are no additional environmental requirements for the operation of the Chelopech mine other than those associated with the existence of the current mining infrastructure, namely the underground mine, processing plant, flotation TMF, ancillary workshops and administration facilities. In December 2015, the Company received confirmation of acceptance from the Bulgarian ME of an updated closure and rehabilitation plan. In 2018 the Chelopech TMF overall closure and rehabilitation plan was updated in connection with the TMF upgrade project to level 630. This plan was approved by the ME in September 2018.

Closure and Rehabilitation

A mine closure plan was filed by DPMC, and approved by the MoEET and the MoEW on April 15, 2010 and May 21, 2010, respectively, with the intent to ensure sustainable development for the region. In compliance with its obligations under its Concession Contract, DPM's wholly-owned subsidiary, DPMC initially established a $25 million insurance policy/performance bond to ensure the performance of its obligations for the closure and rehabilitation of the Chelopech operations. This bond was replaced in 2012 with a bank guarantee.

In December 2015, an updated mine closure plan with a revised value of $15 million was approved and a bank guarantee for this amount was obtained. The reduction of the value results from improvements made to the plan for the rehabilitation of the surface caves and replacement of the fill material, as well as a lower cost for the rehabilitation of the TMF due to the effects caused by the implementation of the thickened tailings deposition. The financial guarantee is separated in two bank guarantees – one for the mine and surface infrastructure and the other for the TMF closure activities. In September 2018, the Chelopech TMF overall closure and rehabilitation plan was updated with a revised value of $10.7 million. The mine and surface infrastructure closure bank guarantee remains $7 million. In November 2018, updated financial guarantees, aggregating $17.7 million were established for a period of one year.

History

The following is a brief chronological description of mining that has occurred at the Chelopech mining operation prior to DPM's ownership:

- The mine started production in 1954. The mine, then part of several state-owned enterprises, was fully operational between 1970 and 1990 producing bulk copper-gold and pyrite concentrates.
- Production as a state-owned company reached 100,000 tpa of ore processed in 1971.
- Production quadrupled in 1976 following an expansion program and construction of a new concentrator, peaking at 512,000 tpa of ore processed in 1988, before trailing off rapidly between 1990 and 1992.

- Prior to 1990, the nearby Aurubis (formerly MDK - Pirdop) copper smelter, located 7 km east of Chelopech, accepted the bulk sulphide concentrates from Chelopech and blended them with cupriferous concentrates from the nearby Elatsite, Medet and Assarel mines.
- The relatively high arsenic content of the concentrates led to the Bulgarian Government decreeing on April 1, 1990 that Chelopech concentrate could no longer be treated at the Aurubis smelter, unless arsenic capturing and treatment facilities were installed at the smelter.
- In February 1992, the mine was placed on care and maintenance.
- In 1994, operations were restarted by Navan Bulgarian Mining BV, a Dutch registered subsidiary of Navan Mining plc ("Navan"), with the re-treatment of approximately 100,000 tonnes of stockpiled low-grade concentrate.
- Following a number of ownership changes over the next five years, in 1999, the CoM and Chelopech signed a concession agreement for the extraction of gold-copper ores from the mine, and the company name was changed to Navan Chelopech AD.
- Ore treated at Chelopech between 1994 to the end of 2002 was estimated at 4.8Mt at an average grade of 1.4% Cu and 3.9g/t Au.
- Navan operated the Chelopech mine until late 2002, when it went into receivership, following which operations continued under the direct control of an administrator appointed by Deutsche Bank AG of London.
- The mining operations were then acquired by DPM in 2003.

See "Operations of the Company - Three Year Production History" for a summary of Chelopech mine production.

Geological Setting, Mineralization and Deposit Types

The Chelopech deposit is located within the Panagyurishte metallogenic district. It formed during Late Cretaceous magmatic-hydrothermal events, defined by a north-northwest alignment of porphyry Cu-Au (Elatsite, Assarel and Medet) and epithermal Cu-Au deposits that is oblique to the east-west orientation of the Srednogorie belt.

The geology of the Panagyurishte metallogenic district comprises a basement of Precambrian granitoid gneisses intruded by Palaeozoic granites and overlain by Late Cretaceous magmatic and sedimentary sequences.

The basement rocks form a series of uplifted horst-anticlinal structures between which a series of three, north to east trending sub-parallel grabens contain the Late Cretaceous to Quaternary sequences.

Mine Geology

The Chelopech area consists of pre-mineral and post-mineral sequences separated by a Late Turonian erosional surface. The pre-mineral formation consists of the following units (from oldest to youngest): 1) high and low-grade metamorphic complexes that are separated by a Variscan ductile shear zone and form the *Paleozoic Basement unit*; 2) the *Basal Turonian unit* of quartz-rich sandstones and conglomerates deposited in a shallow-marine setting, and; 3) the *Turonian Magmatic Chelopech mine Formation,* a shallow porphyritic diorite/microdiorite intrusive system that is pierced by a number of vertically-extended breccia pipes and at least one surface-reaching diatreme.

The post-mineral formation consists of the following units (from oldest to youngest): 1) *Monolithic Rock-Avalanche Breccia unit* indicating tectonic subsidence and made up of angular to sub-angular debris-flows deposits which are locally distributed; 2) the *Two Mica Sandstone unit* represented by thick-bedded to massive sandstones to gravelly, rare pebble sandstones of Santonian age that are interpreted as high-density sandy turbidites indicating redeposition of terrigenous material over a short time period; 3) the *Polylithic Breccia unit* made up of high-density epiclastic flow deposits; 4) the *Limestone unit (Mirkovo Limestone Formation)* represented by Late Santonian-Early Campanian thin-bedded to massive limestones and interpreted as marking the post-rift stage of the basin system; 5) the *"Flysch" unit (Chugovitsa Formation)* composed of Santonian – Late Maastrichtian thin to thick-bedded, low to high-density sandy and muddy turbidites; and 6) the *Quaternary Zlatitsa Graben* unit that developed due to extension reactivation of older structures in the southern part of Chelopech area.

The overall structural complexity of the Chelopech area is interpreted as a result of pre-existing fabrics, faults and weak structural zones in the basement that were intermittently reactivated. Recent detailed structural mapping at surface and reinterpretation of key sections suggest the entire sequence is split by an imbricate thrust (the Chelopech thrust fault) into a structurally less complex autochthon in the footwall of the fault, and a complex allochthon in the hangingwall. Other important structures around the mine include syn-sedimentary faults in the post-mineral cover sequence and numerous late N-S and E-W striking normal faults. The Petrovden fault is one of the main E-W striking normal faults. It juxtaposes pre-mineral phyllic-altered rocks of the deeper part of the Chelopech intrusive complex in the north against unaltered post-mineral epiclastic rock units and sedimentary cover in the south and has a normal vertical dislocation of hundreds of metres.

The Chelopech deposit was previously interpreted to be hosted by the Chelopech andesitic strato-volcanic sequence that formed in a subaqueous environment. Continuous efforts to check and improve this model, including a re-logging program that started in 2014, resulted in a new geological model with the ore-hosting magmatic environment dominated by a multi-

phase intrusive complex that is pierced by several vertically-extended intrusion-related breccias bodies. These bodies include numerous blind breccia-pipes and at least one large surface-reaching maar-diatreme (i.e. phreatomagmatic explosive) eruptive center.

The high-sulphidation system is localized within the diatreme system that is intruded by tuffisite and porphyry dikes. The high-sulphidation mineralization occurs within sulphide and sulphosalt-rich zones of replacement silicification surrounded by haloes of advanced argillic alteration. The ore bodies, both complex branched hydrothermal breccia bodies and discrete pipes, vary from 40-200 m in length, are 20-130 m thick and can extend at least 390 m down plunge. The main ore bodies are spatially grouped into two mining areas, with semi-circular distribution that are thought to be controlled by favorable breccia and host rock contact zones and structure intersections within the breccias. The Central zone consists of eight mineralized ore blocks (16, 17, 18, 19, 5, 25, 10 and 8), whilst the Western zone comprises a further ten ore blocks (103, 144, 145, 147, 149, 149 South, 150, 151, 152 and the new Block 153). Advanced argillic alteration related to Chelopech ore system extends toward the southeast, beneath the Chelopech thrust fault, and is associated with a zone of blind breccia pipes known as the Southeast Breccia Pipe Zone ("SEBPZ"), which represents the main focus of current underground near mine exploration (see "Regional and Near Mine Exploration Programs" below).

Resource Development

In 2018, a total of 33,070 m of resource development diamond drilling was completed, which comprised 11,452 m of grade control drilling aimed to better define the shape and volume of existing ore bodies and 21,618 m of extensional drilling, designed to explore for new mineralization along modelled trends.

Resource development drilling concentrated on the upper levels of Blocks 150, 18, 5 and 25, and Targets 7 and 700, with the aim to expand the current ore body extents and allow conversion of Mineral Resources into Mineral Reserves. Further to this, the areas down plunge of Blocks 151, 18 and 19 were also drilled during the year.

In the Western area of the mine, a new extension to the Block 150 was discovered during the year as part of the on-going 'Upper Levels' resource development drilling program. This area is viewed as an attractive target due to the wide and continuous nature of the Block 150 mineralization. Drilling from the level 405 returned mineralization that is typical for the upper levels of Block 150, presented as a stockwork bearing pyrite, enargite and tennantite. The results from this program continue to confirm the presence of high grade mineralization within the northern part of Block 150 and the contours of high grade mineralization have been extended along strike significantly between levels 500 mRL and 310 mRL. A highlight of this drill program was drill hole EXT150_405_25, which returned 48.8 m at 8.65 g/t Au and 1.47% Cu (47 m estimated true width).

In the central area of the mine, the areas down plunge of Blocks 18 and 19 were targeted, with the aim of extending known economic mineralization down plunge and in-filling wider spaced drilling grids. Higher elevations of Block 18 were tested as part of the Target 7 drilling program on level 505. The results from this drilling meant the broadening of mineralized contours in the northeastern part of the block between 450 mRL and 280 mRL. Whilst in Block 19 drilling was focused on lower elevations which resulted in the mineralized contours being extended in multiple places 190mRL and 250mRL.

High grade mineralization in the northeastern part of the Chelopech mine was delineated within the Target 7 area. It is located about 200 m east of Block 18 on the upper levels of Chelopech and within 50 m of the current underground infrastructure. The mineralization is a typical high- sulphidation mineral assemblage presented as a stockwork bearing pyrite, enargite and tennantite and is still open in a southeasterly direction.

Elsewhere, Blocks 5 and 25 were tested during the year, with the goal of discovering new mineralization and expanding the ore current body contours on the upper levels. The result of drilling to date has been the successful extension of the ore contours in these blocks. Block 25 was increased between 450 mRL and 390mRL, while Block 5 was extended between 410mRL and 370 mRL. A significant result of the block 25 drilling program was drill hole EXT25_405_05, which returned 55.5 m at 8.30 g/t Au and 2.22% Cu (55 m estimated true width).

A surface drilling program commenced in 2018 that aimed to determine the potential of a new mineralized zone called "700". This target is located in the central mining area approximately 150 m above Block 17 and mineralization is primarily enriched with Au-Ag but virtually devoid of Cu. During the year 2,079 m of extensional drilling were completed towards Target 700 which returned high grade Au-Ag mineralization. Further drilling is planned to access the continuity of mineralization and to collect material for metallurgical testwork.

The 2019 Mineral Resource development strategy for Chelopech will focus on the upper levels of Blocks 25, 5 and 8 and the northeastern parts of Block 18. Target 700 extensional drilling will continue with the aim to further delineate the target volume and to begin establishing continuity between drill holes. Drilling towards Target 148 will re-commence in 2019.

For detailed analysis of the resource development activities at the Chelopech mine, please refer to the Company's MD&A for the financial year ended December 31, 2018, which is available on the Company's website at www.dundeeprecious.com and has been filed on the SEDAR site at www.sedar.com

Regional and Near Mine Exploration Programs

A total of 18,081 m of underground and surface diamond drilling in 42 drill holes was completed at Chelopech during 2018 in three brownfield exploration areas, including the continuation of the near mine underground drilling along the SEBPZ, follow-up surface drilling at the Krasta and Sharlo Dere prospects located 800 m to two km northeast of the Chelopech mine on the mine concession and the Sveta Petka exploration license, and surface drilling aiming for a deep target at the Aramu Dere prospect area west of the Chelopech mine on the Sveta Petka license. Other exploration activities included a high-resolution drone-based magnetic survey, soil geochemistry and geological mapping all within the Sveta Petka and Brevene exploration licenses.

Twenty-three holes totaling 9,713 m were drilled underground along the SEBPZ from drill cuddies located northeast of Block 103, southwest of Block 8 and northeast of Block 10, all within the mining concession. Sub-vertical breccia bodies with pyrite, chalcopyrite and sulphosalts were found southeast of Blocks 8 and 153. Significant intercepts from the two areas, called 8 South extension and 153 Southeast extension are listed in the table below. A new distinct area of phyllic-altered diorite with quartz-barite-sulphide veins and high gold grades called the "Gold-barite zone" was intersected by hole EX_SEBP_31_05 drilled along Section 31, with 18 m averaging 3.22 g/t Au from 183 m downhole. The Gold-barite zone is located southwest of Block 8 and northeast of the 153 Southeast target. In the fourth quarter of 2018, follow up drilling at the Level 555 target area at the northeastern end of the SEBPZ, first drilled in 2017, extended zones of weak sulphide mineralization and advanced argillic alteration to the southeast and northwest of Block 10 (assays expected in the first quarter of 2019). Underground exploration drilling along the SEBPZ will continue in 2019.

Significant drill intercepts received in 2018 from the SEBPZ exploration program at Chelopech

8 South extension

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	Length (m)	True width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SEBP_31_01	6349	29708	408	129	-25	0	25	25	23	4.53	3.37	2.79	0.57
EX_SEBP_31_02	6348	29706	407	154	-25	0	6	6	5	3.18	1.86	3.54	0.64
and:						14	20	6	5	3.12	3.06	0.41	0.03
EX_SEBP_31_03	6346	29708	408	69	-20	0	9	9	8	7.25	4.20	4.90	1.48
EX_SEBP_31_04	6343	29712	407	330	-29	0	8	8	7	9.48	5.51	3.11	1.92
EX_SEBP_31_05	6340	29705	407	214	-25	0	11	11	10	5.32	3.66	4.51	0.81

153 Southeast extension

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	Length (m)	True width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SEBP_103_01	5967	29275	451	305	-70	17	39	22	22	6.94	3.52	2.79	1.66
EX_SEBP_103_02	5971	29270	451	145	-60	36	47	11	6	4.29	2.02	5.84	1.10
EX_SEBP_103_04	5966	29275	451	270	-70	37	56	19	18	3.41	2.38	1.98	0.50
and:						47	53	6	6	8.15	6.22	1.46	0.93
and:						242	247	5	5	7.40	7.38	2.37	0.01
EX_SEBP_103_06						14	25	11	11	4.56	1.80	3.52	1.32
EX_SEBP_103_07						0	8	8	7.5	3.20	1.31	2.38	0.91
and:						139.5	145	5.5	5	3.96	0.41	2.44	1.73

Gold-barite zone

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	Length (m)	True width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SEBP_31_05	6340	29705	407	214	-25	183	201	18	16	3.25	3.22	13.45	0.01

1. *Coordinates are in Chelopech mine-grid.*
2. *AuEq calculation is based on the following formula: Au g/t + 2.06 x Cu %.*
3. *Cut-off grade of 3 g/t AuEq, 5m min. length, 8m max. internal dilution.*
4. *True widths are estimated.*

A total of 8,368 m in 19 diamond holes was drilled from surface at the Krasta and Sharlo Dere prospects and the Aramu Dere target area. At the Krasta prospect, approximately two km northwest of the main Chelopech ore bodies, drilling outlined a new zone of shallow copper gold mineralization over a strike length of 300 m between 130 and 400 m from surface. Drilling commenced in April 2018 and a total of 4,221 m from 12 holes (EX_KR_01 to EX_KR_12) was completed by the end of December 2018. An additional three holes were drilled in January 2019. Fourteen of the 15 holes intersected high-sulphidation copper-gold mineralization hosted by: i) diorite and phreatomagmatic breccia similar to host rocks at Chelopech or ii) in clasts reworked in the overlying epiclastic unit. Tennantite and pyrite mineralization form semi-massive hydrothermal breccia infill and stockwork style veins, similar to the Chelopech ore bodies. The most significant intercepts are summarized in the following table (assay results pending for holes EX_KR_11 and EX_KR_12). Interpretation and modelling are in progress and further drilling is planned for 2019.

Significant drill intercepts received during 2018 from the Krasta target exploration program at Chelopech

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	Length (m)	True width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_KR_01	7019	30883	856	281	-57	178	219	41.0	31	0.65	0.36	1.21	0.14
EX_KR_03	7022	30886	857	336	-55	145	200.1	55.1	42	0.65	0.34	0.73	0.15
EX_KR_04	7020	30885	857	305	-45	141	148.3	7.3	6	1.01	0.73	1.00	0.14
EX_KR_05	7020	30882	857	265	-50	181.2	199	17.8	14	0.92	0.58	1.11	0.16
and:						206	216	10	8	0.94	0.49	0.92	0.22
EX_KR_06	7025	30887	857	5	-55	171	280	109	84	1.05	0.54	0.82	0.24
including:						192	202	10.0	8	3.04	1.45	1.38	0.77
EX_KR_07	7026	30885	857	35	-55	311	339	28	22	1.00	0.46	0.49	0.26
EX_KR_08	7025	30887	857	5	-69	277	293	16	9	1.00	0.54	1.17	0.22
EX_KR_09	7023	30887	857	350	-45	174	217.7	43.7	38	1.02	0.52	1.48	0.24
EX_KR_10	7026	30887	857	20	-45	196	234	38	33	1.50	0.87	0.83	0.31

1. *Coordinates are in Chelopech mine-grid.*
2. *AuEq calculation is based on the following formula: Au g/t + 2.06 x Cu %.*
3. *Cut-off grade of 0.5 g/t AuEq, 5m min. length, 5m max. internal dilution.*
4. *True widths are estimated.*

At the Sharlo Dere prospect, located approximately 800 m northeast of the Chelopech mine, drilling was designed to follow up encouraging results from two drill holes completed in 2016 and to test a nearby conductive zone identified from magnetotelluric data. Drill permits were granted in the fourth quarter of 2018 and three holes totaling 1,341 m were completed by the end of 2018. Zones of mineralized clasts in the overlying epiclastic unit, similar to previous drilling, appear uneconomic (assays pending).

At the Aramu Dere prospect, located approximately 1.5 km west of the Chelopech mine, a single 1,307 m hole was drilled in the fourth quarter of 2018. The scout hole intersected pre-mineral diorite with minor phreatomagmatic breccia, including a 35 m interval with pervasive phyllic alteration and abundant (colloform) pyrite and minor base metal sulphides at 845 m downhole depth (assays pending).

Surface exploration plans at Chelopech for the first part of 2019 will include surface drilling at the Krasta prospect and the Vozdol target, an orientation electro-magnetic survey at Krasta and additional geological mapping and soil sampling on the Brevene exploration license.

Drilling

Since DPM's acquisition of the mine, the underground resource definition drilling at Chelopech has been completed on a notional hole spacing of between 50 x 50 m and 25 x 25 m. Most surface holes are vertical or steeply inclined and average 600-700 m in depth with some holes exceeding 1,000 m. Underground drilling, originally horizontal, is now inclined in all orientations to achieve the best angle of intersection with most holes averaging 350 – 400 m in length with some reaching lengths of 550 m.

Surface Diamond Core Drilling

Sofia Geological Exploration began surface diamond drilling at the Chelopech copper-gold deposit in 1956. The surface holes were drilled at 76mm (approximately HQ) and core recovery was routinely measured during the drilling process. An historic recovery of 87% in the waste and 97% in the silicified material is quoted, however this cannot be verified.

The Company has completed surface drilling within the resource area, for technical reasons relating to mine works (e.g.

decline and portal) and more recently during 2018 to assess the 700 target. Surface drilling is typically employed to test targets in areas that are unreachable from underground drilling infrastructure. Surface drilling is carried out using in-country drilling contractors. All rigs use wire line feeders to drill BQ and NQ core.

Underground Diamond Drilling

Underground diamond drilling has been carried out at the Chelopech deposit, since 1979. The early underground diamond drilling (BQ size) was dominantly horizontal, and designed to locate the lateral boundaries of mineralization interpreted from the surface drilling. Since Navan's involvement, modern diamond drills have been introduced with better capabilities, and drilling is now normally inclined and on section. The main objectives of underground drilling include resource evaluation drilling for multiple element analysis, geotechnical measurements and metallurgical evaluation.

Currently four drill rigs are in use; two drill rigs work resource development and two are used for grade control drilling with 45,000m achieved annually. All rigs use wire line feeders to drill BQ and NQ core.

Drilling Quality

All drill core is logged by competent geological personnel. Logging has included lithological, structural, geotechnical, and mineralogical parameters. Analytical results are also later added to the logging sheets. Although there have been a variety of geological personnel working at Chelopech, the core has been logged in a systematic and relatively uniform method. Geotechnical measurements are systematically recorded and communicated to the geotechnical department for inclusion in mine planning. All core is stored in metal boxes in a custom core storage facility at the Chelopech mine. The majority of the core drilled since 2003 has been photographed.

Sample Recovery

The overall core recovery varies between 98 and 100% and averages 99.7%.

Sampling and Analysis

Resource Development

Chelopech: Sampling and Analysis Summary					
Sample Type	**Method**	**Sample Recovery**	**Sample Interval**	**Metals Assayed**	**Lab and Assay Method**
Underground Face Sampling	Lower half of active face sampled with panel chips on a 20 cm grid	3-5 kilograms represents 160 tonnes of ore	Faces sampled each development round, approximately every three m	Copper, gold, silver, sulphur and arsenic	SGS Chelopech Copper assayed by acid digestion with AAS finish or Titration finish. Gold assayed by 25g fire assay with AAS finish or gravimetric finish
Diamond Core Sampling	NQ core is cut by diamond saw BQ core is whole core sampled	98-100% core recovery Sample weight between 3 and 7kg.	Standard sample interval of 1.5 m, maximum 2.2 m	Copper, gold, silver, sulphur, arsenic, lead and Zinc	

All samples are placed in heat resistant cotton bags with dimensions of 35 by 25 cm. Sample tickets are uniquely numbered and placed in the bags with the samples. The sample bags are arranged in order on mobile racks and dried in the oven at 110° C for 8 to 10 hours. After drying the bags, these are loaded onto a 4x4 pick-up truck and then delivered directly to the on-site sample preparation laboratory where they are routinely assayed for Cu, Au, Ag, S and As.

Both underground face and diamond core samples are submitted for analysis, adhering to the following QAQC procedure:

- Certified Reference Materials ("CRMs"), also referred to as standards, are inserted in a ratio of 1:20;
- Blanks are inserted in a ratio of 1:50;
- Field Duplicates are inserted in a ratio of 1:20; and
- A naming convention for standards is used for QAQC samples, so although the laboratory will know which samples are standard samples, they won't be able to identify which actual standard has been inserted.

The samples are dispatched to the Laboratory with a unique sample submission form.

Brownfield Exploration

Drill core from brownfield's exploration is logged, sampled and sent to the Company's laboratory in Bor, Serbia for sample preparation and analysis (see "Sampling and Analysis of Exploration Core and Channel Samples" for further details).

Bulk Density

Bulk density measurements have been routinely completed since the start of 2003 at the (ISO9002 rated) Eurotest-Kontrol facility in Sofia using the industry standard wax coating water immersion method. The collection of bulk density data is part of DPM's standard procedures and samples are routinely taken from all diamond drilling, ore and development drives and stopes.

Bulk density measurements are collected as 10 cm billets every 3 m along the length of the drill hole, including both ore and waste. These measurements have been assigned to a location or to a bulk density table in the drill hole database. In 2009, onsite density analysis was introduced and made a part of the SGS managed onsite laboratory. The determination of bulk density for rock or core samples is by paraffin wax and water immersion.

Sample Preparation and Analytical SGS Chelopech

The Chelopech laboratory operates its own sample preparation facility using standard sample preparation equipment. From late 2004, the site laboratory was upgraded and significantly re-equipped, under the supervision of SGS in order to be SGS certified. SGS manages the site laboratory as an independent sample preparation and assay facility for a monthly management fee. An SGS qualified laboratory manager is on site at all times. SGS Chelopech laboratory has been ISO 9001:2008 certificated since April, 2013 and ISO 9001:2015 certified since April 2017.

The sample preparation procedure is as follows:

- The sample is crushed to 2mm using a jaw crusher, to a minimum 90% passing rate;
- The sample is split in a Johnson splitter, retaining ⅛ or a 600g sample for pulverising and homogenization; and
- The 600g sample is pulverized using Labtech ESSA, LM2 or, LM5 to -75 micron size. Sizing analysis is routinely undertaken as part of the assay quality assurance procedures.

Routine grade assays are undertaken by the independently SGS-managed Chelopech laboratory. Analytical procedures with respect to mine face and core samples, mill feed and mill tails are as follows:

- Copper: All samples from Chelopech have been analysed for copper by one of two methods. High grade samples over 30,000ppm are analysed using an iodometric method consisting of (mixed) acidic digestion followed by titration with sodium thiosulphate solution. Low-grade copper samples less than 10,000ppm are analyzed by means of two-acid digestion followed with grade determinations by AAS;
- Gold: Gold and silver assays completed at Chelopech are determined by means of the industry standard lead fire assay method with AAS finish. Higher values over 20ppm are assayed with a gravimetric finish;
- Silver: Two acid (HCl/HNO3) digestion with AAS Finish;
- Arsenic: Two acid (HCl/HNO3) digestion with AAS Finish;
- Sulphur: Sulphur assays completed at Chelopech are determined by means of combustion in a (muffle furnace) ELTRA Analyzer – LECO method; and
- The laboratory is equipped with three ICP ("Inductive Coupled Plasma") instruments for multi element analysis:
  - The ICP-OES is used generally to define the concentration of various elements found in the Chelopech ore, tail and concentrate. The Varian ICP–735ES can perform routine analysis on more than (50)30 elements simultaneously. All the above digestions and solutions can be analyzed on this instrument.
  - The ICP-OES, Optima 8300 Perkin Elmer, is used mainly to define the low concentrations of Gold, in ppb, the range of 1 - 10,000 ppb, although it can perform 34 elements simultaneously.
  - The ICP-MS is used to analyze (more than 50 elements) for low level trace elements found in soil and stream sediment samples. It is also used to analyze for environmental water samples to sub ppb levels. This instrument is mainly used for regional exploration samples, and water samples discharged from the Chelopech mine.

Analytical procedures with respect to mill concentrate are as follows:

- Copper in ore and concentrate: Acid digestion with iodometric titration;
- Copper in tails: Two acid (HCl/HNO3) digestion with AAS finish;
- Gold: 15g fire assay with gravimetric finish (15g is used due to high sulphur and arsenic content);
- Silver: Two acid digestion with AAS Finish;
- Arsenic: Two acid (HCl/HNO3) digestion with AAS Finish; and
- Sulphur: Combustion with Eltra instrument.

Quality Control Procedures

The independent SGS-managed Chelopech laboratory quality control procedures include the following:

- Every batch of samples is recorded in a laboratory job book, and profiled using the LIMS (CCLAS) computer scheduling system;
- Two internationally accredited standards, one blank, repeats (~10%) and duplicates (~10%) of one in 20 samples are inserted randomly in every batch profiled;
- One in 20 pulverized samples is wet screened through a -75 micron sieve. 85% passing is expected. Job is re-pulverized if 40% of samples sieved in the batch failed (<85%);
- The laboratory participates in the SGS internal round robin, where four samples every month are analyzed for various elements, and results are compared with over 140 SGS laboratories worldwide;
- The laboratory participates in the Geostats international Round Robin Survey twice a year. Forty samples are analyzed for various elements and results compared with more than 100 laboratories; and
- As part of the quality control the laboratory sends, monthly, 50 samples to another SGS laboratory for QAQC checks. Results are compiled and compared statistically.

The Chelopech geology internal quality control procedures also include the following:

- One in 20 face and drill core pulps is re-submitted as a duplicate with a different number assigned to it; and
- Review of the independent laboratory QC data on a batch by batch, quarterly and annual basis.

The Chelopech geology procedure for external (Umpire) QAQC sample submission is as follows:

- All internal control pulp duplicates are submitted for umpire analysis;
- Every twentieth core sample pulp is submitted for umpire analysis. Approximately 5% of all face sample pulps are included;
- Samples that have discrepancies between the geological description and chemical analysis are also submitted for umpire analysis;
- An internationally accredited standard with unknown (by the laboratory) metal concentrations is inserted after every 20th sample. Geostats Australia has manufactured and certified nineteen Chelopech standards using two different types of Chelopech ores;
- One blank is inserted for every 50 samples; and
- Since 2012; on a three-month basis, umpire assay analyses are performed by an internationally accredited laboratory – ALS Global, Rosia Montana, Romania; ISO9001:2000 and ISO17025.

QAQC Results

Results of the QAQC program for this reporting period (October 2017 to September 2018) noted issues with some of the QAQC results which will require ongoing monitoring, but overall no fatal flaws were apparent. This indicates that the QAQC procedures implemented at Chelopech are adequate to assess the repeatability, accuracy and precision of the assay results obtained and that the assay results should accurately reflect the grade of the samples. Results of the QAQC review are summarized below:

Blank Standards

- Overall blank results show no significant indications of contamination excepting some failures for copper but overall acceptable results.

Duplicates

- Field and internal duplicates show good repeatability with no significant bias for all elements. The over reporting bias observed in the previous MRE external Au checks (umpires) is still present, but on the threshold of acceptability. A bias of 4.8% in the copper duplicates was observed and will be investigated, although considered acceptable.

CRMs (Standards)

- Most laboratory standards showed acceptable accuracy and precision with the only failures being attributed to the expected values being close to the detection limit which is not deemed a material issue.

Mineral Processing and Metallurgical Testing

A comprehensive test work program was completed on drill core samples of representative mineralisation from each mining block of potential future ores as part of the original Definitive Feasibility Study, dated December 2005 which has been filed on the SEDAR website at www.sedar.com. The metallurgical test work characterised the hardness and flotation parameters

of each, and the work confirmed that the process flowsheet currently in operation was optimum to produce copper/gold concentrates, and no changes were recommended. An additional test program was completed in 2012 covering current and future ores which also confirmed the current flowsheet performance for the copper circuit and developed the optimum conditions for the future recovery of pyrite from the current process plant ore feed.

The expanded ore treatment process facility completed in early 2012 comprises crushing the mined ore in the underground primary jaw crushing circuit, grinding in a SAG milling circuit, primary rougher/scavenger and 3 stage cleaner flotation and concentrate dewatering. Tailings from the concentrator are thickened at the plant, pumped and then filtered at the backfill plant, from which they are then used as underground fill. When not being directed to the backfill plant, the tailings report to the current flotation TMF.

Further plant upgrades have been completed more recently, including the replacement circuit for the second and third cleaners of the copper circuit in mid-2013 a new pyrite recovery circuit commissioned at the end of 2014.

A geomet and flowsheet optimization flotation testwork program at XPS (Sudbury) was concluded in 2017. The geomet testwork considered the metallurgical variability of the eight identified domains at Chelopech – 151 Block Upper, Middle & Lower; 150 Block Upper & Lower; 103 Block East & West; 19 Block. The findings of the geomet testwork were inconclusive on quantifying the variability in pyrite quality between the domains. Other information gathered was nonetheless useful and further enhanced the understanding of the geo-metallurgical properties and variability between the domains.

Mineral Reserve and Mineral Resource Estimates

See "Summary of Mineral Reserve and Mineral Resource Estimates" for the Chelopech Mineral Reserves and Mineral Resources. The December 31, 2018 Mineral Reserves and Resources were estimated by DPMC personnel under the supervision of CSA Global. Validation of the Mineral Resource Estimate was also completed by CSA Global.

Mineral Reserves and Mineral Resources have been classified in accordance with the guidelines defined in the CIM Standards dated May 10, 2014, as adopted under NI 43-101.

Mineral Resources and Mineral Reserves are based on a cut-off grade of 3 g/t AuEq, where AuEq = 2.06*Cu + Au, as well as a profitability indicator that considers, among other things, metal price, metallurgical recoveries, treatment charges and market forecasts. Long term metal prices assumed for the evaluation of the Mineral Reserves and Mineral Resources are $1,250/oz for Au, $23.00/oz for Ag and $2.75/lb for Cu.

Mineral Resources exclusive of Mineral Reserves, in comparison to the end-of-year 2017 Mineral Resource estimate, have decreased 3% in tonnes, 2% in metal content for gold, 4% in metal content for copper and 3% in metal content for silver, within the Measured and Indicated Mineral Resource categories. This decrease in Measured and Indicated Mineral Resources is attributed to conversion of Mineral Resources to Mineral Reserves, which was partially offset by new extensions to mineral resources, discovered during resource development drilling programs and sterilization of Mineral Resources that are considered technically unrecoverable during mining. Inferred Mineral Resources have increased by 3%, in comparison to the end-of-year 2017 Mineral Resource estimate. This increase in the Inferred Mineral Resource category is primarily due to the additions to the Mineral Resource inventory as a result of ongoing infill and resource development drilling programs. See the "Resource Development" section for an overview of the resource drilling during 2018.

For the December 31, 2018 Mineral Reserves estimate, a cutoff grade of 3 g/t AuEq, in conjunction with the profitability test, was applied with designed stopes and development. The cutoff grade of $10/t of ore profitability test continues to be based on the results presented by Coffey Geosciences Pty Ltd. in 2010, which was considered a reasonable cut-off grade that balances economic risk and mine life. The operating cost, excluding royalty, was estimated to be $35.23/t and includes provision for sustaining capital of $4.7/t requirements over the LOM.

Net changes in tonnes and contained metals from the 2017 to the 2018 Mineral Reserves estimate show reductions of 0.7 million tonnes, 110,000 ounces of gold, 21 million pounds of copper and an increase of 85 thousand ounces of silver. This corresponds to a percentage reduction of 4% in tonnes and 6% in metal content for gold, 6% in metal content for copper and 2% increase in metal content for silver. The decrease can be attributed to 2018 mining depletion, which has been greatly offset by addition of new stope and redesign of existing stopes. New designs and redesign of existing stopes contributed about 1.7 Mt to the Mineral Reserves, mainly from Blocks 150, 151, 153, 17 and 18.

The Mineral Reserves at Chelopech have been estimated by including a number of technical, economic and other factors. A change to any of the inputs would therefore have some effect on the overall results. Concerning mining and metallurgical factors, it is CSA Global's belief that sufficient work has been done by DPM to ensure that these are not likely to have any significant or material effect on Mineral Reserves.

Subject to the risk factors discussed under the "Risk Factors" section in this AIF and the more detailed information contained in the Chelopech 2018 Technical Report, DPM believes that the Mineral Reserve and Mineral Resource estimates for Chelopech are of low risk of being materially affected by environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues.

Mining Operations

The operating facilities owned by the Company include an underground mine, SAG mill as well as copper and pyrite flotation circuits.

Other facilities include a fully operational tailings dam, underground crusher and conveyor system to surface, the original head frame and hoist for stand-by/emergency use, two primary ventilation shafts, a trackless decline from surface, paste fill plant, as well as surface and underground workshops. In the fourth quarter of 2014, the concentrate conveying and train load out facility was commissioned and in the third quarter of 2015, the gold-copper concentrate storage facilities were completed. There are also sufficient surface buildings and installations necessary to support current and future operations of the mine. Refer to the Chelopech 2018 Technical Report for further details. See "Technical Information" for further details.

The production rate of the mine for the last three years has been approximately 2.2 Mtpa of ore and the designed throughput rate of the SAG mill is 250 tph of ore. In 2018, the mine processed over 2.2 million tonnes of ore, and produced 104,087 tonnes of gold-copper concentrate, containing 141,840 ounces of gold, 183,283 ounces of silver and 16,634 tonnes of copper (36,672,666 pounds). In addition, 258,884 tonnes of pyrite concentrate were produced, containing 59,255 ounces of gold. See "Operations of the Company - Three Year Production" for further details.

The mine is expected to produce, in gold-copper concentrate, a total of 0.89 million ounces of gold, 1.58 million ounces of silver and 131,002 tonnes of copper for the years 2019 through 2027. In addition, pyrite concentrate is expected to be produced, containing 0.33 million ounces of gold.

The primary saleable product is a gold-copper concentrate containing, on average, 16.5% Cu,35 g/t Au, and 5.5% arsenic which is loaded at the mine site through a conveyor system from the stockpile into rail wagons and dispatched to the Port of Bourgas for sea transportation to the Company's smelter in Namibia and to third parties.

Since 2014, pyrite concentrate, containing gold, has been produced in a section with a capacity allowing the production of up to 400,000 tonnes of pyrite concentrate per year from the mill feed as a separate secondary concentrate product, in addition to the produced gold-copper concentrate. The change required for the pyrite recovery included a new flotation, thickening and filtration installation in the existing mill facility. This stage required modest capital expenditure, and allowed the mine to produce saleable pyrite concentrate. During 2017 a pyrite concentrate storage facility was completed. Production is currently operated to meet market demand with 255,000 tonnes produced in 2018.

Capital and Operating Costs

Capital

The expansion project for the Chelopech mine was completed in 2012 at an overall capital cost of $171.2 million. The expansion project enabled the mine to achieve an ore processing rate of 2 Mtpa. Through optimization and increasing operational efficiencies, the Company has been achieving, as expected, a throughput rate of 2.2 Mtpa.

The table below sets out estimated special projects capital, sustaining capital associated with ongoing operations for the life of the mine, as well as estimated closure costs. These costs are in current dollars without escalation, and, with respect to cash costs, net of by-product credits, and are based on a copper price of $2.75/lb. The base exchange rate used for the evaluation of the project is USD 1.25/EUR.

Capital Costs 2019-2027	
Item	**LOM ($ Millions)**
Sustaining /Replacement Capital (2019 – 2027)	76.6
Other Project Capital	9.8
Closure Costs	21.7
LOM Capital Expenditure	108.1

Operating Costs

The average estimated annual site operating cost for the LOM is $39.26 per tonne treated, as set out in the tables below:

Operating Costs - Gold-Copper Concentrate		
Item	**Unit**	**2019 – 2027**
Mine	$/t ore	15.44
Concentrator	$/t ore	9.94
Service	$/t ore	3.63
General & Administration	$/t ore	6.88
Royalty	$/t ore	2.73
Total On Site Cash costs / tonne ore treated [(1)]	$/t ore	38.62
Off Site Cash Costs / tonne ore treated [(2)]	$/t ore	37.30
Total Cash Costs / oz Au Equivalent [(3)]	$/oz AuEq	882
On Site Cash Costs / oz Au (1)[(4)]	$/oz	457
On Site Cash Costs / lb Cu (1) [(4)]	$/lb	1.01
Cash Costs / oz Au sold, net of by-product credits [(1),(5)]	$/oz	704

(1) Refer to the "Non-GAAP Financial Measures" section of the Company's MD&A for more information about Non-GAAP measures;

(2) Off-site cash costs include treatment and refining charges of payable metals, penalties and freight costs;

(3) Total cash costs include on-site and off-site costs. Au equivalent ounces include gold ounces as well as copper pounds and silver ounces produced and converted to a gold equivalent based on the ratio of the forecast prices for each commodity;

(4) Gold and copper are accounted for as co-products. Total on-site cash costs are net of by-product silver sales revenues; and

(5) Cash costs / oz Au sold, net of by-product credits, represent cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs related to the sale of gold-copper concentrate, less by-product copper and silver revenues, divided by the payable gold in gold-copper concentrate sold.

Operating Costs - Pyrite Concentrate		
Item	**Unit**	**2019-2027**
On Site Cash Costs / tonne ore treated [(1)]	$/t ore	0.63
Off-site Cash Cost / tonne ore treated [(2)]	$/t ore	9.94
On Site Cash Costs / oz Au [(3)]	$/oz	34
Cash Costs / oz Au sold [(4)]	$/oz	859
Cash Costs – Gold-Copper and Pyrite Concentrates		
Cash Costs / oz Au, net of by-product credits, including payable gold in copper and pyrite concentrates and related costs [(5)]	$/oz	737

(1) On-site operating cash costs include processing costs;

(2) Off-site cash costs include treatment and refining charges of payable metals, penalties and freight costs;

(3) On-site cash costs divided by gold ounces contained in pyrite concentrate produced;

(4) Cash costs / oz Au sold represent processing costs and treatment charges, penalties, transportation and other selling costs related to the sale of pyrite concentrate divided by the payable gold in pyrite concentrate sold; and

(5) For Cash costs / oz Au sold, net of by-product credits, represent cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs related to the sale of gold-copper and pyrite concentrates, less by-product copper and silver revenues, divided by the payable gold in gold-copper and pyrite concentrates sold. Refer to the "Non-GAAP Financial Measures" section of the MD&A for more information on this Non-GAAP measure.

Krumovgrad Gold Project, Krumovgrad, Bulgaria

The technical information included in the following summary of the Krumovgrad gold project is derived in part and, in some cases, includes direct extracts from the Revised Krumovgrad 2014 Technical Report, re-issued on November 7, 2017, a copy of which has been filed on the SEDAR website located at www.sedar.com. See "Technical Information" for further details. Further to detailed engineering work completed since the filing of the Krumovgrad 2014 Technical Report, certain information relating to the Mining Operations, Capital and Operating Costs and Project Implementation has been updated and reviewed by Mr. Richard Gosse, Senior Vice President, Exploration of the Company, Mr. John Lindsay, Senior Vice President, Project Development of the Company, and Mr. Ross Overall, Corporate Senior Resource Geologist of the Company, who are QPs.

Project Description, Location and Access

The Krumovgrad gold project is an open pit gold mine located in Bulgaria, which is financially viable at current gold prices.

The town of Krumovgrad is approximately 320 km southeast by paved road from the capital of Bulgaria, Sofia, which is serviced by a modern international airport. A second international airport exists in the city of Plovdiv, located approximately 106 km northwest of Krumovgrad.

The Ada Tepe prospect is located some 3 km south of the regional centre of Krumovgrad. Access to the general area is excellent at all times of the year, by sealed roads to the regional centre of Krumovgrad. Access within the license area is good, with all-weather surface roads transecting the project area.

Following the receipt of the construction permit in August 2016 and mobilization of the earthworks contractor, construction of the Krumovgrad gold project started in the fourth quarter of 2016 and first concentrate production was achieved in the first quarter of 2019. The final estimated capital cost of $164 - $166 million, reflects all expenditures relating to the project implementation, including owners costs, equipment purchases, construction direct and indirect costs, commissioning, and operational readiness, and excludes financing and sunk costs prior to commencement of construction.

The Ada Tepe prospect of the Khan Krum deposit is located 3 km south from the Krumovgrad town site and trends in a north south direction. The deposit area comprises of hilly topography abutting a major regional river system.

The Krumovgrad gold project is developed based on a 30-year mining concession for the Khan Krum deposit, which consists of Ada Tepe, Surnak, Sinap, Skalak, Kuklitsa and Kupel. The mining concession was granted to DPMKr in 2011 following a commercial discovery, for which DPMKr was awarded a Commercial Discovery Certificate dated August 28, 2009. The concession contract was entered into on April 25, 2012 between DPMKr and the Bulgarian CoM, represented by the MoEET.

Royalties

The Company will pay a royalty to the Bulgarian government at a variable royalty rate applied to the gross value of the gold and silver metals contained in the ore mined. The royalty rate depends on the profitability of the operation. At a pre-tax profit to sales ratio of 10% or less, the royalty rate will be 1.44% of the value of the metals. At a pre-tax profit to sales ratio of 50% or more, the royalty rate will be 4% of the value of the metals. At intermediate levels of profitability, the royalty rate will vary on a sliding scale between 1.44% and 4% in a linear fashion. At a gold price of $1,250/oz and a silver price of $23/oz, the royalty rate will be in the order of 2.5% of the gross value of gold and silver metals contained in the ore produced from the mine.

Environmental Impact Assessment

The implementation of a mining concession is subject to obtaining a positive EIA Resolution. The Krumovgrad gold project underwent an EIA in 2010 and an EIA Resolution No. 18-8, was issued in November 2011. The resolution was appealed by NGOs and, following a successful litigation proceeding, entered into force in March 2013.

The purpose of the EIA procedure is to identify, describe and assess in an appropriate manner, in light of each particular case, the direct and indirect effects of a development investment proposal for execution of construction activities and technologies on: human beings; biological diversity and the elements thereof, including flora and fauna; soil, water, air, climate and the landscape; the lithosphere, physical structures and the cultural and historical heritage, as well as the interaction among these factors.

Permitting

Mining and processing activities are carried out based on the 30-year mining concession and a LOM plan and APP, OCRP and ACRP where the operating activities for each specific year are described in detail. These plans require approval by the respective competent state authority which, according to the latest amendments to the *Underground Resources Act*, is the ME.

The LOM plan and OCRP were approved in 2013. The updated OCRP (Mine Closure Plan) was approved in October 2015. The 2019 APP and 2019 ACRP were approved in December 2018.

The Company owns the land required for the implementation of the Krumovgrad gold project. The land purchase was completed in May 2016, following an approval of the Detailed Development Plan and a change of the designation of the land from forestry land to industrial land.

The construction-related approvals for the new site access road and the waste water discharge pipeline were received in the second half of 2018, and construction in these areas was substantially completed at the end of the first quarter of 2019.

Following the designation of part of the Krumovgrad gold project area as an Archaeological Immovable Cultural Asset ("AICA") in August 2010, DPMKr entered into a frame agreement with the National Archaeological Institute with Museum at the Bulgarian Academy of Sciences ("NAIM-BAS") to carry out archaeological work required for clearing the Krumovgrad gold project area. The first stage of the agreed work was completed in December 2014 and the second stage was completed in 2015. In April 2015 the Ministry of Culture issued an Order for amending the boundaries of the AICA, by virtue of which the entire area required for the investment proposal was excluded from the boundaries of AICA and effectively released for the implementation of the Krumovgrad gold project. Dissemination of the archaeological work results, through scientific publications and development of museum exhibitions, are being carried out concurrently with the Krumovgrad gold project implementation and have no impact on the project schedule.

The Company continues to engage in an active dialogue with the municipality, government and other stakeholders, and will do so throughout the remainder of the construction and start-up phases, to support the Krumovgrad gold project start-up in the first quarter of 2019 and receipt of the subsequent operating permit, which is expected early in the third quarter of 2019.

Closure and Rehabilitation

The integrated mine waste facility ("IMWF") has a total design footprint area of 41 ha, which is sufficient to accommodate the entire amount of mining wastes generated throughout the Ada Tepe deposit mine life. The concept of the IMWF is to place thickened tailings into cells constructed from mine rock. The mine rock provides strength required for overall stability and also internal drainage. Rehabilitation of the lower slopes of the IMWF will begin during the early stages of the mine operation and the entire area of the facility of 41 ha will be fully rehabilitated at the end of the life of the mining operation. The rehabilitation will be carried out entirely with native species present in the area where the Krumovgrad gold project is implemented. According to the approved overall closure and rehabilitation plan, all activities including IMWF, has a value of $5.9 million, for which a full bank guarantee has been provided. In 2018, the total rehabilitated area was 6.18 ha. In December 2018, the ME approved the annual rehabilitation report for 2018 and all planned relevant activities for 2019.

The IMWF will be a fully drained facility and will not contain a water pond at any time during its operation. The surface interception drain will divert the runoff from the IMWF upstream catchment and prevent it from entering into the facility. The underdrain system will collect and convey the rainfall and the excess pore water from the consolidation of the tailings. Any discharge of IMWF water to the Krumovitsa river, when necessary, will be carried out only after treatment and will be downstream of the town. An interception system, comprising a grout curtain and series of water wells, will capture any seepage from the IMWF to prevent seepage reaching the river. Seepage captured by the water wells will be pumped back in to the IMWF water catchment and reticulation system, and ultimately be recycled to the plant for use as process water.

History

The following is a brief chronological description of exploration work done on the property prior to DPM's ownership:

- The Ada Tepe prospect had been the subject of only very brief attention in previous Bulgarian state funded exploration;
- GeoEngineering, Asenovgrad ("GeoEngineering") has previously explored the area covered by the Krumovgrad License using finances provided by the Bulgarian State;
- Geology and Geophysics AD, Sofia ("G&G") has also explored parts of the license area;
- GeoEngineering carried out an extensive program of geological mapping, trenching and drilling over the nearby Surnak prospect during the early-mid 1990s, together with a minor amount of trenching on the Skalak and Kuklitsa prospects;
- G&G included the entire license area in the south-east Rhodopes regional soil sampling program (average sample grid 250 m by 50 m) conducted during the early-mid 1990s;
- G&G also performed magnetic and induced polarization surveys across the prospect;
- The results of this work showed the presence of a gold soil geochemical anomaly of significant intensity and extent over the prospect, and a variety of geophysical anomalies;
- Navan's Bulgarian subsidiary, Balkan Mineral and Mining ("BMM"), was awarded an Exploration Permit No. 1/09.05.2000 for the Krumovgrad license area covering 130 km^2, based on which it then entered into an Agreement of Prospecting and Exploration with the MoE on June 12, 2000; and
- BMM was acquired by DPM in 2003, and later renamed into DPMKr.

Geological Setting, Mineralization and Deposit Types

Regional Geology

The Krumovgrad region is located within the Eastern Rhodopes which comprises the eastern portion of a large metamorphic complex. The massif underwent Late Cretaceous to Paleogene extension leading to uplift and formation of metamorphic core complexes, including the Kessebir-Kardamos dome in the Krumovgrad area. This event was accompanied by low-angle detachment faulting, half-graben development, and the formation of sedimentary basins. The basins to the north of the Kessebir-Kardamos core complex contain Paleogene terrestrial sedimentary rocks and volcaniclastic sequences that are transitional upwards into Miocene marine sedimentary rocks.

Basement rocks in the Krumovgrad area consist of Precambrian and Paleozoic metasediments, gneisses, and amphibolites. The basement is unconformably overlain by Paleogene conglomerates, sandstones, siltstones and limestones of the Krumovgrad group that were deposited during rapid uplift of the metamorphic core complex.

Felsic to intermediate volcanism in the Eastern Rhodopes began in Early Oligocene and progressed episodically until the Early Miocene. Several lead-zinc (gold-silver) epithermal vein deposits are related to volcanoes formed during this period, including the Zvezdel and Madjarovo ore fields, which are situated 15 km west and 25 km northeast of Krumovgrad respectively. More recent post-mineral Neogene-Quaternary sedimentary cover occurs throughout the region.

Prospect Geology

Gold and silver mineralization in the Krumovgrad license area is predominantly hosted within the Shavar Formation proximal to the unconformable listric fault contact or detachment with the underlying basement rocks of the Kessebir-Kardamos core complex. Sedimentary rocks within the Shavar Formation typically form laterally discontinuous lenses ranging from chaotic breccias to conglomerate to inter-bedded pebbly sandstone, siltstone, and marl to marl-argillite. Upward variations in the stratigraphy of the Krumovgrad group reflect progression from a high-energy environment, breccia-conglomerates and coarse sandstones through to the lower energy siltstones and marls characteristic of increasing basin maturity.

The dominant structure at the Ada Tepe deposit is a “detachment” fault that separates the metamorphic basement rocks from the overlying mineralized sedimentary rocks, and forms a 10° to 15° north dipping lower structural bounding surface to the deposit.

Deposit Types and Mineralization

The Ada Tepe deposit is a low sulphidation epithermal gold-silver deposit, formed during the early Oligocene. High gold grades in association with electrum-bearing open-space fill colloform-banded and lattice-bladed silica-carbonate-adularia veins and hydrothermal breccias and the presence of sinter, suggest proximity to the paleosurface and a low sulphidation character.

Mineralization at Ada Tepe is subdivided into two types, based on the geometry and style of the mineralized zone, as follows:

- “Wall Zone” mineralization: a massive shallow dipping (15 degrees north), siliceous body forming the hanging wall to the detachment and defining the contact between the core complex and the overlying sedimentary rocks, and;
- “Upper Zone” mineralization: a series of predominantly east-west trending steeply dipping veins that exhibit textures indicative of forming within an epithermal environment and extend upwards into the sedimentary breccia unit above the Wall Zone.

The Wall Zone mineralization is interpreted to be associated with early silica flooding and relatively low gold grades. However, those parts of the Wall Zone cut by the Upper Zone vein mineralization are typically thicker, more intensely brecciated and have higher gold grades.

At the Surnak prospect, located about 3 km west of Ada Tepe, the focus of resource drilling in 2018, the main volume of gold-silver mineralization occurs along a northeast-striking sub-vertical metamorphic and sedimentary rock contact and is associated with sulphide-rich silica and carbonate-altered hydrothermal breccias. Mineralization also extends into the metamorphic basement rocks and the overlying sediments, controlled by a combination of sub-horizontal stratigraphy-related permeability fabrics and steeper feeder structures.

Ada Tepe deposit is approximately 600 m long (north-south), and up to 350 m wide (east-west). The wall zone is up to 30 m thick. The thickness of the Upper Zone vein mineralization is very variable, from less than 1 m thick, to more than 30 m thick. The Wall Zone exhibits very good continuity. The Upper Zone vein system exhibits less continuity than the Wall Zone, necessitating a higher drilling density that has been applied during the delineation of the Ada Tepe deposit.

Exploration

During 2018, a total of 6,974 m of diamond drilling was completed in 44 drill holes. Drilling focused on defining a resource at the Surnak deposit within the Khan Krum mining concession while some drilling was also carried out on two nearby

exploration licenses. Other exploration activities included mapping, soil sampling, trenching, ground-based and high-resolution drone magnetic surveys.

At Surnak, a total of 5,052 m was completed in 37 diamond drill holes (SUDD028 to SUDD064) during 2018. The aim of this drilling program was to improve the geological model and to collect material for metallurgical test work. Significant results are shown in the table below. Composite samples from three drill holes representing the basement sulphide zone, the detachment sulphide zone and the oxide zone have been sent for metallurgical test work with results expected in the first quarter of 2019. Results confirm the presence of shallow gold mineralization while several higher grade hydrothermal breccia zones remain open at depth.

Significant exploration drill intercepts from the Surnak deposit during 2018

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	Length (m)	True width (m)	Au (g/t)	Ag (g/t)
SUDD028	9432424	4523071	463	260.2	-61.3	106	119	13	9.5	1.29	8.9
SUDD033	9432327	4522887	464	85.6	-75.8	62	72	10	4	0.68	10.5
and:						78	85	7	3	1.20	6.2
SUDD034	9432419	4522955	437	279	-60.8	65.6	92	26.4	23	1.22	12.4
SUDD035	9432425	4522915	441	271.9	-49.7	89	99	10	9.5	1.46	19.7
and:						106	112	6	6	0.87	2.3
SUDD036	9432400	4522956	440	272	-46.0	52	63	11	10.5	0.96	16.2
SUDD037	9432321	4523164	465	270.8	-60.3	33	38	5	4.5	0.97	6.8
SUDD038	9432155	4523209	463	270	-60.0	0	5	5	5	0.86	0.3
and:						19.3	24.5	5.2	5.2	1.50	4.9
SUDD039	9432137	4523165	463	272	-60.8	10	19	9	8	0.73	2.5
SUDD041	9432249	4522949	483	270	-60.3	1	21	20	14	2.41	10.5
and:						46	66	20	17	1.47	15.6
and:						71	76	5	4.8	1.16	6.6
and:						88	107	19	16	1.28	10.6
SUDD042	9432229	4522910	493	269.2	-60.3	0	26	26	18	1.58	3.1
and:						66	76	10	8.5	0.96	6.8
SUDD043	9432398	4523159	456	272.8	-60.3	46.75	62.3	15.55	11	2.48	3.9
and:						72.65	81	8.35	6	3.52	38.2
SUDD044	9432208	4522914	491	260	-50.1	16	46	30	28	2.13	4.6
SUDD045	9432269	4522899	484	271.1	-60.4	25	33	8	7.5	0.67	1.3
and:						50	82	32	23	1.11	9.2
and:						100	107	7	7	1.01	8.2
SUDD047	9432223	4522949	483	267.3	-45.9	29.5	45	15.5	13	1.63	5.4
SUDD048	9432326	4522887	464	271.4	-58.5	0	18	18	18	0.63	5.3
SUDD049	9432392	4523076	463	255.9	-55.1	30	44	14	12	1.06	4.7
and:						60	81	21	13	1.06	2.8
SUDD050	9432239	4523009	468	271.1	-59.7	32	40	8	8	1.14	5.7
and:						61	87	26	24	1.86	15.8
SUDD051	9432309	4523083	457	270	-55.0	4	11	7	6.5	1.09	0.3
and:						49	74	25	23.5	2.87	13.9
and:						100	122	22	20.5	1.22	9.8
SUDD052	9432200	4522998	470	266.8	-59.7	11	19.2	8.2	8	1.19	6.7
and:						39	47	8	8	3.15	12.7
SUDD053	9432154	4522996	472	269.3	-60.5	26.8	35.9	9.1	9	0.65	4.4
and:						39	45	6	6	0.65	3.4
and:						55	61	6	6	1.14	16.4

SUDD054	9432189	4523060	474	270	-60.0	0	10	10	9.5	1.45	1.5
SUDD057	9432325	4522886	464	271.9	-71.0	20	28	8	6	0.74	6.9
and:						84	92	8	7	3.13	17.9
SUDD058	9432329	4522883	464	320.3	-50.4	11	21	10	6.4	0.67	5.9
and:						64	71	7	4.5	2.31	35.7
and:						97	104	7	4.5	0.61	2.1
SUDD059	9432325	4522888	464	153.8	-55.6	71	85	14	6	1.21	17.2
SUDD060	9432325	4522887	465	211.2	-45.3	20	28	8	4	0.76	3.3
SUDD061	9432243	4523009	468	91	-75.6	65	71	6	2	0.69	3.3
and:						76	84	8	3	1.07	2.2
SUDD062	9432267	4522897	485	210.6	-50.4	13	20	7	3.5	0.71	4.1
and:						26	49	23	11	1.12	4.8
SUDD063	9432395	4523080	464	222	-52.0	37	46	9	6.2	1.02	4.9
and:						102	108	6	4.5	0.65	5.9
SUDD064	9432398	4523159	456	267.8	-80.7	23	31	8	6.5	0.68	1.1
and:						36	77	41	31	1.68	5.5

1. Coordinates are in National coordinate 1970.
2. Cut-off grade of 0.6 g/t Au, 5m min. length, 4m max. internal dilution.
3. True widths are estimated.

At the Kupel North prospect on Kesebir exploration licence, three drill holes totaling 1,220 m were completed. Several narrow intervals of banded and bladed quartz-carbonate veins were intersected in the lower conglomerate. Results were not sufficiently encouraging to warrant further follow up drilling at Kupel North.

On the Elhovo exploration license, four diamond drill holes totaling 702 m were completed along a northeast trending zone of silica-pyrite-clay alteration. Results were disappointing and a technical review is in progress to determine if further exploration is warranted. Further mapping, soil sampling and trenching to the western side of the license is planned for 2019.

At the Chiirite exploration licence, 1: 5,000 scale geological mapping, soil geochemistry and channel sampling, along old trenches at the Chatal Kaya and Chernichino prospects, were completed. Channel sampling across vein 6 at Chatal Kaya returned 13.2 g/t Au and 16.8 g/t Ag across a true width of 7.2 m. Permitting for drill sites is in progress and drilling at the Chatal Kaya and Chernichino prospects is planned in 2019.

Drilling

Drilling at Ada Tepe has been undertaken using both RC and diamond drilling techniques, using a variety of independent drilling contractors. The first and second drilling programs were carried out between 2000 and 2002. Approximately 145 holes were completed as of August 2003 for the collection of 11,939 drill samples from 12,440 m of drilling.

The third and most substantial drilling program was undertaken between September 2003 and June 2004. The program comprised 137 diamond holes (including 94 completely cored and 35 diamond tail resource holes, five “wild cat” exploration holes and eight metallurgical holes) and 333 RC holes (including 298 complete resource holes and 35 pre-collar holes). This program resulted in a notional drilling density of 25mE by 25mN over the majority of the deposit; with most of the holes declined 60^{o} towards the south and several scissor holes declined 60^{o} to the north and northwest. In addition, RC infill drilling was completed to a notional 12.5 m by 12.5 m hole spacing in two selected areas in the south-western and central-western regions of the deposit to investigate the close spaced variability of gold and silver assay grades.

The fourth drilling program was undertaken between late October 2004 and mid November 2004. The program comprised 36 RC drill holes designed to selectively infill strongly mineralized zones within the southern third and to a lesser extent the northern flank of the deposit. No further RC exploration drilling has been conducted since 2004.

Grade Control Program

As part of the pre-production plan, an RC grade control drilling program was completed in the first quarter of 2018 at Ada Tepe. In total 56,464 m of RC grade control drilling has been completed since 2017 to a target elevation of 430 m on a 5 m x 5 m grid. Further drilling is to commence during the first quarter of 2019 in the pushback one and pushback two areas, to ensure that grade control drilling remains at least one year ahead of mining.

Sampling and Analysis

Krumovgrad: Sampling and Analysis Summary					
Sample Type	**Method**	**Sample Recovery**	**Sample Interval**	**Metals Assayed**	**Lab and Assay Method**
Channel Sampling	Chiseled channel to approximate half HQ core	Approximately three kilogram per sample	One metre	Gold, Silver and Sulphur	Majority of analyses by SGS labs in Bulgaria, Serbia, Australia and Romania. All gold analysis by fire assay and AAS finish. All silver analysis by aqua regia digest and AAS finish. All Sulphur analysis by combustion in a (muffle furnace) ELTRA Analyzer – LECO method.
RC Resource Drilling and RC Grade Control Drilling	RC drill cuttings riffle split per metre	RC Grade Control Drilling 86% average per sample	One metre		
Diamond Drilling	NQ, HQ, & PQ core cut by diamond saw	94% core recovery	One metre		

Upon review of the RC and diamond drillhole core recoveries, there no evidence that anomalously low or high recoveries are associated with high (or low) gold grades. In all exploration and grade-control stage drilling programs, stringent precautions were taken during both RC and diamond drilling to ensure the highest quality sample was recovered.

Channel Sampling

Prior to March 2002, a variety of sample intervals were used in surface channel sampling, primarily controlled by changes in geology. In April 2002, RSG initiated the use of a standard RSG channel sampling method. Some 425 surface channels have been excavated at Ada Tepe from which a total of 14,770 channel samples have been collected representing a total of 18,300 m of sampling. Additionally, collection of duplicate channel samples at a frequency of 1 in 20, approximately 20 cm above the primary channel sample location was undertaken.

RC Resource Drilling and RC Grade-Control Drilling

RC samples are routinely collected at one metre intervals and the cuttings split with a Jones riffle splitter. Field duplicates are taken using the splitter on every 20th sample. The bags of cuttings were routinely weighed prior to taking the sub-sample with the Jones riffle splitter.

All RC drilling is done to a high standard to prevent sample contamination and ensure high sample recovery. Practices actively adhered to by DPMKr during RC drilling include the following:

- Drilling crew complete routine blow-backs at least every metre to clean the drill string;
- At the end of each rod, the driller must engage the “blow down” device and the cyclone must be cleaned with a brush and an air gun to prevent contamination;
- After completing each 1 m sample, the sampler cleans the splitter and the plastic sheet with wire brushes and an air gun and gets it ready for the next sample;
- Should samples become wet, the hole must be stopped immediately and completed at a later date with a diamond core tail; and
- Additional compressed air boosters are routinely used to enhance RC sample recoveries; and Sample weights are measured on a metre by metre basis as part of the standard RC drilling procedures.

Diamond Drilling

To ensure a high sample quality stringent data collection quality control procedures have been applied the diamond core was marked off at one metre intervals and sampled to produce half-core (lengthways) using a diamond core saw. Crusher duplicates were produced from the same half-core following jaw crushing. Drill core recoveries were calculated by comparing the measured length of recovered core with the distance recorded on the core blocks between each drill run. Core recoveries were noted to be consistently in excess of 95%.

Until 2012, the core was routinely oriented using a “spear” after every 3 m or once in every two runs. Since 2012 core orientation is by Ezy Mark or Ace Tool.

Bulk Density

All bulk density measurements have been completed by an ISO 9002 rated laboratory, Evrotest Kontrol, in Sofia using an ISO 9002 approved method of wax sealed water immersion bulk density measurement. Bulk density measurements have been routinely collected from core billets at approximately 3 m downhole intervals and trench grab samples collected at 5 m intervals. A total of 5,764 bulk density measurements are available for the Ada Tepe deposit covering all of the major rock types and variations in oxidation and weathering at locations distributed throughout the deposit. Since 2014, bulk density

measurements were done by SGS Chelopech.

Sample Analysis

Sample analysis for the initial resource drilling program (2000-2004) has been carried out at the following principal, independent, internationally accredited laboratories: (1) OMAC in Ireland; (2) SGS of Perth (Welshpool), Western Australia, (3) SGS Gura Rosiei (near the Rosia Montana mine site), Romania; and (4) SGS Chelopech (part of Chelopech mine) Bulgaria (2002-2004). Primary gold assays were undertaken using industry standard lead fire assay method with AAS finish. Silver assays were undertaken using a two acid aqua-regia digest with AAS finish. Most sample analyses were completed at SGS Gura Rosiei (Au - 60%, Ag - 61%), followed by SGS Welshpool (Au - 32%, Ag - 34%), followed by OMAC (Au - 5%, Ag - 2%), followed by SGS Chelopech (Au - 3%, Ag - 3%).

For the 2002 - 2004 programs, internationally accredited external assay standards produced by Rocklabs of New Zealand were routinely inserted into the assay stream at a frequency of 1 in 20 exploration samples. From 2004 GEOSTATS certified reference materials were mostly used.

In addition, umpire assay analyses of approximately 5% of the routine exploration samples from the initial resource drilling program were performed by two internationally accredited laboratories: (1) Genalysis Laboratory Services, Maddington, Western Australia, Australia (2002 – 2004); ISO9002 and ISO17025; and (2) ALS Chemex, Vancouver, British Columbia, Canada (2004); ISO9001:2000 and ISO17025.

Samples from the 2000 and 2002 trench sampling and drilling were transported either to the OMAC or SGS Gura Rosiei facilities for both sample preparation and analysis. Initiation of the 2003 drilling and associated trench sampling included the establishment of an SGS sample preparation facility within a fully secured and enclosed core farm and RC sample storage facility with 24-hour security. With the exception of the first 600 samples from the 2003/04 drilling program (transported to the SGS Gura Rosiei facility for both sample preparation and analysis), all subsequent samples from the drilling programs underwent sample preparation at the SGS facility in Krumovgrad and subsequent transport to the SGS Gura Rosiei (Romania), SGS Welshpool (Western Australia) or SGS Chelopech (Bulgaria) laboratories for assay analysis.

As of May 2017, samples from grade control drilling operations are being sent for preparation and analysis to the SGS Chelopech (Bulgaria), SGS Bor (Serbia), ALS Bor (Serbia) and ALS Rosia Montana (Romania) laboratories where they are routinely assayed for Au, Ag and S.

All samples collected at the Ada-Tepe mine site are temporarily stored in a guarded compound before being shipped to Chelopech. Samples batches are shipped in sacks that are securely sealed to preserve the chain of custody between sites.

All RC Grade-Control Drilling samples are submitted for analysis, adhering to the following QAQC procedure:

- CRMs, also referred to as standards, are inserted in a ratio of 1:20;
- Blanks are inserted in a ratio of 1:50;
- Field Duplicates are inserted in a ratio of 1:20; and
- A naming convention for standards is used for QAQC samples, so although the laboratory will know which samples are standard samples, they won't be able to identify which actual standard has been inserted.

The samples are dispatched to the laboratory with a unique sample submission form. ALS Bor was used as a sample preparation laboratory for ALS, with samples dispatched to this laboratory being sent to either ALS Rosia Montana or ALS Loughrea, Ireland for analysis. The assay techniques used in the GC program are listed below:

- Gold: Gold assays completed at SGS and ALS are determined by means of the industry standard lead fire assay method with AAS finish. Higher values over 20ppm are assayed with a gravimetric finish;
- Silver: Two acid (HCl/HNO3) digestion with AAS Finish; and
- Sulphur: Total Sulphur, LECO method.

All laboratories apply their own internal check regime of lab duplicates, second splits, repeats, and CRMs. The reliability of the primary assay data is further assessed by comparison of 5% of the original assay results with umpire assays completed at an independent laboratory.

Brownfield Exploration

Drill core from brownfield's exploration is logged, sampled and sent to the Company's laboratory in Bor, Serbia for sample preparation and analysis (see "Sampling and Analysis of Exploration Core and Channel Samples" for further details).

QAQC Results

CSA Global reviewed the Krumovgrad project in 2014 and made the following conclusions in regards to sampling, analysis and data verification procedures:

- It is the opinion of CSA Global that the RC drilling and associated sampling was completed to high industry standards. This opinion is informed by a review of data collection procedures, protocols and metadata contained in the database for the project, as reviewed during the 2012 site visit.
- CSA Global observed the pulp library facility during the 2012 site visit and performed random spot checks of sample numbers and compared these with data contained in the project database. No issues were detected.
- During the 2012 site visit CSA Global reviewed logging information contained in the database for the project, and verified this information (exported as graphic drill logs from acQuire software) against several drill holes inspected at the time. No issues were detected and CSA Global verifies that the information stated as being collected has been captured.
- CSA Global used the software programme QAQCR to produce QAQC reports in order to review the accuracy and precision of the assayed QAQC material and samples. No significant issues of bias or fatal flaws were noted. Results of the internal laboratory blanks and standards were not available for review by CSA Global, however the results of the DPMKr submitted blanks and standards assayed show no evidence of systematic bias.
- CSA Global reviewed the results of the check analyses (duplicates, repeats and pulp splits). No significant bias or material issue were detected. CSA Global considers that industry standard acceptable levels of precision are reported for all of the sampling stages for the purpose of mineral resource estimation.

Results of the pre-production QAQC program, initiated at the start of grade control drilling in the second quarter of 2017 and completed in 2018, noted issues with some of the QAQC results which will require ongoing monitoring, but overall no fatal flaws were apparent. This indicates that the QAQC procedures implemented at the Krumovgrad project are adequate to assess the repeatability, accuracy and precision of the assay results obtained and that the assay results should accurately reflect the grade of the samples. Data from four laboratories were reviewed SGS Bor, SGS Chelopech, ALS Bor and ALS Rosia Montana, Romania. Results of the QAQC review are summarized below:

Blank Standards

- Overall blank results show no significant indications of contamination. No failures were noted in the preparation blanks and therefore no issues are expected with respect to cross contamination.

Duplicates

- Field duplicate results had acceptable precision for Au and most of Ag and S pairs. SGS Bor had the poorest precision for all the field duplicates. Au lab duplicates were precise. Many of the S and Ag pairs are relatively low grade and therefore the datasets to compare are small and results for these are inconclusive. Overall, there is an acceptable repeatability of results.

CRMs (Standards)

- DPMKr randomly inserts a suite of Geostats certified standards into the sample stream. CRM results were mostly accurate with no significant bias or failures and therefore no fatal flaws were noted with the accuracy results. Ag CRMs have multiple bias issues, but these are attributed to the imprecision of the assay methods at low grades.

Mineral Processing and Metallurgical Testing

Various phases of testing have been undertaken in the evaluation of the mineralization present at the Ade Tepe deposit. In summary, these contributions were:

- 2005 DFS – The basis of the program was to develop an industry standard gold extraction process. The AMMTEC Laboratory, Perth, Australia, was selected to conduct the physical characterisation, comminution, leaching and cyanide detoxification testwork programmes. Samples were also sent to MinnovEX Technologies (now SGS) in Toronto, Canada for Comminution characterisation and variability testing and for mineralogical examination; Outokumpu Technologies for thickening; Larox Pty Ltd for filtration; and to Coffey for tailings characterisation. Results from this program confirmed that all the samples tested were considered “free-milling” and amenable to gold production by conventional cyanidation processes, combined with appropriate cyanide destruction to levels well below European and World standards at the time.
- The 2009-2011 testing program was developed to confirm the potential of both: a) physical recovery processes (flotation and gravity) as the primary method of precious metal concentration; and b) the ultimate integration of high-density (or “paste”) settled tailings from the process into an overall waste deposition strategy which incorporates the mine waste.

- The 2012 mining study essentially reinvented the project following the rejection of the original investment proposal by the local community and government authorities. At the expense of a reduction (8 - 10%) in recovery compared with the original and conventional cyanide leach circuit, the project was "re-engineered" using a more conventional flotation process, combined with the introduction of a combined mine waste and flotation tailings facility IMWF. The process evolved from the 2005 flotation scoping testing which demonstrated that at the CIL circuit grind (P80 of 75 μm) between 60% and 80% of the gold could be recovered to a gold concentrate.
- In 2012-2013, the bulk of the testing program was confirmatory, mainly the dispatch of appropriate samples to recognized testing institutions for mechanical design tests, including materials handling flow characteristics, slurry rheology determinations, additional confirmatory settling and paste thickening testing. Several confirmatory flotation programs have continued up until 2018.

Mineral Reserve and Mineral Resource Estimates

See "Summary of Mineral Reserve and Mineral Resource Estimates" for a summary of the Krumovgrad gold project Mineral Reserves and Mineral Resources.

Based on observations of the geology during the site visit and using all of the available geological and grade information, suitable lithology, oxidation and mineralized domain boundaries were interpreted and wireframe modeled to constrain the resource estimation for the Ada Tepe deposit.

Interpretation and digitizing of all the constraining boundaries was undertaken on north-south orientated cross sections coinciding with the drill traverses. The resultant digitized boundaries were used to construct wireframe surfaces or solids defining the 3-D geometry of each interpreted feature.

Comprehensive quality control procedures have been implemented for all data collection from 2002 onwards. A detailed statistical assessment of the sampling and analytical quality control data associated with the drilling and channel sampling was completed. The results of the assessment indicate that appropriate sampling recoveries and levels of analytical precision and accuracy have been achieved, and the exploration data are considered appropriate for use in resource estimation.

A total of 5,764 bulk density determinations were available for the purposes of resources modeling. Bulk density measurements were undertaken at the Evrotest Kontrol, in Sofia, using a water immersion method.

Mineralized domain boundaries for the purpose of constraining resource estimation were interpreted and modeled based on the geological logging, surface mapping and interpreted geological structural controls. In addition to these geological constraints, a notional 0.2g/t Au lower cut-off grade was also applied to demarcate anomalous mineralization, where appropriate.

The Mineral Resource model is based on detailed statistical and geostatistical investigations generated using 3 m composite data subdivided by the geological interpretation. A sub-blocked block model was constructed using 12.5 mE x 12.5 mN x 5 mRL parent cell dimensions and sub-blocking down to minimum 2.5 cubic dimensions along the modeled wireframe surfaces representing the geological interpretation and surface topography.

The principal method used to estimate resource gold grades for the "Wall Zone" was OK. Multiple-Indicator Kriging was used to produce a selective mining unit resource estimate for gold in the "Upper Zone" domain. Estimation of silver grades in the resource block model has been undertaken by linear regression from the block model gold estimates. Detailed visual and statistical review of the resource was completed as part of routine validation, and the resource is considered globally robust.

The Mineral Reserves at Krumovgrad have been estimated by including a number of technical, economic and other factors. A change to any of the inputs would therefore have some effect on the overall results. Concerning mining and metallurgical factors, it is CSA Global's belief that sufficient work has been done by DPM to ensure that these are not likely to have any significant or material effect on Mineral Reserves.

DPMKr conducted a detailed exploration of the Ada Tepe prospect between 2000 and 2004. 52.9 km of drilling, and 18.3 km of surface trenching were completed, with more than 66,000 individual assay intervals and 5,700 bulk density determinations, which has resulted in a strong level of confidence in the data on which the resource is based. The mine plan proposed shows a high conversion of Mineral Resources to Mineral Reserves at the cut-off grades selected.

The extent of the data collected through this exploration program, and the quality control standards used provide the basis for a high level of confidence on the potential of this project.

Subject to the risk factors discussed under the "Risk Factors" section in this AIF and the more detailed information contained in the Revised Krumovgrad 2014 Technical Report, DPM believes that the Mineral Reserve estimate for Krumovgrad is of low risk of being materially affected by environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues.

Mining Operations

The Krumovgrad gold project is expected to produce, on average, 85,700 ounces of gold per annum, based on the Mineral Reserve. The plant is designed to treat a peak of approximately 840,000 tpa and an average of 775,000 tpa of ore over an

eight-year mine life, including processing stockpiled low grade ore at the end of the project. The treatment rate is consistent with existing permitting applications and environmental submissions.

All ore and waste is mined via conventional, open pit mining methods, and utilizes conventional mining techniques to separate ore and waste. The mining equipment considered suitable for the mining operation at the Krumovgrad gold project includes two 2.4 m^3 bucket capacity excavators, and eight haul trucks with a payload capacity of 40 tonnes.

The optimal process selected as a result of the test work program comprises a crushing and grinding of the ROM ore followed by froth flotation to produce a gold bearing concentrate.

The process plant is located on a ridge adjacent to the IMWF and approximately 1 km south of the open pit. The grinding and flotation circuits are enclosed in separate buildings, with the maintenance facilities for the plant, as well as a small warehouse and plant offices being incorporated in fit for purpose facilities. The mining fleet and light vehicle maintenance work is done in a separate building about 600 m north of the process plant.

Process plant tailings are thickened to a high solids content (ranging between 56% Wt and 68% Wt) and disposed of in the IMWF, along with waste rock from the mine. The process plant will operate 24 hours per day, 7 days per week and is designed to process approximately 105 tph at an operating availability of 91.3%.

Metallurgical recoveries of 85% and 70% for gold and silver, respectively, were used for the feasibility assessments. Further metallurgical testwork conducted in 2018 confirmed these recovery assumptions.

On site, 236 people are employed, engaged in the administration, mining, and processing operations. This includes a number of administrative and technical support staff servicing both Chelopech and Krumovgrad operations through a shared services concept. The Company has introduced training programs for the residents to help develop their skills, qualifications, knowledge and competencies, and the Company has established a recruitment and development facility in Krumovgrad, where a team of experts and consultants provide vocational training in selected fields.

The Krumovgrad gold project is fully compliant with all European safety and environmental directives and industry Best Available Techniques requirements.

Capital and Operating Costs

During the second quarter of 2016, DPM completed a capital and operating cost update of the project. The updated initial project capital cost estimate of $178 million reflects all construction, direct and indirect, costs and commissioning, including contingency of $12.4 million, and excludes financing and sunk costs. Detailed engineering was completed in the second quarter of 2016 and the final equipment and material quantities were incorporated into the updated capital cost estimate.

The table below is a summary of the initial estimated capital costs required to construct and commission the project, together with the additional sustaining capital expenditures and closure costs expected to be incurred over the life of the project.

Capital Cost Estimate Summary [(1)]	
Item	**Total ($M)**
Direct costs	117.1
Indirect costs	48.7
Contingency (7.5% of direct + indirect costs)	12.4
Total Initial Construction Capital	**178.2**
Sustaining capital	6.2
Closure and rehabilitation costs	6.0

(1) Costs expressed as of the fourth quarter of 2015 USD based on a USD / Euro exchange rate of 1.14.

The final estimated capital cost to construct and commission the project is now expected to be between $164 million and $166 million, of which $147 million has been incurred as of February 28, 2019. This decrease relative to the fourth quarter of 2015 estimate of $178.2 million is due primarily to:

- A reforecast of contingency based on the remaining estimated cost ($4.7 million);
- Locking in a more favourable foreign exchange rate than was initially budgeted ($3.6 million);
- Procurement of some equipment spares on a consignment basis, as opposed to initial purchase ($2.0 million);
- Lower than planned earthmoving quantities ($2.0 million); and
- Procurement of some service vehicles on a leased basis, as opposed to purchase ($0.7 million).

Estimated operating costs over the life of the project are based on processing an average of 775,000 tonnes per year,

producing an annual average of 85,700 ounces of gold and 38,700 ounces of silver for an estimated eight years.

Summary of Estimated Operating Costs [1]	
Item	**$/t ore processed [2]**
Mining costs	15.03
Processing costs	19.39
Tailings treatment & IMWF costs	1.88
General & administration	5.33
Royalty	3.78
Total Annual Operating Costs	**45.41**

(1) Expressed as of the fourth quarter of 2015 USD.
(2) Average cash cost over eight years.

Based on the Mineral Reserves and Mineral Resources contained in the Revised Krumovgrad 2014 Technical Report, as well as the updated capital and operating costs, the project economics and other key metrics are shown in the table below:

Key Project Operating and Financial Metrics	Life of Mine Average
Annual tonnes processed	775,000 tpy
Gold grade	4.04 g/t
Silver grade	2.22 g/t
Strip ratio	2.6:1 waste:ore (t:t)
Gold recovery	85%
Silver recovery	70%
Annual gold production	85,700 oz
Annual silver production	38,700 oz
Total cash cost per oz AuEq[(1)]	$404
Annual EBITDA	$66 million
Total gold production	685,549 oz
Total silver production	309,915 oz
NPV at a discount rate of 5.0%, after-tax[(2)(3)(4)]	$187.6 million
Internal rate of return, after-tax[(2)(3)(4)]	24.8%
Payback period, after-tax (from start of production)[(4)]	2.4 years
Mine life	8 years

(1) Based on long term metals prices of $1,250/oz Au and $15.00/oz Ag.
(2) Based on a USD / Euro exchange rate = 1.14.
(3) Includes an allowance for smelter terms and community investment.
(4) Based on the fourth quarter of 2015 capital cost estimate.

The Revised Krumovgrad 2014 Technical Report, included annual free cash flow forecasts of $32.2 million for year one, increasing to $80.9 million and $91.5 million in year two and three, respectively, and decreasing to $53.1 million in year four. For year five, free cash flow is forecasted at $89.9 with a progressive decline to $44.8 million, $35.5 million and $17.3 million in years six, seven and eight, respectively. See Table 72 of the Revised Krumovgrad 2014 Technical Report for further details.

Project Implementation

This capital cost estimate is based on an EPCM implementation strategy. The contract for the detailed engineering of the process plant was awarded to AMEC of Perth, Australia, and the contract for the detailed engineering of the IMWF was awarded to Golder, UK. Detailed engineering was completed in the second quarter of 2016. Following receipt of the main approved construction permit in August 2016, an early works program was initiated to support earthworks, which commenced in the fourth quarter of 2016. Construction management and procurement are being executed by the project owners team.

EVN (the electricity supply utility) completed the installation of the power line to site at the end of the third quarter of 2018 and testing of the line was conducted during the fourth quarter of 2018. Grid power is now available at the site to support the ongoing commissioning of the project facilities.

The main construction activities during 2018 and the first quarter of 2019 were:

- Completion of the IMWF earthworks;

- Completion of IMWF haul roads;
- Completion of earthworks related to the storm water and process water reservoirs;
- Completed installation of major civil and mechanical works associated with the IMWF;
- Commenced construction of the IMWF containment cells with waste rock from the mine;
- Continued with installation of the grout curtain at the IMWF;
- Completion of major equipment foundations in the process plant area;
- Continued construction of the permanent access road and waste water discharge pipeline;
- Completed installation of the powerline to the site;
- Testing and commissioning of the permanent grid power supply to the site;
- Ongoing installation of minor equipment foundations;
- Completion of deliveries of major process equipment to the site;
- Ongoing installation of electrical and instrumentation equipment;
- Ongoing installation of structural steel, piping and mechanical equipment;
- Started up and rotated the SAG mill under no-load conditions using grid power;
- Continued with installation of building roofing and cladding;
- Operation of the water supply system and filling of the raw water tank;
- Commissioned the site fire water reticulation system;
- Filled the process water reservoir to support start-up in the first quarter of 2019;
- Cold commissioned the jaw crusher and associated equipment;
- Completion of cold commissioning in the thickener area;
- Commissioning of the thickener area with water;
- Processing of first ore through the grinding, rougher flotation and thickening circuits;
- Completion of a grade control drilling program targeting the first year of operation;
- Development of the grade control model; and
- Ongoing training of key operational staff.

Mining of ore and waste was initiated in the third quarter of 2018 and continued through the year as planned, with 186,000 tonnes of waste and 158,000 tonnes of ore blasted and excavated at the end of 2018. Ore was hauled to the ore stockpile and will be fed to the plant during the hot commissioning process in the first quarter of 2019, while the waste was hauled to the IMWF for construction of the initial tailings containment cells.

As at February 28, 2019, construction of the project was approximately 97% complete, based on installed quantities, compared with a planned completion of 100%. Civil construction work was substantially completed at the end of 2018, and structural, mechanical, piping, electrical and instrumentation ("SMPEI") installation progressed during the year. Additional structural, mechanical and electrical construction resources have been mobilized to site to mitigate the delays that resulted from the delayed concrete work earlier in the year. First ore was processed through the primary crushing and conveying systems in the first quarter of 2019.

First concentrate production was achieved in the first quarter of 2019, with commercial production expected in the second quarter of 2019.

Progress against the project baseline schedule is set out below:

Key Milestones	**Expected/Actual Completion**
Commence main civil/mechanical/electrical construction	Q3 2017 (complete)
Complete bulk earthworks in the process plant area	Q3 2017 (complete)
Mobilize electrical and instrumentation contractor to site	Q1 2018 (complete)
Complete IMWF earthworks	Q1 2018 (complete)
Commence pre-stripping of the mine	Q2 2018 (complete)
Start cold commissioning	Q2 2018 (in progress)

Key Milestones	Expected/Actual Completion
Start hot commissioning	Q1 2019 (in progress)
First concentrate production	Q1 2019 (achieved)
Declare Commercial Production	Q2 2019

See "Risk Factors – Development Projects" and "Risk Factors – Completion of Construction and Start-up of Krumovgrad" for a discussion on the risks related to the Krumovgrad gold project.

SMELTER OPERATIONS

Tsumeb Smelter, Namibia

History

- The smelter was constructed in the early 1960's and is one of few in the world equipped to treat complex concentrates as its primary feed. It is linked by rail to the Atlantic port of Walvis Bay in Namibia. The facility currently consists of one primary smelting furnace, the Ausmelt furnace;
- The smelter was part of the earlier Ongopolo mining and processing group and the Weatherly International plc. ("WTI") mining and processing business in Namibia. The transaction between the Company and WTI was structured to ensure that no environmental or regulatory liabilities that belong to any of the mining operations were attached to the smelter (except where some joint assets and liabilities existed). The smelter is also subject to an earlier agreement with the government, struck in 2000, when Tsumeb Corporation (Ongopolo's predecessor company) was in bankruptcy, that limits environmental liability for events or facilities that date from a period prior to 2000;
- On March 24, 2010, the Company completed the acquisition of the smelter operation from WTI through the purchase of 100% of the shares of Namibian Custom Smelters (Pty) Limited; and
- IXM has exclusive rights to purchase the Chelopech concentrate for toll processing through the smelter and an exclusive arrangement to further supply concentrate feed for toll processing at the smelter through to and including 2022.

Smelter Operations

Complex concentrate smelted in 2018 was 232,043 tons. Smelted concentrate was 12,791 tons or 6% higher than 2017 and acid production was also in line with guidance primarily due to a continued focus on operational excellence, increased availability of all plants and the further optimization of a matte holding furnace to achieve higher production rates during converter campaigns.

The blister production for 2018 was 48,971 tons, which was the highest ever in the history of the smelter and resulted in an overall copper reduction of 3,629 tons. The copper reduction was achieved due to increased plant yields of 73% for 2018 and Slag Mill Concentrate returns.

The Company has managed to increase the ausmelt furnace campaign life from the previous average of 6 months to 14.5 months. The 14.5-month campaign was completed in May 2018 and is one of the highlights of the smelter as it supports continued ramp up.

Further optimization work was done to increase the oxygen enrichment in the smelting process which has the potential to increase the production rate.

Production History

In 2012, DPMT was subject to a production curtailment, based on directives issued to DPMT by the Cabinet of the Republic of Namibia (the "Cabinet"), relating to the operation of the smelter. The letter contained several directives emanating from the government's report on the environmental, health and safety audit, commissioned by the Minister, including: (i) that effective May 1, 2012, DPMT reduce the feed to the smelter by approximately half until the projects designed to capture fugitive emissions were completed; and (ii) DPMT advance the installation of the sulphuric acid plant from 2014 to 2013. A Technical Committee was established by the Cabinet directive to oversee implementation of these improvements, following the audit of the smelter. The Technical Committee was made up of representatives from key government ministries, including, Environment & Tourism; Agriculture; Water & Forestry; Health & Social Services; Mines & Energy; Labour; Trade & Industry and the Office of the Attorney-General. The following describes the initiatives undertaken by the Company to address the concerns raised and improve the smelter's performance:

- During the second quarter of 2012, the issues related to the fugitive emissions were addressed through temporary upgrades on the fume extraction systems. These upgrades contributed to the Minister's decision to allow DPMT to increase its production to 75% of the smelter's operating capacity in July 2012;
- In December 2013, the Government formally authorized the smelter to return to full production, subject to certain reporting requirements. The smelter remains in compliance with the Cabinet mandated emissions requirements;
- In January 2014, the second oxygen plant was commissioned, allowing the smelter to achieve higher production levels thus contributing towards achieving higher production year on year;
- In the fourth quarter of 2015, the acid plant was commissioned and production of sulphuric acid commenced;
- At a Technical Committee meeting held on February 26, 2015 in Tsumeb, satisfaction was expressed at the state of progress of upgrades to the smelter and the number of measured environmental and health improvements;
- In the first quarter of 2016, new converters were commissioned completing the $243 million expansion project which included the new sulphuric acid plant and new converters;
- A matte holding furnace was successfully commissioned in the second quarter of 2017, and was further optimized thus realizing the highest ever NMBM smelted of 68,000 tons in the third quarter of 2018; and
- In the third quarter of 2017, the Technical Committee performed the closeout audit, which is expected to conclude their mandate as reported in the prior year. The audit report was submitted to Government in the fourth quarter of 2017. The smelter commenced implementation of actions relating to the findings in the draft report in 2018 and final approval of the report is pending.

The performance of the smelter in 2018 was stronger than in preceding years resulting in higher volumes of concentrate smelted, higher blister production and improved efficiencies. At mid-year, performance was trending in line with high-end of guidance, however performance was subsequently impacted by the off gas system due to the operations constraint that moved from the Ausmelt furnace to the off gas system once the furnace was debottlenecked. The Company is in the process of releasing the off gas system constraints through design and redundancy changes to ensure improved production continuity.

Development Project

Rotary Holding Furnace

The Company continues to assess opportunities to further optimize the smelter operation, including the installation of a rotary holding furnace, which is expected to provide surge capacity between the Ausmelt furnace and the converters, and increase smelter recoveries. This is a potentially high return project that is expected to debottleneck and increase the annual throughput of complex concentrate by over 50% to 370,000 tonnes and, in turn, generate significant incremental margins, given the fixed cost nature of the facility.

A pre-feasibility study was completed in 2015, which evaluated a number of options to increase throughput and identified a preferred option. A subsequent feasibility study, based upon the preferred option, was completed in the fourth quarter of 2016 and confirmed the robust project economics, with an estimated implementation capital cost of approximately $52 million. The scope of the project includes the rotary holding furnace, additional cooling and other upgrades to the Ausmelt furnace, as well as upgrades to the slag mill area.

Work to secure the necessary permits to support this planned increase in production is ongoing. An ESIA is underway for the project. Public access to the draft ESIA was provided during the second quarter of 2017. The Company is finalizing an update of certain technical studies, as a result of the feedback received from the public consultation process, and is planning to submit an updated ESIA for approval during the first half of 2019.

DPM anticipates moving forward with this project, subject to receipt of all major permits, adequate supply of complex concentrate on acceptable terms and funding being in place.

Impairment Charges

As at December 31, 2018, the fair value less costs of disposal ("FVLCD") of DPMT approximated its carrying value of $242 million. The projected cash flows and estimated FVLCD can be affected by any one or more changes in the estimates used. Changes in volumes of concentrate smelted, third party toll rates and operating costs have the greatest impact on value, where a 5% change in volumes, third party toll rates, or operating costs would each change FVLCD by approximately $40 million. The Company is advancing discussions and permitting of the Tsumeb expansion plan involving the installation of a rotary furnace to increase capacity to up to 370,000 tonnes, which is subject to the timing of anticipated new complex concentrate coming on the market and adequate commercial arrangements being in place to support the expansion. If Tsumeb were to not proceed with its expansion plan, there would be an impairment charge.

In 2016, impairment charges of $118.7 million were recognized, of which $107 million related primarily to lower forecast third party toll rates and reduced volumes related to a slower ramp-up to 370,000 tonnes per year, and $11.2 million related

to a write-down of Tsumeb's arsenic plant reflecting management's third quarter decision to discontinue production of arsenic trioxide.

Environmental Management Monitoring and Reporting

Shortly after the acquisition of the smelter, the development and roll out of an environmental management plan became a priority and was approved as part of the legislative permitting process of the Namibia government. This plan included a number of components, including engineering upgrades, to improve emission generation and capture. For example, the fugitive dust management improvement projects, which were completed in December 2013, were aimed at improving off-gas capture and workplace conditions to better comply with national standards. Key components included:

- completion of a landfill facility for the safe disposal of baghouse dust and other waste from the smelting process;
- projects to reduce dust emissions from the reverberatory and converter furnace section, which include increasing baghouse capacity, upgrading the taphole fume extraction systems, and improving ducting and fugitive fume collection;
- closure of the reverberatory furnace;
- projects to reduce emissions from the top submerged lance (Ausmelt) smelting furnace, which include installing new baghouse dust collection equipment including dust-removal, installing new ducting and other gas handling equipment; and
- construction of a new dust transfer system, upgraded roasting and fume management facilities, enclosed storage area, bag-filling station and extraction system at the arsenic plant, all aimed at reducing the dispersal of dust. The Company closed the arsenic plant in early 2017.

DPMT installed upgraded environmental monitoring equipment during 2012. Four fixed and one mobile air quality monitoring stations were equipped at various locations in residential as well as the industrial areas adjacent to DPMT. These stations continuously provide SO_2 as well as dust load readings in real time. Argos (previously SGS), a specialist air quality consulting company, operates the stations and provides third party independent reports on a monthly basis. Mean community arsenic levels in the dust are below national and international benchmarks and show a continued long-term sustainable decline. As required by our environmental management plan and in agreement with the authorities, a number of environmental performance metrics are measured and reported on a daily and monthly basis, these include: SO_2, As, Dust (PM10 and PM2.5), groundwater, surface water and meteorology. Other parameters monitored, as part of the environmental and hygiene monitoring program, include soil and surface water quality. A number of critical occupational health metrics, including urinary arsenic, personal dust (arsenic) exposure, noise, heat, drinking water quality and SO_2 exposure are also measured. A new water abstraction permit was issued by the Government in Namibia for the smelter operations during 2017 and number of initiatives are underway to further improve the water management on site.

Environmental Liabilities

Environmental liabilities include the two tailings facilities (one active, one closed), a stockpile of baghouse dust (arsenic containing) which is in the process of being safely disposed, hazardous waste disposal facility, and the smelter infrastructure and auxiliary buildings. These environmental liabilities have been estimated by independent specialists based on an updated closure plan.

The smelter also operates a slag mill which is used to reprocess the slag produced during the primary smelting process and enhances the overall metal recovery achieved in the smelter. The tailings produced are pumped to a tailings dam which dates back to the period when the Tsumeb mine and mill were still operational and is situated southwest of the smelter. During 1997 and 1998, the then owners of the TCL Mine and smelter, Gold Fields, reprocessed approximately 2 million tonnes of the tailings. This created a void in the dam which DPMT is currently filling with the slag tailings. A water management system was constructed at the TMF to ensure that all water is captured and returned to the smelter and utilized for slag milling and as cooling water.

The tailings dam was part of the property transferred to the Company when it acquired the assets from WTI in March 2010 and, since 2017, is inspected annually by a third party consultant.

Closure and Rehabilitation

Golder was engaged to develop a formal closure plan and costing for the hazardous waste site, various tailings and site operational facilities on DPMT premises which was completed during the fourth quarter of 2013. During 2015, the technical and financial components were reviewed and updated by Golder. Since the acquisition of the smelter in 2010, and the completion of the first closure plan, much technical work has been undertaken to provide granularity to the various items in the closure plan. This includes detailed groundwater contamination modeling, soil quality mapping and assessment, detailed reviews of the general and hazardous waste disposal facilities, including the tailings facilities, by appropriately qualified and experienced specialists. In general, there is a significantly greater degree of confidence in the detail, both technical and financial, of the closure aspects of the smelter than there was in 2010. Company personnel are working together with Golder to further optimize and improve the studies. The updated closure plan was finalized and approved by management in 2017.

Economic Empowerment

Maintaining our license to operate requires alignment with the local and national objectives relevant to the areas in which DPM operates. Over the last several years, Namibia has been developing a national policy framework which aims to address the consequences from the previous discriminatory regimes. The framework was updated in late 2015 and a draft bill was circulated for comment to stakeholders during 2016. The framework is built on six pillars, including: Ownership; Management, Control and Employment Equity; Human Resources and Skills Development; Entrepreneurship Development and Marketing; Corporate Social Responsibility and Value Addition; and Technology and Innovation. Although the Namibian national policy framework and draft bill have not yet been legislated, the Company has been actively developing empowerment policies and practices that are generally consistent with the themes set out in each of the pillars contained in the framework.

In May 2018, DPM announced it has further strengthened its stakeholder partnerships in Namibia through a transaction to address the empowerment initiatives being developed to aid previously disadvantaged Namibians, whereby it has entered into an agreement with GHM pursuant to which GHM will acquire an indirect 8% equity interest in DPMT. This transaction is subject to the execution of definitive documentation, which has been substantially agreed to, with closing expected to occur in 2019. An additional 2% indirect equity interest in DPMT will be acquired by an employee trust benefiting DPMT's employees and is also expected to be completed in 2019.

EXPLORATION ASSETS

Serbia

Timok Gold Project

During 2018, a total of 14,642 m of surface diamond drilling was completed in 95 holes, including 1,718 m in 16 holes for metallurgical samples. In addition, 34 line km of ground magnetic surveying, 708 line km of high resolution drone-based magnetic surveying, 53 line km of induced polarization ("IP") and resistivity geophysics, infill soil geochemistry and 3,649 m of trenching/channeling were carried out in 2018.

At the Bigar Hill and Korkan deposits, the results from near resource drilling during the second and third quarters of 2018 indicated good potential for additional resources outside the new resource model. Results of holes drilled to the west of the Bigar Hill Mineral Resource included hole BIDD079 that intersected 28 m at 3.04 g/t gold from 85 m downhole, including 12 m at 6.94 g/t gold from 96 m downhole in brecciated marble and basal conglomerates. On the northeast side of the Bigar Hill, hole BHDD094 intersected 35 m at 2.03 g/t gold from 246 m downhole in oxidized and strongly brecciated Cretaceous limestone. At the Korkan deposit, hole KODD180, located about 25-50 m northwest of the Mineral Resource, intersected two intervals including 16 me at 1.7 g/t gold in an oxidized section from between 65 and 81 m downhole followed by 21 m at 0.7 g/t between 93 and 114 m in a transitional section.

In the fourth quarter of 2018, hole UMDD047 returned 34 m with 2.07 g/t gold from a depth of 23 m down hole, following up a gold target at the north-western extent of Božuluj prospect. Along the west and central margins of the Umka exploration license, a new gold target in shallow dipping sandstones was first tested by trench UMTR069 and returned 56 m with 1.27 g/t gold and followed up by hole UMDD056 returning 9 m with 0.76 g/t gold from 19 m down hole depth. Exploration plans for 2019 are being developed to identify additional high quality targets to expand the near surface oxide resources.

Drill core is logged, sampled and sent to the Company's laboratory in Bor, Serbia for sample preparation and analysis (see "Sampling and Analysis of Exploration Core and Channel Samples" for further details).

Significant exploration drill intercepts from the Timok Gold Project, Serbia, during 2018

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	Length (m)	True Width (m)	Au (g/t)
BHDD088	570757	4898362	739	220.65	-55	169	182	13	10	1.22
and:						307	320	13	9	1.68
BHDD089	570466	4898687	662	195.65	-50	0	92	92	58	1.24
BHDD090	570605	4898710	661	320.91	-45	9	53	44	40	0.84
BHDD091	570263	4898357	680	175.91	-52	2	23.6	21.6	14	0.75
and:						138	147	9	6	4.36
and:						155	162	7	4	4.37
BHDD094	570911	4898690	632	270.91	-70	229	236	7	2.3	1.68
and:						246	281	35	11	2.03

BHDD095	570544	4898772	646	90.91	-45	8.8	49	40.2	20	0.51
and:						59	84	25	13	0.59
BIDD079	570058	4898465	625	225.91	-60	96	108	12	9	6.94
BIDD087	571251	4897802	761	50.94	-90	4	9	5	5	1.84
KODD180	570527	4900636	619	50.91	-60	65	81	16	12	1.70
and:						93	114	21	11	0.70
UMDD047	574015	4884881	654	330.91	-87	23	57	34	28	2.07
and:						84	105	21	16	0.62
UMDD056	570711	4890107	659	270.91	-60	19	28	9	7	0.76

1. *Coordinates are in UTM 34 North.*
2. *Cut-off grade of 0.1 g/t Au, 5m min. length and 5m max. internal dilution used in intervals shown.*
3. *True widths are estimated.*

Metallurgical studies

In the first quarter of 2018, DPM initiated a testing program to establish the gold recovery potential for the oxidized and transitional mineralization for the Timok Gold Project. The test work was conducted by SGS Minerals Services, Lakefield, Ontario. The sampled areas targeted mineralization within the S1 stratigraphic horizon, which is the dominant host of mineralization at Timok. Samples were selected based upon logged weathering style, visual estimates of the percentage of oxidation and review of the sulphur assay data. All sample composites are located within conceptual pit shells, used to constrain the current Mineral Resource estimate. Composite samples represented the oxide and transitional mineralization types from the Korkan deposit, and oxide zones from Bigar Hill and Korkan West deposits.

Coarse sample bottle roll testing was conducted to identify the maximum gold recovery achievable from each of the samples at crush sizes typical of conventional heap leach operations. Coarse sample bottle roll leach tests were carried out for a leach duration of 14 days; various crush sizes (P100 -50 mm, -16 mm and -6.3 mm) were tested.

Results of the coarse bottle roll leach tests indicated gold leach extractions ranging from 53% for the Korkan transitional ore to 94% for the Bigar Hill oxide ore, after 14 days of leaching, and at a crush size of 100% -16 mm. Leach curves indicated that gold leaching was still ongoing after 14 days of leaching when the tests were terminated.

Column leach testing was undertaken to provide confirmation of the achievable metal recoveries and leach rates from each of the samples under heap leaching conditions. A total of four tests were conducted; one on each of the master composite samples at the optimal crush size of 80% -12.5 mm. Samples were leached for a total of 63 days, using a 0.5 g/L cyanide solution at a target solution application rate of 10 L/m2/hr. The pregnant leach solution was passed through activated carbon to adsorb the gold. The activated carbon was changed on days 1, 4 and 7, and weekly thereafter.

Column leach tests carried out at the optimal crush size of 80% - 12.5 mm exhibited fast leach kinetics except for the Korkan transitional ore, where leaching was still ongoing for 63 days when the tests were terminated. Results of the column leach tests are presented below:

Sample ID	Crush size mm (P_{80})	Leach (days)	Calculated head (Au g/t)	Extracted grade (Au g/t)	Leach recovery (Au %)	Reagent consumption (kg/t)	
						Cyanide	Lime
Korkan Oxide	-12.5	63	1.54	1.46	94.8	0.21	0.88
Korkan Transitional			1.96	1.34	67.9	0.36	0.90
Bigar Hill			2.01	1.90	94.2	0.36	1.21
Korkan West Oxide			1.14	0.87	75.5	0.30	0.99

Lime consumption is moderate and cyanide consumption is low for all ore types. Percolation testing on the four composites at various crush sizes indicated that agglomeration would not be required.

Following the positive results from metallurgical test work program conducted on the Timok oxide and transitional samples during the first quarter of 2018, further samples were collected from the various domains and submitted for metallurgical test work during the fourth quarter of 2018. Results from this test work program will be available during the first quarter of 2019 and included into the scoping study.

Mineral Resource Estimates

An update to the Mineral Resource estimate for the Timok Gold Project filed by Avala was completed by CSA Global in November 2018. See "Summary of Mineral Reserve and Mineral Resource Estimates" for a summary of the Timok Mineral Resources.

The drill hole database, consisting of 1,366 drill holes for 274,370 m of drilling, was closed off as of the 15th May 2018. Mineralization domains were built at a 0.1 g/t cut-off and 3 m downhole width, which sufficiently constrains the broad mineralization trends and is appropriate considering the open pit mining method to be employed at Timok. A detailed geologic model for each prospect was built to aid in contouring mineralized domains, which are characterized by a strong stratigraphic control. Based on 3,930 five-metre composite, bottle roll assays and geologic re-logging data, weathering profiles for the oxide, transitional and fresh portions of the mineralization were built in Leapfrog® Geo Implicit Modelling software using an indicator interpolation approach.

Mineral Resources at the Timok Gold Project were estimated using OK with search ellipse orientations guided by the Dynamic Anisotropy function in Datamine StudioRMTM. Based on Kriging Neighbourhood analysis, a block panel size of 20m x 20m x 10m was deemed optimum for the deposits. Recoverable resources were estimated usingUC, which is a technique appropriate for the gradational grade profile and wide data spacing observed at Timok. SMU sized blocks (5mN x 5mE x 5mRL) were kriged and the resultant SMU blocks ranked by grade proportion. Grades were assigned to SMUs based on the estimated ranking, through a process called LUC. Bulk density was estimated by IDW2.

The Indicated Mineral Resource category was assigned to blocks estimated in search pass 1, with a slope of regression statistic of at least 0.75, using at least 10 composites to estimate and are within a 40 m x 40 m drill spacing. Blocks with an estimated gold grade but falling outside the Indicated Mineral Resources criteria were assumed to be of lower confidence and classified as Inferred Mineral Resources.

Results from the metallurgical test program were discounted to provide inputs into the optimisation study, used to generate conceptual pit shells to constrain mineral resources. The table below shows the steps to generate the discounted recoveries.

Sample ID	Crush Size (mm)	Column Leach Recovery	Correction Factor	Corrected Recovery	CIC/ Goldroom	% Au Recovery
		% Au			%	to Dore
Korkan Oxide	-12.5	**94.4**	2	**92.4**	99%	**91.5**
Korkan Transitional	-12.5	**75.0**	5	**70.0**	99%	**69.3**
Bigar Hill Oxide	-12.5	**94.2**	2	**92.2**	99%	**91.3**
Korkan West Oxide	-12.5	**75.5**	2	**73.5**	99%	**72.8**

The oxide column test recoveries are discounted by 2% to reflect scale up from laboratory column scale to industrial scale heap leach performance, which considers losses on the sides of the heap and as a result of percolation inefficiencies. The Korkan transitional column leach test was stopped prematurely after 63 days, despite continued leaching of Au. Based on regression analysis, the predicted gold leach recovery after 90 days of leaching is 75%. This figure was discounted by a 5% correction factor, since the gold leach recovery was extrapolated above the final column leach test recovery. Further testing will be carried out to verify the ultimate leach recovery for the Korkan transitional ore.

The recovery value derived from the Korkan transitional column leach was assigned to the Bigar Hill, Kraku Pester and Korkan West transitional material. This is based on the observation that the 5 m composite bottle roll assays and transitional mineralization characteristics are consistent within each of the prospects. The Korkan West oxide recovery figure was applied to the Kraku Pester oxide material based on comparable mineralization styles and review of the 5 m composite bottle roll assays from this prospect.

A full list of parameters used in the conceptual pit optimization study are detailed below.

Units				Bigar Hill	Korkan	Korkan West	Kraku Pester
Costs	**Mining Cost**	Waste	$/t mined	2.39	2.58	2.39	2.45
		Ore (Oxide and Transitional)	$/t ore	2.39	2.58	2.39	2.45
		Ore (Sulphide)	$/t ore	3.09	3.28	3.09	3.15
		Incremental cost per 10 m bench	$/t mined	0.045 from 530 RL	0.045 from 560 RL	0.045 from 560 RL	0.045 from 480 RL

Units				Bigar Hill	Korkan	Korkan West	Kraku Pester
		Rehabilitation	$/t mined	0.09	0.09	0.09	0.09
		Ore haulage from Kraku Pester	$/t ore	-	-	-	3.5
	Processing & Admin	Ore (Oxide and Transitional)	$/t ore	6.22			
		Ore (Sulphide)	$/t ore	12.81			
	Off-Site Costs	Ore (Oxide and Transitional)	$/oz	5			
		Total concentrate and smelter cost (Sulphide)	$/oz	200			
		Royalty	%	5			
Parameters	**Mining Parameters**	Mining Recovery	%	95			
		Dilution	%	0.0			
	Au Processing Recovery	Ore (Oxide)	%	91.3	91.5	72.8	72.8
		Ore (Transitional)	%	69.3	69.3	69.3	69.3
		Ore (Sulphide)	%	70	65	65	50
	Overall Slope Angle	Oxide Zone	deg.	45			
		Transitional and Sulphide	deg.	52.5			
Revenue		Price of gold	$/oz	1,250(RF=1).Pit shell at 1,400			
		Payable for Oxide and Transitional	%	99			
		Payable for Sulphide	%	100			
Analysis		Discount Rate	%	7.50			
		Grams in a Troy Ounce		31.1035			
		Processing Rate	Mtpa	2.0			

Total Indicated Mineral Resources of 46.9 million tonnes at 1.32 g/t Au for 1.9 million ounces which includes oxide Indicated Mineral Resources of 21.8 million tonnes at 1.06 g/t Au for 742,000 ounces and transitional Indicated Mineral Resources of 9.2 million tonnes at 1.15 g/t Au for 338,000 ounces.

The increase in Indicated Mineral Resources compared to the 2017 Mineral Resource is attributable to updated interpretations of the oxide and transitional weathering domains and new metallurgical inputs related to processing oxide and transitional mineralization. The inclusion of oxide and transitional mineralization within the conceptual pit optimisation study has lowered reporting cut-offs, which in turn has increased constrained Mineral Resources. Net changes in Indicated Mineral Resources compared to the 2017 Mineral Resource estimate show an increase of 12 million tonnes and 280,000 ounces of gold. Corresponding percentage increase are 35% in tonnes and 16% in contained ounces of gold.

Based on the updated resource estimate, a scoping study was initiated in the fourth quarter of 2018 to assess the preliminary economics of a potential mine development at the Timok Gold Project.

Tulare Project

The Tulare copper-gold porphyry project (the "Tulare Project") lies within the Oligocene Lece Volcanic Complex of southern Serbia and comprises several porphyry copper-gold targets including the Kiseljak and Yellow Creek deposits. A Mineral Resource estimate for Kiseljak and Yellow Creek prospects was completed. Resource estimation for the Kiseljak and Yellow Creek copper-gold porphyry deposits has been based on interpretations using integrated geological and grade information recorded from diamond core logging, RC logging and assay data. A suite of wireframe surfaces and solids were created representing topography, weathering (partial and complete oxidation), and geological contacts (porphyry intrusives, basement, volcanics, faults and barren dykes). Copper, gold, sulphur and bulk density values were all estimated into the model cells by OK with some zonal control according to the porphyry intrusive codes and oxidation zones.

All of the current Kiseljak and Yellow Creek resources was assigned to the Inferred classification, subject to qualifications based on the densities of the drill hole intersections and evidence of grade continuities. Estimated grade for both deposits

extend grade-informed blocks well beyond the limits of data. Based on the potential risks associated with some of these extrapolated estimates, they are considered too high for inclusion as Inferred Resources. Consequently, a constraining solid shape has been manually constructed by contouring areas of higher drill-data density. This has the effect of limiting the estimated blocks to a margin beyond the limits of the drilling data, typically between 40 m and 80 m, for each of the Kiseljak and Yellow Creek deposits.

Review of the Kiseljak and Yellow Creek deposits suggests that the likely mining methods for the deposits are open-pit mining for Kiseljak, and bulk underground mining for Yellow Creek, due to the topology of the respective mineralization shells. The likelihood of the resource for the Kiseljak and Yellow Creek deposits being potentially economic was determined by generating a conceptual optimized pit shell (for Kiseljak only) using the following assumptions:

Kiseljak Deposit

- $1.80/tonne mining costs;
- $7.00/tonne processing and other costs;
- 45 degree pit slope;
- NSR Cu price of $3.15/lb ($3.80/lb spot price less 17% for off-site concentrate costs);
- NSR Au price of $1,305/oz ($1450/oz less 10% for off-site concentrate costs);
- Recovery assumptions of 75% for gold and 90% for copper recovery; and
- Only transitional and primary copper-gold mineralization is considered in the pit shell determination.

For Yellow Creek a pit optimization study was run as an investigation, however based on the results it was deemed that a bulk underground mining scenario was more suitable. Reported resources for the Yellow Creek deposit have been limited to within the data-density based, constraining solid.

Mineral Resources for the two deposits are based on a copper equivalent cut-off grade calculated using a $1,300/oz gold ($41.80/gram) price and a $3.00/lb copper price ($66.00/per cent). Taking into consideration currently available information, possible projected throughput rates for the Tulare Project, typical mining costs, and a range of processing costs and indicative ranges of processing recoveries, cut-off grades lie within the range of 0.15% CuEq (for an open-pit mining scenario – Kiseljak deposit) to 0.30% CuEq (for a bulk underground mining scenario – Yellow Creek deposit).

At a cut-off grade of 0.15% CuEq, Mineral Resources for the Kiseljak deposit are estimated at 459 Mt at 0.22% copper (2.2 billion pounds of copper) and 0.2 g/t gold (3.0 million ounces of gold) classified as Inferred category. At a cut-off grade of 0.30% CuEq, Mineral Resources for the Yellow Creek deposit are estimated at 88 Mt at 0.30% copper (0.6 billion pounds of copper) and 0.3 g/t gold (0.8 million ounces of gold) classified as Inferred category.

In 2018, surface exploration at the Tulare Project, comprising the Tulare, Trn and Degrmen exploration licenses that are located in the Lece Magmatic Complex, was focused on generating and testing near surface gold and copper-gold targets. Geological mapping and rock chip sampling undertaken on the three licenses, were followed up by trenching and diamond drilling. A total of 2,060 m of drilling was completed in 11 holes. Assay results are pending for the majority of these holes. A vector IP survey commenced on the Trn and Tulare licenses in December 2018 and is expected to be completed in early 2019. The aim of the survey is to identify conductive zones coinciding with favorable geology for follow up drill testing in 2019.

Lenovac Project

At the Lenovac joint venture with Rio Tinto Mining and Exploration Limited (“Rio Tinto”), exploration activities during 2018 included: acquisition and interpretation of helicopter-borne gamma-ray spectrometry and aeromagnetic data; hydro-geochemical sampling of springs, and; two seismic survey transects. On December 31, 2018, the joint venture agreement with Rio Tinto expired. DPM will continue exploration at Lenovac in 2019.

Canada

Malartic Joint Venture, Quebec

On May 23, 2017, DPM entered into an option agreement with Pershimex to earn up to a 71% interest in its Malartic Property located in the Archean Abitibi greenstone belt in the Malartic mining camp in Quebec. The Malartic property consists of 91 contiguous claims covering 35 square km of prospective Abitibi geology. Under the terms of the option agreement, DPM can earn an initial 51% interest in the Malartic Property in exchange for certain cash payments totaling Cdn$412,500, the issuance of an aggregate of 70,000 common shares and making expenditures on the property aggregating Cdn$2,500,000 within three years of the effective date of the option agreement. Thereafter, DPM will have a further option to increase its interest to 71% by incurring an additional Cdn$3,500,000 in expenditures on the property. During the option period, DPM will be the operator of the project. In 2018, the Company met its first year exploration expenditure commitment and completed the first anniversary payment of Cdn$60,000 and issuance of 15,000 common shares to Pershimex.

Project-wide exploration activities commenced during the third quarter of 2017. In March 2018, a 1,942 m scout drilling program was completed on various targets within the Blake River Group that were generated from mapping and geophysical work completed in 2017. Best results include:

- 5.5 g/t Au over 2.0 m in hole MLDD003 at 95 m from the surface located 300 m northwest from the historic Revillard gold showing. This intersection includes an 8.0 m wide zone (estimated true width) grading 1.4 g/t Au. Additional anomalous shear zones were intercepted in the Blake River Group and, together with hole MLDD003, demonstrate that mineralization continues along strike for over 750 m; and
- 7.2 g/t Au over 3.3 m in hole MLDD007 at 28 m from surface including a high grade intersection of 11.6 g/t Au over 1.9 m and a second intersection at 38 m from surface of 2.3 g/t Au over 6.0 m.

Other exploration activities completed in 2018 include 1:5000 scale mapping, 4.2 line km of "Ore Vision" Induced Polarization geophysical survey and project-wide till sediment sampling. Also, during the fourth quarter of 2018, 1,049 line km of high-resolution heli-bourne magnetics was flown along the Marbenite and Norbenite shear zones and a B-soil geochemistry program was conducted to follow-up anomalous till sediments and to cover areas with potassic and phyllic altered intrusion systems.

Other

DPM carries out early stage gold exploration in Bulgaria, Serbia, and Armenia. These programs involve geological mapping, systematic soil, rock-chip and channel sampling, geophysical surveys, trenching and scout drilling. In addition, DPM continues to conduct reviews of projects and prospective belts in other parts of the world*.*

Sampling and Analysis of Exploration Core and Channel Samples

Most exploration diamond drill holes are collared with PQ size, continued with HQ, and are sometimes finished with NQ. Triple tube core barrels are used whenever possible to improve recovery.

All drill core is cut lengthwise into two halves using a diamond saw; one half is sampled for assaying and the other half is retained in core trays. All drill core is sampled in intervals ranging up to 3 m; however, the common length for sample intervals within mineralized zones is one metre. Weights of drill core samples range from three to eight kilograms, depending on the size of core, rock type, and recovery. A numbered tag is placed into each sample bag, and the samples are grouped into batches for laboratory submissions.

Samples from exploration programs at Chelopech, Krumovgrad and the Timok gold project are shipped to the Company's own exploration laboratory in Bor, Serbia, which is managed by SGS Minerals. The exploration samples from the Canadian Malartic Joint Venture project are processed using identical QAQC procedures and analytical methods, but sample preparation and gold fire assay analysis are completed by the Bureau Veritas Minerals in Timmins, Ontario, and in Vancouver, British Columbia.

Quality control samples, comprising certified reference materials, blanks, and field duplicates, are inserted into each batch of samples, and locations for crushed duplicates are specified. All drill core and quality control samples are tabulated on sample submission forms that specify sample preparation procedures and codes for analytical methods. For internal quality control, the laboratory includes its own quality control samples comprising certified reference materials, blanks, and pulp duplicates. All QAQC monitoring data are reviewed and signed off by an independent QAQC geologist. Chain of custody records are maintained from sample shipments to the laboratory until analyses are completed and remaining sample materials are returned to the Company. The chain of custody is transferred from the Company to SGS at the laboratory door.

Drill core samples submitted to the laboratory are dried at 105°C for a minimum of 12 hours, and then jaw crushed to about 80% passing 4 mm. Sample preparation duplicates are created by riffle splitting crushed samples on a 1 in 20 basis. Larger samples are riffle split prior to pulverizing, whereas smaller samples are pulverized entirely. Pulverizing specifications are approximately 90% passing 70 microns.

Gold analyses are done using a conventional 50 gram fire assay and AAS finish. Silver analyses are completed using a two-acid digestion and AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace. Multi-element analyses for 49 elements, including Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10,000 ppm for base metals are re-analyzed using high grade methods.

OTHER ASSETS/INVESTMENTS

MineRP

In October 2017, the Company completed the acquisition of MineRP, a technology provider in the mining industry for digital innovation with operations in Canada, South Africa, Australia and Chile. As a result of this transaction, the Company owns a 78% investment in MineRP. Total cash paid by the Company for the acquisition of MineRP was $20.0 million, including $8.1 million that was used to repay all outstanding debt and certain other liabilities. DPM also agreed to provide MineRP with additional financing to support its working capital and growth initiatives and $9 million has been advanced to date.

Sabina Gold & Silver Corp.

As at December 31, 2018, DPM held: (i) 30,119,913 common shares of Sabina or 10.45% of the outstanding common shares (fair value of Cdn $36.7 million) and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

As at December 31, 2018, the estimated fair value of the 5,000,000 Sabina Series B special warrants was $2.5 million (2017 - $5.0 million).

See "Risk Factors – Value of Investment Portfolio" for further details on the risks related to the Company's investment portfolio.

DIVIDEND POLICY

No dividends have been paid by the Company since 1992. To date, the Company has used all of its cash flow from operating activities for the operation and development of its business, including the construction of its Krumovgrad gold project. The payment of any future dividends will be at the discretion of the Board after taking into account, among other things, the Company's current and forecast operating results, financial condition and capital requirements; its capital allocation framework; and any restrictions contained in any debt instrument and/or credit agreement to which the Company may be party to from time to time. See "Description of Capital Structure – Common Shares" for further details.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of DPM consists of an unlimited number of Common Shares and an unlimited number of Preference Shares. As of March 27, 2019, there are 178,739,636 Common Shares issued and outstanding, on a non-diluted basis, and no Preference Shares are issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive: (a) notice of and attend any meeting of the Common Shareholders of the Company and the right to attend such meetings, except class meetings of other classes of shares and are entitled to one vote for each share held; and (b) dividends at the discretion of the Board. Additionally, subject to the rights of holders of any shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Company upon liquidation, dissolution or the winding-up of the Company.

Preference Shares

The directors of the Company may at any time and from time to time issue Preference Shares in one or more series, having such rights, restrictions, conditions and limitations attaching thereto as shall be determined by resolution of the Board and prescribed by the articles of the Company.

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or other distribution of the assets of DPM among its shareholders for the purpose of winding-up its affairs, the Preference Shares of each series shall: (a) be entitled to preference over the Common Shares and over any other shares in the capital stock of the Company ranking junior to the Preference Shares with respect to the payment of dividends and the distribution of assets of the Company; and (b) rank pari passu with the Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets.

The rights, privileges, restrictions and conditions attaching to the Preference Shares as a class may be repealed, altered, modified, amended or amplified with the approval of the holders of 66 2/3% of the votes cast at a meeting of the holders of Preference Shares.

Any consent or approval given by the holders of Preference Shares shall be deemed to have been sufficiently given if it is given in writing by the holders of all of the outstanding Preference Shares or by a resolution passed at a meeting of holders of Preference Shares called in accordance with the articles of the Company and carried by the affirmative vote of not less than 66 2/3% of the votes cast at such meeting, in addition to any other consent or approval required by law. On every poll taken at every such meeting every holder of Preference Shares shall be entitled to one vote in respect of each Preference Share held.

The holders of Preference Shares are not entitled to vote separately as a class or series upon a proposal to: (a) increase or decrease any maximum number of authorized Preference Shares, or increase any maximum number of authorized shares or any class of shares having rights or privileges equal or superior to the Preference Shares; or (b) effect an exchange, reclassification or cancellation of all or part of the Preference Shares.

Normal Course Issuer Bid

On May 11, 2018, DPM announced that the TSX accepted its notice of intention to renew its normal course issuer bid (the "New Bid") to repurchase certain of its Common Shares through the facilities of the TSX. DPM commenced a normal course

issuer bid (the "Old Bid") on May 16, 2017, which expired on May 15, 2018. Under the Old Bid, DPM sought and obtained approval to purchase up to 8.9 million Common Shares but did not purchase any Common Shares under the Old Bid.

The number of Common Shares that can be purchased during the period of the New Bid, which commenced on May 16, 2018 and terminates on May 15, 2019, will not exceed 8.9 million Common Shares, being approximately 5% of the 178.5 million outstanding Common Shares as of May 3, 2018 and is also subject to other requirements of the TSX. The actual timing and number of Common Shares that may be purchased pursuant to the New Bid will be subject to DPM's ongoing capital requirements and management's view that, from time to time, DPM's Common Shares trade at prices well below the underlying value of the Company and during these periods the repurchase of Common Shares represents an excellent opportunity to enhance shareholder value.

As at March 28, 2019, the Company had not purchased any Common Shares under the New Bid.

Share Incentive Plans

The Company also has stock options, deferred share units, performance share units and restricted share units. See the notes to the Company's audited consolidated financial statements for the year ended December 31, 2018 and the Company's most recently filed management information circular, both filed at www.sedar.com, for additional information regarding these securities.

MARKET FOR SECURITIES

The outstanding Common Shares are listed and posted for trading on the TSX under the stock symbol "DPM". The monthly trading history for the year ended December 31, 2018 for the Common Shares, based on the closing price on the TSX, was as follows:

Trading Price and Volume

Month 2018	Common Shares		
	High (Cdn$)	Low (Cdn$)	Total Volume Traded Per Month
January	3.38	2.86	4,199,515
February	3.14	2.59	4,577,898
March	3.34	2.86	3,232,223
April	3.37	2.98	3,154,205
May	3.60	3.15	3,471,767
June	3.55	3.14	3,405,337
July	3.27	2.85	2,930,751
August	3.29	2.77	3,764,603
September	3.04	2.56	3,914,371
October	3.78	2.97	4,566,843
November	3.74	3.10	3,662,783
December	3.68	3.18	5,889,973

Prior Sales

The following table summarizes the issuances of Options by DPM for the year ended December 31, 2018.

Date of Issue	Number of Options	Price per Option (Cdn$)
March 20, 2018	774,938	$3.28
May 2, 2018	22,760	$3.29
August 1, 2018	14,205	$3.09

DIRECTORS AND OFFICERS

The following table sets forth the name, province/state and country of residence, position held with the Company and principal occupation of each of the directors and executive officers of DPM as of the date hereof. Directors of the Company hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

Name, Province/State and Country of Residence	Office	Principal Occupation	Became Director/Officer
R. Peter Gillin [2] Ontario, Canada	Lead Director	Corporate Director	2009
Jonathan C. Goodman Ontario, Canada	Chair and Director	Chairman and Chief Executive Officer, Dundee Corporation	1993
Richard Allan Howes Ontario, Canada	Director, President and CEO	President and CEO	2010
Jeremy Kinsman [2, 3] British Columbia, Canada	Director	Corporate Director	2007
Juanita Montalvo [3, 4] Ontario, Canada	Director	Managing Director, Privus Capital Inc. and Acasta CC Inc.	2017
Peter B. Nixon [2, 3] Ontario, Canada	Director	Corporate Director	2002
Marie-Anne Tawil [1, 3, 4] Québec, Canada	Director	Corporate Director	2015
Anthony P. Walsh [1, 2] British Columbia, Canada	Director	Corporate Director	2012
Donald Young [1, 4] British Columbia, Canada	Director	Corporate Director	2010
Executive Officers			
Hume Kyle Ontario, Canada	Executive Vice President and CFO	Officer of the Company	2011
David Rae Ontario, Canada	Executive Vice President and Chief Operating Officer	Officer of the Company	2012
Michael Dorfman Ontario, Canada	Senior Vice President, Corporate Development	Officer of the Company	2011
Richard Gosse British Columbia, Canada	Senior Vice President, Exploration	Officer of the Company	2013
Nikolay Hristov Ontario, Canada	Senior Vice President, Sustainable Business Development	Officer of the Company	2014
John Lindsay Ontario, Canada	Senior Vice President, Projects	Officer of the Company	2014
Paul Proulx Ontario, Canada	Senior Vice President, Corporate Services	Officer of the Company	2006
Mark Crawley British Columbia, Canada	Vice President, Commercial Affairs	Officer of the Company	2016

Name, Province/State and Country of Residence	Office	Principal Occupation	Became Director/Officer
Iliya Garkov Bulgaria	Vice President and General Manager, Bulgaria	Officer of the Company	2011
Zebra Kasete Namibia	Vice President and Managing Director, Dundee Precious Metals Tsumeb (PTY) Limited	Officer of the Company	2016
Kelly Stark-Anderson Ontario, Canada	Vice President, Legal and Corporate Secretary	Officer of the Company	2017
Alex Wilson Ontario, Canada	Vice President, Human Resources	Officer of the Company	2018
Theophile Yameogo Ontario, Canada	Vice President, Digital Innovation	Officer of the Company	2017

(1) Member of the Audit Committee;
(2) Member of the Compensation Committee;
(3) Member of the Corporate Governance and Nominating Committee; and
(4) Member of the Health, Safety and Environment Committee.

As of the date hereof, the directors and executive officers of the Company, as a group, held 635,292 Common Shares, representing less than 1% of the outstanding Common Shares.

Five Year Employment History

During the last five years, all of the directors and executive officers have held their present principal occupations or other executive offices with the same company or a predecessor or affiliate thereof, except for:

Name of Director or Officer	Five-Year Employment History
Mark Crawley	Prior to joining DPM in November 2016, Mr. Crawley was Senior Vice President, Commercial, KGHM International Limited, a wholly-owned subsidiary of KGHM Polska Miedz SA, a Polish-based mining company.
John Lindsay	Prior to joining DPM in April 2014, Mr. Lindsay was Vice President, Capital Projects Execution, Barrick Gold Corp., a mining company, and, prior to 2010, was Vice President, Operations and Technology, SNC-Lavalin, an engineering services company.
Juanita Montalvo	Prior to joining Acasta CC Inc. as Managing Director in January 2015, Ms. Montalvo was Senior Vice President, Sherritt International Corporation, a Canadian resource company.
Kelly Stark-Anderson	Prior to joining DPM in September 2017, Ms. Stark-Anderson was Vice President, Legal and Corporate Secretary, SSR Mining Inc., a Canadian based precious metals producer.
Alex Wilson	Prior to joining DPM in May 2018, Ms. Wilson was Vice President, Organizational Effectiveness, Barrick Gold Corp., a mining company.
Theophile Yameogo	Prior to joining DPM in December 2017, Mr. Yameogo was National Mining & Metals Advisory Leader, EY Canada LLP.

Standing Committees of the Board

There are currently four standing committees of our Board of Directors: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Health, Safety and Environment Committee. The following table identifies the members of each of these committees:

Board Committee	Committee Members	Status
Audit Committee	Donald Young (Chair)	Independent
	Marie-Anne Tawil	Independent
	Anthony P. Walsh	Independent
Compensation Committee	Peter Gillin (Chair)	Independent
	Jeremy Kinsman	Independent
	Peter Nixon	Independent
	Anthony P. Walsh	Independent
Corporate Governance and Nominating Committee	Peter Nixon (Chair)	Independent
	Jeremy Kinsman	Independent
	Juanita Montalvo	Independent
	Marie-Anne Tawil	Independent
Health, Safety & Environment Committee	Juanita Montalvo (Chair)	Independent
	Marie-Anne Tawil	Independent
	Donald Young	Independent

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of DPM or a shareholder holding a sufficient number of securities to affect materially the control of DPM:

1. Is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including DPM) that:
   (a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an "Order"), for a period of more than 30 consecutive days; or
   (b) was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director, chief executive officer or chief financial officer of that company;
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
   (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
   (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder making an investment decision.

Conflicts of Interest

The directors and executive officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *CBCA* and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, there have been no material transactions entered into since January 1, 2015 that have affected or are expected to materially affect the Company or any of the affiliates of the Company involving an officer or director of the Company, a holder of more than 10% of the Common Shares (a "Principal Shareholder") or any associate or

affiliate of any such persons or companies.

1. On July 11, 2016, the Company completed the Offering with a syndicate of underwriters led by RBC Capital Markets, and including CIBC World Markets Inc., Dundee Securities Ltd. ("DSL"), GMP Securities L.P., Paradigm Capital Inc., Scotia Capital Inc. and BMO Nesbitt Burns Inc., raising aggregate gross proceeds of approximately Cdn$55 million for the Company through the sale of Common Shares. The Company paid the syndicate approximately Cdn$2,857,400 in fees and in reimbursement of certain expenses. DSL shared in the fees paid as it underwrote 10% of the Offering. DSL was, at the time of the financing, an indirect subsidiary of Dundee Corporation who owns approximately 20.4% of the Common Shares of the Company. Concurrent with the Offering, DPM also completed a non-brokered private placement of 840,000 Common Shares of the Company issued to Dundee Corporation at a price of Cdn$3.00 per share. See "Risk Factors – Significant Shareholder" for further details.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company was not subject to any material legal proceedings throughout the recently completed financial year and there have been no penalties or sanctions imposed against the Company by a court or regulatory body for the year ended December 31, 2018.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the transfer agent and registrar of the Common Shares at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

Other than those referred to below, there is no contract that is material to the Company that was entered into during the Company's year ended December 31, 2018, or prior thereto which is still in effect, other than a contract entered into in the ordinary course of business:

1. On February 15, 2013, the Company entered into an RCF with the Lenders which is comprised of two tranches of $125 million and $25 million and are supported by guarantees from, and by pledges of the shares of, the Company's wholly-owned operating Subsidiaries ("Term Loans"). Concurrent with this transaction, DPM refinanced certain DPMC loans whereby these loans were repaid with proceeds from new Term Loans between DPM and the existing Lenders. The maturity, interest rate and repayment schedule of the Term Loans are the same as the DPMC loan terms with the exception that there is no longer any cash sweep. The Term Loans are supported by pledges of the Company's shares of DPMKr, DPMC and DPMT and by guarantees from each of these Subsidiaries. See "Risk Factors – Financing and Liquidity" for further details;
2. On June 26, 2014, to support the funding associated with its growth projects, including the Krumovgrad gold project, the Company increased its RCF by $125 million to $275 million which is supported by the existing Lenders, as well as Export Development Corporation, a new lender to the Company. Documents in relation to the above-noted loans were filed on SEDAR at www.sedar.com on March 22, 2013 and August 5, 2014, respectively;
3. On March 1, 2016, the Company entered into a share purchase agreement with Polymetal for the sale of its interest in DPMK through the disposition of all of its issued and outstanding shares. The share purchase agreement included various representations, warranties, covenants and indemnities. The Company completed the sale of DPMK to Polymetal on April 26, 2016. For further information, refer to the share purchase agreement which was filed on SEDAR at www.sedar.com on March 11, 2016; and
4. On January 24, 2017, the Company completed a non-brokered private placement with the EBRD, pursuant to a subscription agreement dated December 22, 2016, entered into between the Company and the EBRD, upon which the Company issued 17,843,120 Common Shares at a price of Cdn$2.45 per share for gross proceeds of $33.2 million (Cdn$43.7 million). As a result of this transaction, the EBRD holds approximately 9.99% of the Company's Common Shares (on a non-diluted basis). As part of EBRD's investment, DPM has undertaken to comply with various EBRD environmental, social, economic inclusion, equal opportunity and reporting standards. DPM also covenanted to maintain its 100% ownership interest in DPMKr until project completion. EBRD has been granted certain rights, including a right to maintain its pro rata equity interest in DPM so long as it holds a 5% equity interest in DPM.

NAMES OF EXPERTS

Names of Experts

The following are the names of each of the QPs and other experts who are named as having prepared or certified a report, valuation, statement or opinion described, or included in a filing, or referred to in a filing, made under NI 51-102 by DPM during, or relating to, the financial year ended December 31, 2018, whose profession or business gives authority to such report, valuation, statement or opinion:

1. PricewaterhouseCoopers LLP ("PwC") provided an auditor's report dated February 12, 2019 in respect of the Company's consolidated financial statements for the year ended December 31, 2018. PwC has advised that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario;
2. Richard Gosse, MSc (Mineral Exploration), P.Geo, Senior Vice President, Exploration, of the Company, who is a QP and not independent of the Company, for the purposes of NI 43-101, has reviewed all geoscientific information contained herein;
3. John Lindsay, P.Eng., Senior Vice President, Project Development, of the Company, who is a QP and not independent of the Company, for the purposes of NI 43-101, has reviewed capital cost and project implementation information relating to the Krumovgrad gold project contained herein;
4. Ross Overall, BSc (Hons), CSci, MIMMM, FGS, Corporate Senior Resource Geologist of the Company, who is a QP and not independent of the Company, for the purposes of NI 43-101, has reviewed all technical information contained herein;
5. Simon Meik, BSc (Hons), PhD, FAusIMM, an Independent Metallurgical Consultant, and formerly Corporate Director, Processing, of the Company, who is a QP, for the purposes of NI 43-101, and not independent of the Company, has reviewed the information contained herein with respect to the Company's Krumovgrad gold project, Bulgaria and its Chelopech mine, Bulgaria;
6. Galen White, BSc (Hons), FAusIMM, FGS, Principal Consultant of CSA Global, is an independent QP, for the purposes of NI 43-101, who has reviewed certain technical information contained herein with respect to the geology and Mineral Resources relating to the Company's Krumovgrad gold project, Bulgaria;
7. Julian Bennett, BSc, ARSM, FIMMM, CEng, an independent mining consultant to CSA Global, is an independent QP, for the purposes of NI 43-101, who has reviewed information contained herein with respect to the Krumovgrad Mineral Reserve estimates;
8. Karl van Olden, BSc (Eng), GDE, MBA, FAusIMM, Mining Manager of CSA Global, is an independent QP, for the purposes of NI 43-101, who has reviewed technical information contained herein with respect to the Chelopech Mineral Reserve estimates;
9. Peter Corrigan, BAI, CEng of Golder Associates (UK) Ltd. / Golder Associates Ireland Ltd., is an independent QP, for the purposes of NI 43-101, who has reviewed all technical information regarding the EIA, closure and rehabilitation and engineering plan contained herein with respect to the Company's Krumovgrad gold project, Bulgaria;
10. Maria O'Connor, MAusIMM, MAIG, Principal Resource Geologist of CSA Global (UK), is an independent QP, for the purposes of NI 43-101, who has reviewed technical information contained herein with respect to the Chelopech Mineral Resources estimates and the Company's Timok gold project, Serbia;
11. David Muir, BSc (Hons), MAIG, Principal Data Geologist of CSA Global (UK), is an independent QP, for the purposes of NI 43-101, who has reviewed technical information contained herein with respect to the Company's Timok gold project, Serbia; and
12. Gary Patrick, BSc, MAusIMM, CP, Senior Associate Metallurgist of CSA Global (UK), is an independent QP, for the purposes of NI 43-101, who has reviewed technical information contained herein with respect to the Company's Timok gold project, Serbia.

INTEREST OF EXPERTS

To the best knowledge of the Company, and as of the date hereof, the QPs referred to above do not have any interest in any securities of the Company or its associates or affiliates, nor do they expect to receive or acquire any such interests other than Richard Gosse, whose interests in securities of the Company represents less than 1% of the Company's outstanding Common Shares.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Mandate

The responsibilities and duties of the Audit Committee are set out in the Audit Committee's mandate, the full text of which is attached as Appendix "B" hereto.

Composition of the Audit Committee

As at December 31, 2018, the Audit Committee was composed of three members, being Donald Young as Chairman, Marie-Anne Tawil and Anthony P. Walsh, all of whom are independent and financially literate for the purposes of understanding the accounting principles used by the Company in the preparation of its financial statements in accordance with National Instrument 52-110, Audit Committees.

The Audit Committee met 5 times during the year ended December 31, 2018.

Relevant Education and Experience of Audit Committee Members

Mr. Young, FCPA, FCA serves as Chair of the Audit Committee. He is a retired KPMG audit partner. Mr. Young also worked for a time as a KPMG management consulting partner focused on risk management, assessments and governance. Before joining KPMG, he worked for Placer Development Ltd. (now Barrick Gold Corp). He currently serves on the board and chairs the audit committee of Midas Gold Corp. He has served on the boards and chaired audit committees of other publicly-listed mining companies and served on the governing boards of not-for-profit organizations, including Science World British Columbia, British Columbia Safety Authority and the Canadian Institute of Chartered Accountants. Mr. Young is a Fellow and past President of the British Columbia Chartered Accountants and is a member of the Institute of Corporate Directors. Mr. Young attended several courses during 2018 in relation to his role as a director including financial, regulatory and corporate governance courses.

Ms. Tawil is a member of the Bar of the Province of Quebec and holds a Master of Business Administration from the John Molson School of Business. Ms. Tawil has over 30 years of legal experience, principally in corporate, commercial and securities law, and over 20 years of management experience. She practiced law with Stikeman Elliott LLP and McCarthy Tetrault LLP and, in 1984, joined Quebecor Inc. as Legal Counsel, and also served as Corporate Secretary from 1987 until 1990. Ms. Tawil was previously Chair of the board of Société de l'Assurance Automobile du Québec and currently serves on the board of Stornoway Diamond Corporation and is a member of its corporate governance and HR committee. Ms. Tawil earned an ICD.D designation from the Institute of Corporate Directors and during 2018, participated in over thirty hours of professional development courses and seminars relating to legal, corporate governance and audit related matters.

Mr. Walsh holds a Chartered Professional Accountant designation and was the President and Chief Executive Officer of Sabina from 2008 to 2011, prior to which he served as President and Chief Executive Officer of Miramar Mining Corporation ("Miramar") between 1999 and 2007, prior to which he served as the Vice President, Finance and Chief Financial Officer of Miramar from 1995. Mr. Walsh has been involved in the mining business for over 25 years, and prior to joining Miramar, was the chief financial officer and Senior Vice President, Finance of International Corona Mines Ltd., a major North American gold producer, from 1989 to 1992. From 1985 to 1989, Mr. Walsh was Vice President, Finance of International Corona Mines Ltd. From 1973 to 1985, he held various positions at Deloitte, Haskins & Sells, a firm of Chartered Accountants. Mr. Walsh has been a member of the Canadian Institute of Chartered Accountants since 1976 and currently serves on the board and audit committees of three other publicly-traded exploration and development companies. During 2018, Mr. Walsh participated in several professional development courses and seminars relating to compensation, corporate governance and audit related matters.

Policy Regarding Pre-approval of Non-Audit Services

In accordance with its mandate, the Audit Committee has established policies and procedures for the pre-approval of allowable non-audit services provided by the Company's external auditor that safeguard the independence of the auditor. These policies and procedures provide for, among other things: all non-audit services being pre-approved by the Audit Committee or its Chair; quarterly reporting that sets out all non-audit services pre-approved and/or incurred by the auditor during the quarter; the Audit Committee's review of the independent status of the auditor in light of the services provided to the Company and its subsidiaries during the quarter; and confirmation by the auditor, at least annually, of its continued independence from the Company.

Audit Committee Oversight

At no time since the commencement of the issuer's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Audit Fees

The following table presents the fees billed to the Company from its external auditor, PwC, by category, for the years ended December 31, 2018 and December 31, 2017:

($ in thousands)

Category of Fees	December 31, 2018	December 31, 2017
Audit fees [1]	601	461
Audit-related fees [2]	29	25
Tax fees [3]	15	10
All other fees [4]	14	11
Total	**659**	**506**

(1) Audit fees include the PwC audit of the year-end financial statements for consolidated DPM and certain Subsidiaries and the corresponding interim reviews of these financial statements;

(2) The audit-related fees include services performed on regulatory and transaction documents;

(3) Tax fees include services for routine tax compliance; and
(4) All other fees include an external survey and the Canadian Public Accountability Board fee.

The Company's auditor is PwC, who has audited the Company's consolidated financial statements since 2002 and expressed its opinion on the Company's consolidated financial statements. PwC has advised the Company that it is independent in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information related to the Company may be found on SEDAR at www.sedar.com. Additional information with respect to the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company's annual meeting management information circular for its most recently completed annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company's annual audited consolidated financial statements and notes thereto and MD&A for the year ended December 31, 2018, which may be accessed via the SEDAR website located at www.sedar.com or the Company's website located at www.dundeeprecious.com.

For additional copies of this AIF, please contact: The Secretary, Dundee Precious Metals Inc., 1 Adelaide Street East, P.O. Box 195, Suite 500, Toronto, Ontario, M5C 2V9, or by telephone at (416) 365-5191, by fax at (416) 365-9080 or email at invest@dundeeprecious.com.

APPENDIX "A" - DEFINED TERMS, ABBREVIATIONS AND GLOSSARY OF MINING TERMS

The following is a list of defined terms, abbreviations and glossary of terms that appear in this AIF:

"AAS"	Atomic Absorption Spectrophotometry, an analytical method for determining concentrations of elements
"ABC"	Anti-Bribery and Anti-Corruption
"ACRP"	Annual Closure and Rehabilitation Plan
"Ag"	Silver
"AICA"	Archaeological Immovable Cultural Asset
"AMEC"	AMEC Foster Wheeler plc
"APP"	Annual Production Plans
"ARO"	Asset Retirement Obligations
"As"	Arsenic
"ASL"	Above Sea Level
"Assay"	A chemical test of metallurgical samples to determine the metal content.
"Au"	Gold
"AuEq"	Gold Equivalent
"Ausmelt furnace"	The top submerged lance smelting furnace developed principally by Ausmelt and installed at DPMT
"Avala"	Avala Resources Ltd.
"Bi"	Bismuth
"BMM"	Balkan Mineral and Mining
"Board"	The board of directors of Dundee Precious Metals Inc.
"BQ"	A diamond drill core size, 36.5 mm in diameter
"Bulk Density"	The density of a rock sample or any material is the ratio of the mass of the rock/material to a given volume of sample. It can be defined as the concentration of matter
"CBCA"	*Canada Business Corporations Act*
"CCPC"	Chelopech Copper Processing Company
"Cdn"	Canadian dollar
"CEO"	Chief Executive Officer of DPM
"CFO"	Chief Financial Officer of DPM
"CFPOA"	*Canadian Corruption of Foreign Public Officials Act*
"CIM"	Canadian Institute of Mining, Metallurgy and Petroleum
"CIM Standards"	Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves Definitions and Guidelines
"cm"	Centimetres
"CoM"	Council of Ministers of the Republic of Bulgaria, represented by the Ministry of Economy
"Core"	A cylinder of rock produced by diamond drilling
"CRMs"	Certified Reference Materials
"CSA Global"	CSA Global (UK) LTD., a privately-owned consulting company
"Cu"	Copper

“CuEq”	Copper Equivalent
“Cut-off Grade”	A grade level below which the material is not ore and considered to be uneconomical to mine and process
“DDH”	Drill samples
“Decline”	A passageway from surface or underground connecting one or more levels in a mine or underground development, providing adequate traction for heavy, self-propelled equipment
“Diamond drill”	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter
“Dip”	The angle which a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure
“DPM” or the “Company”	Dundee Precious Metals Inc.
“DPMC” or “Chelopech”	Dundee Precious Metals Chelopech EAD
“DPMK”	Dundee Precious Metals Kapan CJSC
“DPMKr” or “Krumovgrad”	Dundee Precious Metals Krumovgrad EAD
“DPMT” or “Tsumeb”	Dundee Precious Metals Tsumeb (PTY) Ltd.
“DSL”	Dundee Securities Ltd.
“EBITDA”	Earnings Before Interest, Taxes, Depreciation and Amortization
“EBRD”	European Bank for Reconstruction and Development
“EIA”	Environmental Impact Assessment
“EPCM”	Engineering Procurement and Construction Management
“Epithermal”	A term applied to deposits formed at shallow depths from ascending solutions of moderate temperatures
“ESIA”	Environmental and Social Impact Assessment
“FAusIMM	Fellow Australian Institute of Mining and Metallurgy
“Feasibility Study”	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study
“Fire Assay”	A type of analytical procedure that involves the heat of a furnace and a fluxing agent to fuse a sample to collect any precious metals (such as gold) in the sample. The collected material is then analyzed for gold or other precious metals by weight or spectroscopic methods
“Flotation”	Milling process that uses bubbles to capture valuable mineral particles that float to the surface, thereby separating them from waste which sinks to the bottom
“FS”	Face Samples
“FVLCD”	Fair Value Less Costs of Disposal
“g”	Grams
“G&G”	Geology and Geophysics AD
“g/t”	Grams per metric tonne
“GAAP”	Generally Accepted Accounting Principles

"GHG"	Greenhouse Gases
"GHM"	Greyhorse Mining (PTY) Ltd.
"Golder"	Golder Associates Ltd.
"Grade"	The amount of valuable mineral in each tonne of ore, expressed as g/t for precious metal and as a percentage by weight for other metals such as copper and zinc
"Holding Furnace"	Used to provide holding capacity between the continuous ausmelt smelting process and the batch converting process
"HQ"	A diamond drill core size, 63.5 mm in diameter
"ICP"	Inductively Coupled Plasma
"ICP-MS"	Inductively Coupled Plasma - Mass Spectrometry
"ICP-OES"	Inductively Coupled Plasma – Optical Emission Spectrometry
"IDW"	Inverse Distance Weighting
"IFRS"	International Financial Reporting Standards
"Indicated Mineral Resource"	The part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve
"Inferred Mineral Resource"	The part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
"IP"	Induced Polarization
"IT"	Information Technology
"IXM"	IXM S.A., formerly Louis Dreyfus Commodities Metals Suisse SA
"km"	Kilometres
"LBMA"	London Bullion Market Association
"Lenders"	BNP Paribas; Canadian Imperial Bank of Commerce; European Bank for Reconstruction and Development; Export Development Corporation; Raiffeisen Bank International AG; Royal Bank of Canada; and Unicredit Bank AG
"LME"	London Metal Exchange
"LOM"	Life of Mine
"LUC"	Localized Uniform Conditioning
"m"	Metres
"MAusIMM"	Member Australian Institute of Mining and Metallurgy
"MD&A"	Management's Discussion and Analysis
"ME"	Ministry of Energy of the Republic of Bulgaria
"Measured Mineral Resource"	The part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived

	from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve
"Metallurgy"	The science of extracting metals from ores by mechanical and chemical processes and preparing them for use
"MIK"	Multiple Indicator Kriging
"Mill"	A plant where ore is crushed and ground to expose metals or minerals of economic value, which then undergo physical and/or chemical treatment to extract the valuable metals or minerals
"Mineral Reserve"	The economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve
"Mineral Resource"	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource
"Mineralization", "mineralized material", "mineralized deposit" or "deposit"	A mineralized body which has been intersected by sufficient closely spaced drill holes and/or sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration-development work. A deposit does not qualify as a commercially mineable ore body until a final and comprehensive economic, technical, and FS based upon the test results is concluded and supports Proven/Probable Mineral Reserves
"MineRP"	MineRP Holdings Inc. and its subsidiaries, including MineRP Holdings (Proprietary) Limited, an independent software vendor for the mining industry
"Minister"	Namibian Minister of Environment and Tourism
"mm"	Millimetre
"Mo"	Molybdenum
"Modifying Factors"	Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
"MoE"	Ministry of Economy of the Republic of Bulgaria
"MoEET"	Bulgarian Ministry of Economy, Energy and Tourism, subsequently renamed and converted into other entities
"MoEW"	Bulgarian Ministry of the Environment and Waters
"mRL"	Metres Relative Level
"Mt	Million tonnes
"Mtpa"	Million tonnes per annum

“Multiple Indicator Kriging”	A grade estimation technique which uses a series of Ordinary Kriging estimates of binary transformed data
“MWMP”	Mine Waste Management Plan
“NAIM-BAS”	National Archaeological Institute with Museum at the Bulgarian Academy of Sciences
“Navan”	Navan Mining plc
“NGO”	Non-governmental organizations
“NI 43-101”	National Instrument 43-101, Standards of Disclosure for Mineral Projects
“NI 51-102”	National Instrument 51-102, Continuous Disclosure Obligations
“NI 52-109”	National Instrument 52-109, Certification of Disclosure in the Company’s Annual and Interim Filings
“NPV”	Net Present Value
“NQ”	A diamond drill core size, 47.6 mm in diameter
“NSR”	Net Smelter Return
“OCRP”	Overall Closure and Rehabilitation Plan
“OK”	Ordinary Kriging, a grade estimation technique using geostatistical methods, which uses the actual analytical data
“Ore”	A metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be legally mined at a profit
“oz”	Troy ounces, equivalent to 31.10348 grams
“Pb”	Lead
“Pershimex”	Pershimex Resources Corporation, formerly Khalkos Exploration Inc.
“PFIC”	Passive Foreign Investment Company
“PFS”	Preliminary Feasibility Study, a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a QP, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A PFS is at a lower confidence level than a FS
“ppm”	Parts per million
“PQ”	A diamond drill core size, 85 mm in diameter
“Preliminary Economic Assessment”	A study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources
“Probable Mineral Reserve”	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve
“Proven Mineral Reserve”	The economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors
“PRs”	EBRD Performance Requirements
“PwC”	PricewaterhouseCoopers LLP
“Pyrite”	A mineral consisting of sulphur and iron, usually of the formula FeS_2
“QAQC”	Quality Assurance and Quality Control data
“QAQCR”	Quality Assurance and Quality Control Reporter

"QP"	A Qualified Person under NI 43-101
"RCF"	Revolving Credit Facility
"Re"	Rhenium
"Reverberatory Furnace"	A copper concentrate and secondary's smelting furnace
"Rio Tinto"	Rio Tinto Mining and Exploration Limited
"Royalty"	A proportion of the cash flow which is paid to the government or other party with an interest in a mine
"RSG"	RSG Global Pty Ltd. Effective September 2006, RSG was acquired by Coffey International limited and integrated with Coffey Mining Pty Ltd.
"S"	Sulphur
"Sabina"	Sabina Gold & Silver Corp.
"SAG"	Semi-Autogenous Grinding, a process that uses the tumbling action of the material being ground, in combination with some additional material, such as steel balls, introduced to improve the grinding
"Sb"	Antimony
"SDGs"	Sustainable Development Goals
"SEBPZ"	Southeast Breccia Pipe Zone
"SEDAR"	System for Electronic Document Analysis and Retrieval
"SGS"	SGS Laboratories
"SMPEI"	Structural, Mechanical, Piping, Electrical and Instrumentation
"SO_2"	Sulphur dioxide
"Strike"	Horizontal direction or trend of a geological structure
"Tailings"	The material that remains after all metals or minerals of economic interest have been removed from the ore during metallurgical treatment
"TMF"	Tailings Management Facility
"Ton"	Short ton (2,000 pounds)
"Tonne"	Metric tonne (1,000 kilograms/2,204.6 pounds)
"tpa"	Tonnes per annum
"tpd"	Tonnes per day
"tph"	Tonnes per hour
"Trench sampling"	A sampling technique in which a shallow linear excavation is made in the ground surface which is then methodically sampled, generally along one wall
"TSX"	Toronto Stock Exchange
"Tulare Project"	Tulare copper-gold porphyry Project
"UC"	Uniform Conditioning
"USD"	United States Dollar
"Wt"	Weight
"WTI"	Weatherly International plc.
"WWTP"	Waste Water Treatment Plant
"Zn"	Zinc

APPENDIX "B" - MANDATE OF THE AUDIT COMMITTEE

Amended: July 31, 2018
Last Amended: July 27, 2017

MANDATE OF THE AUDIT COMMITTEE

Purpose

To assist the board of directors (the "Board") of Dundee Precious Metals Inc. (the "Company") in fulfilling its oversight responsibilities for:

(a) the integrity, quality and transparency of the Company's financial statements;

(b) the Company's internal control over financial reporting;

(c) the Company's compliance with legal and regulatory requirements which relate to financial reporting;

(d) the Internal Audit department;

(e) the appointment (subject to shareholder ratification) of the Company's external auditor (the "External Auditor") and approval of its compensation, as well as responsibility for its independence, qualifications and performance of all audit and audit-related work; and

(f) such other duties as may be assigned to it from time to time by the Board.

The function of the audit committee (the "Committee") is oversight. The members of the Committee are not full-time employees of the Company. The Company's management is responsible for the preparation of the Company's financial statements in accordance with applicable accounting standards, laws and regulations. The Company's External Auditor is responsible for the audit and review, as applicable, of the Company's financial statements in accordance with applicable auditing standards, laws and regulations.

In carrying out its oversight role, the Committee and the Board recognize that the Company's management is responsible for:

(a) implementing and maintaining suitable internal controls and disclosure controls;

(b) the preparation, presentation and integrity of the Company's financial statements; and

(c) the appropriateness of the accounting principles and reporting policies that are used by the Company.

Composition

The Committee shall consist of at least three members of the Board. The Board will appoint the Committee members and the Committee Chair.

The Board will ensure that the Chair of the Committee and its members are independent and financially literate, in accordance with applicable corporate and securities laws, regulations, and stock exchange rules.

Procedures, Powers and Duties

The Committee will meet at least four times a year. The Committee will invite members of management, representatives of the external and internal auditors or others to attend meetings and provide pertinent information, as necessary. Any director of the Company may attend meetings of the Committee. All regularly scheduled meetings shall include in camera sessions with each of the External Auditor, head of Internal Audit and Chief Financial Officer. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

The Chair of the Committee has the authority to convene additional meetings, as circumstances warrant. Any member of the Committee, the Chair of the Board, Chief Executive Officer and the Chief Financial Officer shall be entitled to request that the Chair of the Committee call a meeting promptly on receipt of such request.

No business shall be transacted by the Committee, except at a meeting where a majority of the members are present, either in person or by telephone or video conference.

The Committee may:

(a) engage outside legal, audit or other counsel and/or advisors at the Company's expense, without the prior approval of the Board;

(b) set and pay the compensation of any advisors employed by the Committee;

(c) review any legal counsel's reports of evidence of a material violation of security laws or breaches of fiduciary duty;

(d) seek any information it requires from employees – all of whom are directed to cooperate with the Committee's request – or external parties; and

(e) meet and/or communicate directly with Company officers, External Auditor or outside legal counsel, as necessary.

The Committee's business will be recorded in minutes of the Committee, and a report on the activities of the Committee will be made to the Board following each regularly scheduled meeting of the Committee.

Responsibilities

The following responsibilities shall be the common recurring activities of the Committee in carrying out its responsibilities and shall serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of business, legal, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to its purpose.

The Committee will carry out the following responsibilities:

Financial Statements and Related Disclosure Documents

- Review and discuss with management and the External Auditor the interim and annual consolidated financial statements and the related disclosures contained in Management's Discussion and Analysis and news releases and approve, or where required recommend to the Board for approval, in each case subject to any required change being made, prior to the public disclosure of this information by the Company. Such discussion shall include:

  (a) the External Auditor's judgment about the quality, not just the acceptability, of accounting principles applied by the Company;

  (b) the reasonableness of any significant judgments made;

  (c) the clarity and completeness of the financial statement disclosure;

  (d) any accounting adjustments that were noted or proposed by the External Auditor but were not made because they were immaterial or otherwise; and

  (e) any communication between the audit team and their national office or a subject matter specialist relating to accounting or auditing issues encountered during their work.

- Review disclosures related to any insider and related party transactions.

Internal Controls

- Periodically review and assess with management, the internal auditor, and the External Auditor the adequacy and effectiveness of the Company's systems of internal control over financial reporting and disclosure, including policies, procedures and systems to assess, monitor and manage the Company's assets, liabilities, revenues and expenses. In

addition, the Committee will review and discuss the appropriateness and timeliness of the disposition of any recommendations for improvements in internal control over financial reporting and procedures.

- Obtain and review reports of the External Auditor and reports of the internal auditor on significant findings and recommendations on the Company's internal controls, together with management's responses.

- Periodically discuss with management and the internal auditor, the Company's policies regarding financial risk assessment and financial risk management. While it is the responsibility of management to assess and manage the Company's exposure to financial risk, the Committee will discuss and review guidelines and policies that govern the process. The discussion may include the Company's financial risk exposures and the steps management has taken to monitor and control such exposures.

External Auditor

- Receive reports directly from and oversee the External Auditor.

- Discuss with representatives of the External Auditor the plans for their quarterly reviews and annual audit, including the adequacy of staff and their proposed fees and expenses. The Committee will have separate discussions with the External Auditor, without management present, on:

  (a) the results of their annual audit and quarterly reviews;

  (b) any difficulties encountered in the course of their work, including restrictions on the scope of activities or access to information;

  (c) management's response to audit or quarterly review issues; and

  (d) any disagreements with management.

- Pre-approve all audit and allowable non-audit fees and services to be provided by the External Auditor in accordance with securities laws and regulations, the Chartered Professional Accountants of Ontario's Rules of Professional Conduct and any policies and procedures established from time to time by the Company pertaining to the pre-approval and reporting of such services. The Committee delegates to the Chair the authority to pre-approve non-audit services provided that such pre-approval of non-audit services must be presented to the full Committee at its first scheduled meeting following such pre-approval. In addition, the pre-approval requirement shall be satisfied if:

  (a) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Company to its External Auditor during the fiscal year in which the services are provided;

  (b) the services were not recognized by the Company at the time of the engagement to be non-audit services; and

  (c) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

- Recommend to the Board that it recommend to the shareholders of the Company the appointment and termination of the External Auditor.

- Receive reports in respect of the quarterly review and audit work of, and any other services provided by, the External Auditor and, where applicable, oversee the resolution of any disagreements between management and the External Auditor. Management shall ensure that the Committee receives a full report either directly from the External Auditor or from management on all services provided by the External Auditor and shall ensure that all required pre-approvals are obtained. All services to be provided by the External Auditor shall be supported by an engagement letter signed by a duly authorized representative of the Company.

- Ensure that at all times there are direct communication channels between the Committee and the External Auditor of the Company to discuss and review specific issues, as appropriate.

- Meet separately, on a regular basis, with management and the External Auditor to discuss any issues or concerns warranting Committee attention. As part of this process, the Committee shall provide sufficient opportunity for the External Auditor to meet privately with the Committee.

- At least annually, obtain and review a report by the External Auditor describing all relationships between the External Auditor and the Company in order to assess External Auditor independence and receive a letter each year from the External Auditor confirming its continued independence.

- Allow the External Auditor of the Company to attend and be heard at any meeting of the Committee.

- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditor of the Company.

- At least annually, evaluate the External Auditor's qualifications, performance and independence, including that of the External Auditor's lead partner, and report the results of such review to the Board; and

- At least every five years, conduct a more comprehensive review of the External Auditor's performance and report the results of such review to the Board.

Internal Audit

- Review and approve Internal Audit's charter, including its authority and organizational reporting lines on an annual basis.

- Review, discuss and, if appropriate, approve the annual audit plan for the internal audit department. Such plan will normally include key priorities, initiatives and planned audits; internal and external resource requirements; and the financial budget required to support these activities.

- Discuss Internal Audit's performance, longer term plans, and staffing requirements.

- In advance, approve the appointment, termination, bonuses and other special compensation awards as well as changes proposed by management in base compensation for the head of internal audit.

- Ensure that at all times there are direct communication channels between the Committee and the head of internal audit of the Company to discuss and review specific issues, as appropriate. Meet periodically with the head of internal audit of the Company without the presence of management and the External Auditor.

Speak Up

- Establish and review procedures established with respect to employees and third parties for:

    (a) the receipt, retention and treatment of complaints received by the Company, confidentially and anonymously, regarding accounting, financial reporting and disclosure controls and procedures, or auditing matters as well as other alleged illegal or unethical behaviour; and

    (b) dealing with the reporting, handling and taking of remedial action with respect to alleged violations of accounting, financial reporting and disclosure controls and procedures, or auditing matters, as well as other alleged illegal or unethical behaviour, in accordance with the Company's related policy and procedures.

Compliance

- Review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer regarding compliance with their certification obligations as required by the regulators.

- Review the Company's Chief Executive Officer and Chief Financial Officer's quarterly and annual assessments of the design and operating effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting, respectively.

- Review the findings of any examination by regulatory agencies, and any auditor observations.

- Receive reports, if any, from management and legal counsel of evidence of material violation of securities laws or breaches of fiduciary duty.

Reporting Responsibilities

- Regularly report to the Board on Committee activities, issues and related recommendations.

- Report annually to the shareholders, describing the Committee's composition, responsibilities and how they are discharged, and any other information required by legislation.

Mandate Reviews

- The Committee shall annually review its performance relative to this mandate, the adequacy of this mandate and recommend changes to the Board.

Other Responsibilities

- Perform any other related activities as requested by the Board.

- Institute and oversee special investigations, as needed.