MANAGEMENT INFORMATION CIRCULAR

2016

ANNUAL AND GENERAL SHAREHOLDERS' MEETING

MAY 5, 2016 AT 4:00 P.M. (Toronto time)

TMX Broadcast Centre
Gallery
The Exchange Tower
130 King Street West
Toronto, ON
M5X 1J2

Dated as of March 22, 2016

P.O. Box 195, Suite 500
1 Adelaide Street E., Toronto, Ontario
Canada M5C 2V9
Tel: (416) 365-5191 Fax: (416) 365-9080

March 22, 2016

Dear Shareholder:

On behalf of the board of directors and management of Dundee Precious Metals Inc. (the “Corporation”), we would like to invite you to attend the annual and general meeting of shareholders to be held at 4:00 p.m. (Toronto time) on Thursday, May 5, 2016 at the TMX Broadcast Centre, Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

The accompanying management information circular (the “Circular”) provides information about the nominated directors, our governance practices and our director and executive compensation programs. For the second consecutive year, shareholders will be given an opportunity to vote on our approach to executive compensation. Your vote is advisory and will provide the compensation committee and the board with important feedback. The Corporation’s compensation policies and procedures are based on the principle of pay for performance designed to align the interests of the Corporation’s executives with the long term interests of shareholders. As further described in the enclosed Circular, the Corporation has implemented a number of new measures to align itself with emerging best practices, including, among other things, the recent adoption of an Executive Compensation Recoupment (Clawback) Policy.

At the meeting, we will review our operations and outline our strategy to increase shareholder value in the future. Management and members of the board will also be available to meet you and answer any questions that you may have, following the formal part of the meeting.

Your participation in the affairs of the Corporation is important to us regardless of the number of shares that you own. Please consult the accompanying Circular which contains all of the information you need about the meeting and how to exercise your right to vote. Your vote does count.

If you are unable to attend our annual meeting in person, we are pleased to offer an audio webcast of the meeting, which can be accessed live on our website at www.dundeeprecious.com under Events and Webcasts. Alternatively, you can listen to a replay of the webcast, which will be archived on our website at the above location after the meeting.

Sincerely,

“Jonathan Goodman”

Jonathan C. Goodman
Executive Chair

“Rick Howes”

Rick Howes
President and Chief Executive Officer

The accompanying Circular, as well as our 2015 Annual Report and quarterly financial information, is posted on our website at www.dundeeprecious.com along with other information regarding Dundee Precious Metals Inc.

NOTICE OF 2016 ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and general meeting (the "Meeting") of shareholders of Dundee Precious Metals Inc. (the "Corporation") will be held at the TMX Broadcast Centre, Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2 on Thursday, May 5, 2016 at 4:00 p.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2015 and December 31, 2014, together with the report of the auditor thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year;
4. to consider, and if deemed appropriate, to pass a non-binding, advisory resolution accepting the Corporation's approach to executive compensation, as more particularly described in the accompanying management information circular (the "Circular"); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The Circular forms part of this Notice and provides additional information relating to the matters to be dealt with at the meeting.

DATED at Toronto, Ontario this 22nd day of March, 2016.

By Order of the Board

"Jonathan Goodman"

Jonathan C. Goodman
Executive Chair

We ask that you promptly sign, date and return the form of proxy in the return envelope if you do not intend to be present at the Meeting. All instruments appointing proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc.: (i) by hand, courier or by mail at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; (ii) by telephone at 1-866-732-8683 (toll free); or (iii) by visiting www.investorvote.com, in each case, prior to 4:00 p.m. (Toronto time) on Tuesday, May 3, 2016 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and statutory holidays excepted, prior to the time of the adjourned or postponed Meeting. Refer to "Appointment and Revocation of Proxies" and "Voting by Registered Shareholders" on page 1 of the Circular and "Voting by Non-Registered Shareholders" on page 2 of the Circular for voting instructions. Instruments appointing proxies not so deposited may not be voted at the Meeting. The proxy cut-off time may be waived or extended by the Chair of the Meeting, in its sole discretion without notice.

TABLE OF CONTENTS

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by the management of Dundee Precious Metals Inc. (the "Corporation" or "DPM") of proxies to be used at the annual and general meeting of shareholders of the Corporation (the "Meeting") to be held at the TMX Broadcast Centre, Gallery, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2 at 4:00 p.m. (Toronto time) on Thursday, May 5, 2016 and at any adjournment(s) or postponement(s) thereof. References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

The Corporation will bear the cost of soliciting proxies. The solicitation of proxies for the Meeting will be primarily by mail but proxies may also be solicited personally or by telephone by employees of the Corporation or by agents retained by the Corporation. Employees of the Corporation will not receive any extra compensation for such activities. The Corporation will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for the reasonable expenses incurred in sending proxy material to beneficial owners of the common shares in the capital of the Corporation ("Common Shares") and obtaining proxies therefrom.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors of the Corporation. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to Computershare Investor Services Inc. ("Computershare") in time for use at the Meeting as specified in the notice of Meeting.**

Securities represented by proxy will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for, and if the securityholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

The giving of a proxy will not affect the right of a shareholder of the Corporation ("Shareholder") to attend and vote in person at the Meeting. A Shareholder who has given a proxy, or his or her attorney so authorized in writing, may revoke the proxy by an instrument in writing deposited at Computershare at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or in any manner prescribed by law.

VOTING BY REGISTERED SHAREHOLDERS

Voting by Proxy

Registered Shareholders can vote their Common Shares by proxy in one of the following three ways:

- by calling the telephone number set out in the form of proxy included with this Circular and following the instructions set out on the form of proxy (the required access codes being the holder account number and proxy access number found on the form of proxy);
- by visiting www.investorvote.com and following the instructions set out on the form of proxy (the required access codes being the holder account number and proxy access number found on the form of proxy); or
- by mail by completing, dating and signing the form of proxy, and returning it to Computershare in the envelope provided.

Proxies must be received by no later than 4:00 p.m. (Toronto time) on Tuesday, May 3, 2016 or, in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours, Saturdays, Sundays and statutory holidays excepted, prior to the time of the adjourned or postponed Meeting. The proxy cut-off time may be waived or extended by the Chair of the Meeting, in his sole discretion without notice.

Voting by Attending the Meeting in Person

Registered Shareholders who wish to vote their Common Shares in person at the Meeting should not complete or return their form of proxy, and should submit the completed form of proxy to a Computershare representative at the Meeting.

VOTING BY NON-REGISTERED SHAREHOLDERS

Non-registered Shareholders are Shareholders who hold Common Shares in the name of an intermediary (such as a securities broker, trust company or other financial institution).

Voting by Providing Instructions to the Intermediary

Non-registered Shareholders should follow the directions of their intermediaries with respect to the procedures to be followed for voting their Common Shares.

Non-registered Shareholders must not use the mailing address of Computershare provided in this Circular as this is reserved for registered Shareholders, but rather should use the mailing information provided by the intermediary. If a non-registered Shareholder who has voted his or her Common Shares by following the directions of the intermediary wishes to revoke his or her vote, such Shareholder must contact his or her intermediary to determine the procedure to be followed. The proxy cut-off time may be waived or extended by the Chair of the Meeting, in his sole discretion without notice.

Proxies must be received by no later than 4:00 p.m. (Toronto time) on Tuesday, May 3, 2016 or, in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours, Saturdays, Sundays and statutory holidays excepted, prior to the time of the adjourned or postponed Meeting.

Voting by Attending the Meeting in Person

The Corporation does not have access to the names and shareholdings of its non-registered Shareholders. Therefore, if a non-registered Shareholder wishes to attend the Meeting and vote in person at the Meeting, he or she should insert his or her own name in the space provided on the form of proxy or request for voting instructions sent to the non-registered Shareholder by the intermediary and then follow the instructions provided by the intermediary to appoint himself or herself as a proxyholder. As the non-registered Shareholder will be attending the Meeting in person, he or she should not otherwise complete the form of proxy or request for voting instructions sent by the intermediary. Non-registered Shareholders who instruct their intermediary to appoint them as proxyholders should present themselves to a representative of Computershare at the Meeting.

EXERCISE OF DISCRETION BY PROXIES

All properly executed forms of proxy which have not been previously revoked will be voted or withheld from voting on any ballot taken at the Meeting in accordance with the instructions contained therein. **Forms of proxy containing no instructions regarding the matters specified therein will be voted in favour of such matters. In the event, not presently anticipated, that any amendment, variation or other new matter is properly brought before the Meeting and is submitted to a vote, the form of proxy may be voted in accordance with the judgment of the persons named therein. The form of proxy also confers discretionary authority in respect of amendments to, or variations in, all matters which may properly come before the Meeting.**

RECORD DATE AND SHAREHOLDERS ENTITLED TO VOTE

The board of directors of the Corporation (the "Board") has fixed March 22, 2016 as the record date (the "Record Date") for the determination of Shareholders entitled to receive notice of and vote at the Meeting. Only Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date hereof, the Corporation has 140,575,783 Common Shares outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns or exercises control or direction, directly or indirectly, over Common Shares carrying more than 10% of the voting rights attached to all of the Common Shares, except as set out below:

Name [(1)]	**Common Shares Owned or Controlled**	**% of Outstanding Common Shares**
Dundee Corporation, Toronto, Ontario	35,470,807	25.2%
GMT Capital Corp., Atlanta, Georgia	17,079,000	12.2%

(1) The information provided is to the best knowledge of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, the notes to the Corporation's consolidated audited financial statements for the years ended December 31, 2015 and December 31, 2014 or the Corporation's annual information form dated March 28, 2016 (the "AIF"), each of which can be found on SEDAR at www.sedar.com, there has been no transaction since January 1, 2015, or a proposed transaction, which has materially affected or would materially affect the Corporation or any of its subsidiaries in respect of which any 10% holder of voting securities, (a "Principal Shareholder"), any director or executive officer of the Corporation, any director or executive officer of any of its subsidiaries, any director or executive officer of a Principal Shareholder, any proposed nominee for director of the Corporation, or any associate or affiliate of any of the foregoing had a direct or indirect material interest.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Circular, no (a) director or executive officer of the Corporation who has held such position at any time since January 1, 2015; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

CURRENCY

All currency amounts in this Circular are expressed in Canadian dollars, unless otherwise indicated.

BUSINESS OF THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the financial years ended December 31, 2015 and December 31, 2014 and the auditor's report thereon will be placed before the Meeting. These financial statements are included in the Corporation's annual report for the year ended December 31, 2015, and are filed on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The Corporation's Articles provide that the Board consists of a minimum of three (3) and a maximum of fifteen (15) directors. It is proposed that the 10 individuals set out in the table below be nominated for election as directors of the Corporation to hold office until the next annual meeting or until their successors are elected or appointed. On February 28, 2014, the Corporation announced that the Board approved certain amendments to the Corporation's Amended and Restated By-Law No. 1 pursuant to which it adopted an advance notice provision for nominations of directors by Shareholders in certain circumstances. As of the date hereof, the Corporation has not received notice of any director nominations in connection with this year's Meeting.

The following pages set out, among other things, the names of the 10 proposed nominees for election to the Board, together with their municipalities of residence; their age; the year from which each has continually served as a director of the Corporation; their principal occupation; other public board directorships; the committees of the Board of which he or she is a member and the number of Common Shares, deferred share units ("DSUs"), restricted share units ("RSUs"), performance share units ("PSUs"), and options to purchase Common Shares ("Options") which he or she beneficially owns or over which he or she exercises control or direction, as of the date hereof, unless otherwise stated.

All 10 of the nominees are current directors of the Corporation and have been directors since the dates indicated below. In the opinion of the Board, the nominees set out below are well qualified to act as directors for the forthcoming year.

R. Peter Gillin
Toronto, Ontario, Canada

Age 67

Director since 2009

Independent

Voting Results [1]
2015: 99.80%
2014: 99.56%
2013: 99.92%

Principal Occupation and Experience

Corporate Director

Lead Director, effective April 1, 2013

Mr. Gillin brings extensive public and mining company experience to the Board. Prior to December 2008, he was Chairman and Chief Executive Officer ("CEO") of Tahera Diamond Corporation and is the former President and CEO of Zemex Corporation. He has also been a senior investment banker, having previously served as Vice Chairman of N M Rothschild & Sons Canada Limited and as a Managing Director of Scotia Capital. In addition to being a director of several major public mining companies, he is also a member of the Independent Review Committee of TD Asset Management Inc. Mr. Gillin is a Chartered Financial Analyst and earned an ICD.D designation from The Institute of Corporate Directors.

Committee Memberships and Meeting Attendance During 2015

Board		9 / 9
Compensation *(Chair)*		4 / 4
Overall Attendance		100%

Ownership and Total Value of Equity [2]

Common Shares	15,000	
DSUs	118,823	
Total Value		*$503,000*
Options	49,000	
Total Value [3]		*$0*
Total amount of equity at risk		*$503,000*

$180,000 Equity Ownership Requirement [4]

Percentage of Target Achieved	279%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Sherritt International Corporation
Silver Wheaton Corp.
Turquoise Hill Resources Ltd.

Core Skills and Competencies

Capital Markets
Strategic Leadership / Risk Management
Governance / Executive Compensation

Jonathan Goodman
Toronto, Ontario, Canada

Age 54

Director since 1993

Not Independent

Voting Results [1]
2015: 99.43%
2014: 94.45%
2013: 99.70%

Principal Occupation and Experience

Executive Chair, effective April 1, 2013

President and CEO of Dundee Capital Markets, a private investment dealer, from August 12, 2013 to September 4, 2014.

Deputy Chairman and Chief Operating Officer of Dundee Corporation, an independent publicly traded asset management company, from August 13, 2013 to February 19, 2014.

President and CEO of the Corporation from June 8, 1995 to March 31, 2013.

Mr. Goodman has over 25 years of experience in the resource and investment industry, working as a geologist, senior analyst, portfolio manager and senior executive. Mr. Goodman joined Goodman & Company, Investment Counsel Ltd. in 1990, where he was responsible for the selection of Canadian equities and played a major role in developing asset allocation strategies, before becoming the company's President. He is also a founder of Goepel Shields & Partners, an investment firm. Mr. Goodman graduated from the Colorado School of Mines as a Professional Engineer and holds a Master of Business Administration from the University of Toronto. He is also a Chartered Financial Analyst.

Committee Memberships and Meeting Attendance During 2015

Board		9 / 9
Overall Attendance		100%

Ownership and Total Value of Equity [2]

Common Shares	397,899	
DSUs	457,722	
RSUs [5]	15,734	
Total Value		*$4,152,000*
Options	464,880	
Total Value [3]		*$0*
Total amount of equity at risk		*$4,152,000*

$750,000 Equity Ownership Requirement [6]

Percentage of Target Achieved	554%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Sabina Gold & Silver Corp. [7]
Toachi Mining Inc.

Core Skills and Competencies

Capital Markets
International Business / Government & Community Relations
Mining, Exploration & Operations

Rick Howes
Toronto, Ontario, Canada

Age 58

Director since 2012

Not Independent

Voting Results (1)
2015: 99.88%
2014: 99.50%
2013: 99.92%

Principal Occupation and Experience

President and CEO of the Corporation, effective April 1, 2013

Executive Vice President and Chief Operating Officer ("COO") of the Corporation from November 9, 2010 to March 31, 2013.

Mr. Howes is a Professional Engineer and has over 30 years of experience in the mining industry. Throughout his career, Mr. Howes has been closely associated with the practices that make for world-class mining operations including Inco's North Mine, which won the 2006 Ryan Award as the safest mine in Canada. Mr. Howes joined the Corporation in early 2009 as General Manager and Executive Director of Dundee Precious Metals Chelopech EAD and, in November 2010, was appointed Executive Vice President and COO. Prior to joining the Corporation, Mr. Howes worked for 30 years in various operating and technical capacities in the Canadian mining industry working for major mining producers including Vale Inco, Falconbridge and Cominco. Mr. Howes attended Queen's University where he earned a Bachelor of Science degree in Mining Engineering.

Committee Memberships and Meeting Attendance During 2015

Board	9 / 9	Overall Attendance	100%

Ownership and Total Value of Equity (2)		
Common Shares	75,000	
DSUs	0	
RSUs (5)	273,285	
PSUs (5)	94,700	
Total Value		*$1,437,000*
Options	960,674	
Total Value (3)		*$0*
Total amount of equity at risk		*$1,437,000*

$1,875,000 Equity Ownership Requirement (8)	
Percentage of Target Achieved	77%
Target Date to Reach Threshold	April 2018

Other Public Board Directorships

Avala Resources Ltd. (7)

Core Skills and Competencies

Strategic Leadership / Risk Management

International Business / Government & Community Relations

Mining, Exploration & Operations

Murray John
Victoria, B.C., Canada

Age 57

Director since 2005

Independent

Voting Results (1)
2015: 99.42%
2014: 94.99%
2013: 92.78%

Principal Occupation and Experience

Corporate Director

President and Vice President of Dundee Resources Limited from May 26, 2014 to December 10, 2014 and from September 1, 2004 to May 26, 2014, respectively.

Prior to his retirement in December 2014, Mr. John was President and CEO of Dundee Resources Limited, a private resource-focused investment company, and Managing Director and a Portfolio Manager with Goodman Investment Counsel, where he was responsible for managing resource and precious metals focused mutual funds and flow-through limited partnerships.

Mr. John is the former President and CEO of Corona Gold Corporation and Ryan Gold Corp. He is also a director of Oban Mining Corp. and a former director of several other public companies. He has been involved with the resource investment industry since 1992 and has worked as an investment banker, buy-side mining analyst, sell-side mining analyst and portfolio manager. Mr. John graduated from the Camborne School of Mines in 1980 and has extensive industry experience working as a mining engineer for Strathcona Mineral Services Ltd., Nanisivik Mines Ltd. and Eldorado Nuclear Limited. He also received an MBA from the University of Toronto in 1992.

Committee Memberships and Meeting Attendance During 2015

Board	8 / 9	Overall Attendance	85%
Health Safety & Environment	3 / 4		

Ownership and Total Value of Equity (2)		
Common Shares	62,500	
DSUs	129,856	
Total Value		*$720,000*
Options	49,000	
Total Value (3)		*$0*
Total amount of equity at risk		*$720,000*

$180,000 Equity Ownership Requirement (4)	
Percentage of Target Achieved	400%
Target Date to Reach Threshold	Met

Other Public Board Directorships

African Minerals Limited

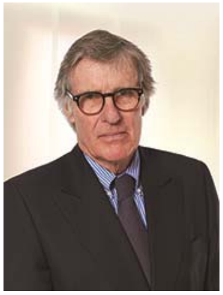
Oban Mining Corp.

Core Skills and Competencies

Capital Markets

Mining, Exploration & Operations

Safety, Health & Environment



Jeremy Kinsman
Victoria, B.C.,
Canada

Age 74

Director since 2007

Independent

Voting Results (1)
2015: 99.89%
2014: 99.75%
2013: 99.92%

Principal Occupation and Experience

Corporate Director

Mr. Kinsman was educated at Princeton University and the Institut d'Etudes Politiques, Paris, before joining the Canadian Foreign Service in 1966, where he became one of Canada's most senior and experienced diplomats, serving as Deputy Permanent Representative to the United Nations in New York, Minister for Political Affairs in Washington and Political Director in Ottawa. From 1992 to 2006, Mr. Kinsman was Canada's Ambassador to Russia, Ambassador to Italy, High Commissioner to the United Kingdom, and Ambassador to the European Union, accredited as well in these positions to a dozen other countries. Since 2007, he has directed an international democracy support project for the Community of Democracies and continues to be a widely-presented and published commentator on world affairs.

Committee Memberships and Meeting Attendance During 2015

Board	9 / 9	Overall Attendance	100%
Corporate Governance & Nominating	5 / 5		
Compensation	4 / 4		

Ownership and Total Value of Equity (2)		
Common Shares	22,500	
DSUs	53,178	
Total Value		*$237,000*
Options	49,000	
Total Value (3)		*$0*
Total amount of equity at risk		*$ 237,000*

$180,000 Equity Ownership Requirement (4)	
Percentage of Target Achieved	132%
Target Date to Reach Threshold	Met

Other Public Board Directorships

None

Core Skills and Competencies

Strategic Leadership / Risk Management
Governance / Executive Compensation
International Business / Government & Community Relations

Garth MacRae
Toronto, Ontario,
Canada

Age 82

Director since 1988

Independent

Voting Results (1)
2015: 92.68%
2014: 85.46%
2013: 86.40%

Principal Occupation and Experience

Corporate Director

Mr. MacRae brings to the Board over 40 years of experience in the resource industry, as well as over 20 years of public accounting experience. He has held executive positions with Hudson Bay Mining, Brinco Limited and Denison Mines Limited and served as Vice Chairman of Dundee Corporation from 1993 until 2004. He also served as Chairman of the Corporation from 1995 until 2002. Mr. MacRae holds a Chartered Professional Accountant designation.

Committee Memberships and Meeting Attendance During 2015

Board	9 / 9	Overall Attendance	100%
Audit	4 / 4		
Health Safety & Environment *(Chair)*	4 / 4		

Ownership and Total Value of Equity (2)		
Common Shares	58,504	
DSUs	50,269	
Total Value		*$343,000*
Options	49,000	
Total Value (3)		*$0*
Total amount of equity at risk		*$343,000*

$180,000 Equity Ownership Requirement (4)	
Percentage of Target Achieved	191%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Dundee Corporation
Dundee Energy Limited
GeneNews Limited
Uranium Participation Corporation

Core Skills and Competencies

Financial Literacy
Mining, Exploration & Operations
Safety, Health & Environment

Peter Nixon
Niagara-on-the-Lake, Ontario, Canada

Age 69

Director since 2002

Independent

Voting Results [1]
2015: 99.68%
2014: 99.76%
2013: 99.82%

Principal Occupation and Experience

Corporate Director

Mr. Nixon has spent more than three decades in the investment industry, specializing in the natural resource sector and working primarily in research and institutional sales. He was also a founder of the investment firm Goepel Shields & Partners and was subsequently President of the firm's subsidiary in the United States. Mr. Nixon later joined Dundee Securities Corporation, with the mandate to expand the company's activities in the United States. He is also a member of The Institute of Corporate Directors.

Committee Memberships and Meeting Attendance During 2015

Board	9 / 9
Corporate Governance & Nominating *(Chair)*	5 / 5
Compensation	4 / 4
Overall Attendance	100%

Ownership and Total Value of Equity [2]

Common Shares	5,204	
DSUs	66,353	
Total Value		*$303,000*
Options	49,000	
Total Value [3]		*$0*
Total amount of equity at risk		*$303,000*

$180,000 Equity Ownership Requirement [4]

Percentage of Target Achieved	168%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Midas Gold Corp.
Reunion Gold Corporation
Stornoway Diamond Corporation

Core Skills and Competencies

Capital Markets
Financial Literacy
Governance / Executive Compensation

Marie-Anne Tawil
Mansonville, Q.C., Canada

Age 56

Director since 2015

Independent

Voting Results [1]
2015: N/A
2014: N/A
2013: N/A

Principal Occupation and Experience

Corporate Director

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 and McCarthy Tetrault and, in 1984, joined Quebecor Inc. as Legal Counsel, and also served as Corporate Secretary from 1987 until 1990. She was previously Chair of the Societe de l'Assurance Automobile du Quebec, joined the board of Hydro Quebec in 2005 and, most recently, Stornoway Diamonds. Ms. Tawil is a member of the Bar of the Province of Quebec and holds an MBA from the John Molson School of Business. She holds an ICD.D designation from the Institute of Corporate Directors.

Committee Memberships and Meeting Attendance During 2015 [10]

Board	3 / 3
Audit	0 / 0
Corporate Governance & Nominating	0 / 0
Overall Attendance	100%

Ownership and Total Value of Equity [2]

Common Shares	0	
DSUs	14,038	
Total Value		*$18,000*
Options	0	
Total Value [3]		*$0*
Total amount of equity at risk		*$18,000*

$180,000 Equity Ownership Requirement [4]

Percentage of Target Achieved	10%
Target Date to Reach Threshold	Nov 2020

Other Public Board Directorships

Stornoway Diamond Corporation

Core Skills and Competencies

Financial Literacy
Governance / Executive Compensation
Safety, Health & Environment

Anthony P. Walsh
West Vancouver, B.C., Canada

Age 64

Director since 2012

Independent

Voting Results [1]
2015: 99.67%
2014: 80.99%
2013: 86.35%

Principal Occupation and Experience

Corporate Director

Mr. Walsh has over 25 years' experience in the field of exploration, mining and development. Most recently, Mr. Walsh was President and CEO of Sabina Gold & Silver Corp. from 2008 to 2011, prior to which he served as President and CEO of Miramar Mining Corporation from 1995 to 2007, Senior Vice President and Chief Financial Officer of a computer leasing company from 1993 to 1995 and Chief Financial Officer and Senior Vice President, Finance of International Corona Mines Ltd., a major North American gold producer from 1989 to 1992. Mr. Walsh also serves on the board of directors of several publicly-traded exploration and development companies. Mr. Walsh graduated from Queen's University in 1973 and became a member of The Canadian Institute of Chartered Accountants in 1976.

Committee Memberships and Meeting Attendance During 2015

Board	9 / 9	Overall Attendance	100%
Audit	4 / 4		
Compensation	4 / 4		

Ownership & Total Value of Equity [2]

Common Shares	0	
DSUs	67,811	
Total Value		*$206,000*
Options	39,000	
Total Value [3]		*$0*
Total amount of equity at risk		*$206,000*

$180,000 Equity Ownership Requirement [4]

Percentage of Target Achieved	114%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Avala Resources Ltd.
NovaGold Resources Inc.
Sabina Gold & Silver Corp.
TMX Group Inc.

Core Skills and Competencies

Capital Markets
Financial Literacy
Strategic Leadership / Risk Management

Donald Young
West Vancouver, B.C., Canada

Age 70

Director since 2010

Independent

Voting Results [1]
2015: 99.96%
2014: 99.78%
2013: 99.92%

Principal Occupation and Experience

Corporate Director

Mr. Young, CPA, FCA is a retired KPMG LLP ("KPMG") partner. Before joining KPMG, he worked for Placer Development Ltd. (now Barrick Gold Corporation). He was a senior audit partner with KPMG for 26 years and, for a number of years, also worked as a management consulting partner focused on operational and organization reviews, governance, and control/risk management. He currently serves on the board and chairs the audit committee of Midas Gold Corp. He has served on the boards of other publicly listed and not-for-profit organizations, including Science World British Columbia, British Columbia Safety Authority and the Canadian Institute of Chartered Accountants. He is a Fellow and past President of the British Columbia Chartered Accountants and is a member of the Institute of Corporate Directors.

Committee Memberships and Meeting Attendance During 2015 [10]

Board	9 / 9	Overall Attendance	100%
Audit *(Chair)*	4 / 4		
Corporate Governance & Nominating	2 / 2		
Health Safety & Environment	3 / 3		

Ownership & Total Value of Equity [2]

Common Shares	17,500	
DSUs	42,587	
Total Value		*$254,000*
Options	49,000	
Total Value [3]		*$0*
Total amount of equity at risk		*$254,000*

$180,000 Equity Ownership Requirement [4]

Percentage of Target Achieved	141%
Target Date to Reach Threshold	Met

Other Public Board Directorships

Midas Gold Corp.

Core Skills and Competencies

Financial Literacy
Strategic Leadership / Risk Management
Governance / Executive Compensation

(1) Voting results relate to the percentage of votes cast in favour at the 2015, 2014 and 2013 annual meetings of Shareholders;

(2) The information as to Common Shares owned or controlled is not within the knowledge of the Corporation, and has been furnished by the nominees individually as of December 31, 2015, the values of which are calculated based on the greater of: (i) the acquisition cost or the grant value; and (ii) the aggregate fair market value of the Common Shares on the Toronto Stock Exchange ("TSX") on December 31, 2015 of $1.28;

(3) Value of unexercised in-the-money Options relates to vested Options based on the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. This amount may not be representative of the amount that may be realized on payout due to market fluctuations. Refer to "Executive Compensation - Outstanding Option-Based and Share-Based Awards at Year End" and "Board of Directors Compensation - Outstanding Option-Based and Share-Based Awards at Year End" for further information;

(4) The equity ownership was calculated as at December 31, 2015, based on acquisition cost, not market value, and non-executive Board members have five years to reach the $180,000 threshold, being three times the annual cash retainer. Refer to "Board of Directors Compensation - Director Equity Ownership Requirements" for further information;

(5) Value of PSUs and RSUs is calculated based on the greater of: (i) the acquisition cost or the grant value; and (ii) the aggregate fair market value of the Common Shares on the TSX on December 31, 2015 of $1.28. Non-executive directors of the Corporation are not eligible to receive RSUs and PSUs;

(6) On March 19, 2015, the Board approved amendments to the President and CEO Equity Ownership Policy to also include the Executive Chair. Effective January 1, 2015, the Executive Chair is required to hold Common Shares, DSUs and RSUs, with an aggregate value equal to at least three times his annual base salary. Refer to "Executive Compensation - Executive Equity Ownership Requirements" for further information;

(7) Board seat is directly related to the Corporation's ownership position in this company;

(8) On November 6, 2013, the Corporation adopted a formal President and CEO Equity Ownership Policy that required the CEO to hold Common Shares, DSUs and RSUs, with an aggregate acquisition cost or grant value equal to at least three times his annual base salary. On March 19, 2015, the Board approved certain amendments to this policy which include a change in the calculation of the threshold. Refer to "Executive Compensation - Executive Equity Ownership Requirements" for further information;

(9) Avala Resources Ltd. ("Avala") is considered a subsidiary of the Corporation. On February 9, 2016, DPM entered into an agreement with Avala, whereby DPM proposed to acquire all of Avala's issued and outstanding common shares that it does not already own by way of a plan of arrangement. A special meeting of the shareholders of Avala is scheduled to be held on April 5, 2016; and

(10) Mr. Young was a member of the Corporate Governance Committee from May 7, 2015 to November 3, 2015, at which time he joined the Health, Safety & Environment Committee. Ms. Tawil became a member of the Board, as well as a member of the Audit and Corporate Governance Committees, effective November 4, 2015.

The Corporation is required to have an Audit Committee and also has a Compensation Committee, a Corporate Governance & Nominating Committee (the "Corporate Governance Committee"), and a Health, Safety & Environment Committee.

The form of proxy enclosed allows for individual voting. The persons named in the form of proxy which accompanies this Circular intend to vote FOR the election to the Board of the 10 nominees listed above, unless the Shareholder has specified in the form of proxy that the Common Shares represented by such proxy are to be withheld from voting in respect thereof. Each of the foregoing nominees has served as a director of the Corporation and held the office shown in the table since the Corporation's last annual meeting, with the exception of Marie-Anne Tawil, who was appointed to the Board on November 4, 2015.

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of Shareholders or until his office is earlier vacated or until his successor is elected under the By-laws of the Corporation.

Majority Voting

In accordance with the Corporation's Majority Voting Policy, except in the context of a contested election, any nominee for election as a director who receives a greater number of votes withheld than for his or her election shall, immediately following the Meeting, submit his or her resignation to the Board for its consideration. The Corporate Governance Committee will review the matter, considering any relevant factors or circumstances, and will submit a recommendation to the Board. Within 90 days of certification of final voting results, the Board will make public its decision, including its reasons for accepting or rejecting the resignation. Since its adoption, the Majority Voting Policy has not been triggered.

Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director of the Corporation:

1. is, as of the date hereof, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
   a) was subject to a cease trade, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 days (collectively, an "Order") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
   b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting as director, chief executive officer or chief financial officer;
2. is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) 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;
3. 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 proposed director; 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 securityholder in deciding whether to vote for a proposed director;

(i) Jonathan Goodman, Executive Chair of the Corporation, who was a director of Tahera Diamond Corporation ("Tahera") from August 2003 to September 29, 2008, and Peter Gillin, Lead Director of the Corporation, who was also director, Chairman and CEO of Tahera, from October 2003 to December 2008, a company that filed for protection under the Companies' Creditors Arrangement Act (Canada) ("CCAA") with the Ontario Superior Court of Justice on January 16, 2008. As a consequence of its financial difficulties, Tahera failed to file financial statements for the year ended December 31, 2007 and subsequent financial periods. As a result, Tahera was delisted from the TSX in November 2009 and Orders were issued in 2010 by the securities regulatory authorities of Ontario, Quebec, Alberta and British Columbia, which Orders have not been revoked. Tahera subsequently sold its tax assets to Ag Growth International and certain properties, including the Jericho diamond mine, to Shear Minerals Ltd., and the monitoring process under CCAA concluded by order of the Superior Court of Justice in September 2010; and

(ii) Murray John, a director of the Corporation, is a director of African Minerals Limited, an AIM-listed company incorporated in Bermuda that appointed an insolvency administrator (the "Administrator") in March 2015.

APPOINTMENT OF AUDITOR

The directors of the Corporation recommend, on the advice of the Audit Committee, that PricewaterhouseCoopers LLP, Chartered Professional Accountants, be re-appointed as the auditor of the Corporation.

The persons named in the enclosed form of proxy which accompanies this Circular intend to vote **FOR** the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as the auditor of the Corporation, to hold office until its successor is appointed, unless the Shareholder has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof. Additional information with respect to the auditor can be found in the Corporation's AIF available on SEDAR at www.sedar.com.

ADVISORY VOTE ON APPROACH TO EXECUTIVE COMPENSATION

In 2014, the Board adopted a Policy to hold an advisory vote on our approach to executive compensation at every annual Shareholder meeting. This advisory Say on Pay vote, gives Shareholders the opportunity to approve or reject the Corporation's annual executive compensation programs and policies and the compensation paid to its Named Executive Officers ("NEOs").

As discussed in this Circular, the primary objective of the Corporation's compensation program, including the executive compensation program, is to attract and retain qualified employees that fit our corporate culture in order to achieve its corporate objectives and increase Shareholder value.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass an ordinary resolution to accept the approach to executive compensation, as disclosed in this Circular, substantially in the form set out below (the "Advisory Resolution").

The text of the Advisory Resolution to be submitted to Shareholders at the Meeting is set forth below:

"BE IT RESOLVED:

(i) on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors of the Corporation, the Shareholders accept the approach to executive compensation disclosed in the Corporation's management information circular dated March 22, 2016 and delivered in advance of the 2016 annual meeting of Shareholders of the Corporation; and

(ii) any director or officer of the Corporation be, and is hereby, authorized and directed to execute and deliver for and in name of and on behalf of the Corporation, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this resolution."

Management and the Board recommend that Shareholders vote **FOR** the Advisory Resolution to accept the approach to executive compensation disclosed in this Circular.

Because your vote is advisory, it will not be binding upon the Board. However, if a significant number of Common Shares, represented in person or by proxy at the Meeting, are voted against this Advisory Resolution, the Board will review the approach to executive compensation in the context of the specific concerns of the Shareholders. Following such review by the Board, the Corporation will disclose a summary of the processes undertaken by the Board and an explanation of any changes being implemented in relation to the Corporation's executive compensation practices. This disclosure will be provided within six months of the relevant Shareholders' meeting and, in any case, not later than the next Circular of the Corporation.

Shareholders approved our approach to executive compensation in 2015 with 97.06% voting in favour. The Board and Compensation Committee continue to monitor developments in executive compensation to ensure that our approach, including our compensation practices and risk oversight, is appropriate.

EXECUTIVE COMPENSATION

LETTER FROM CHAIR OF THE COMPENSATION COMMITTEE

Dear Shareholders:

On behalf of the Compensation Committee, we present the Compensation Discussion and Analysis ("CD&A"), which outlines our executive compensation program at DPM and illustrates how the Board reaches its decisions on executive pay programs and awards. Through the CD&A, we aim to provide enhanced understanding to our Shareholders, advisory groups and industry analysts by disclosing how our executive compensation aligns with the Corporation's strategic business plan, corporate and individual performance, and Shareholder interests.

Although we operate in a dynamic business environment, we remain focused on our strategic objectives, to optimize our existing assets, develop new and innovative methods to operate our businesses, and grow the business. We are committed to the highest standards of corporate governance and accountability and aim to provide clarity and transparency in all our activities, including our executive compensation program, in line with the current market environment and industry best practices.

Our focus in 2015 has been the optimization of each of our operations by increasing the life and productivity of the assets, improving costs and delivering on 2015 guidance.

While the Corporation met, or surpassed production and cost guidance, on a consolidated basis, and also substantially achieved its strategic objectives for 2015, in view of the current economic environment and the Corporation's share price performance, the Board elected to exercise its discretion and reduced all bonus awards by 30%. This bonus reduction is in keeping with the Corporation's increased focus on cash preservation. The Board's ongoing work to link the interests of senior management with those of Shareholders was also evidenced by the Board's decision to include a greater proportion of PSUs in the 2016 annual long term incentive award, which are performance-based and paid out only after three years, based on the total Shareholder return ("TSR") relative to DPM's peer group**.**

Outlined below are the key initiatives, with respect to our compensation program and compensation governance practices, that were undertaken throughout 2015 and to date:

- No increase to 2015 executive base salaries;
- Reduced 2015 short term incentive/bonus payments by 30%;
- Reduced 2015 long term incentive awards for all participants, including the Board, by 10%;
- Increased the equity ownership requirement of the Board to three times annual retainer;
- Increased the CEO equity ownership requirement to three times annual base salary;
- Introduced an equity ownership requirement for all other executives of between .75 and three times annual base salary;
- Introduced a performance-based component to RSU awards, based on three-year TSR relative to a peer group established for this purpose (PSUs);
- Reduced the Board's 2016 annual cash retainer by 10%;
- Reduced the proportion of 2016 long term incentive awards represented by Options from 50% to 25% with the balance being split equally between RSUs and PSUs;
- Introduced an Executive Compensation Recoupment (Clawback) Policy in the event of fraud or other intentional misconduct resulting in a material misstatement of financial results; and
- Initiated work on a balanced scorecard approach to the setting of annual measureable targets commencing in 2016 clearly linked to the Corporation's long term strategic objectives.

The key executive compensation principles that we apply at DPM are as follows:

We align our executive pay program with Shareholders' interests: We directly align our executive compensation program with Shareholder interests, and the short and long term objectives of the Corporation, through a mix of Options, RSUs and PSUs.

A significant proportion of executive pay is at risk: Approximately 50% of the 2015 total direct compensation for the President and CEO and, on average, approximately 40% of the total direct compensation for the remaining NEOs is at risk, achieved through the awarding of stock options, RSUs and PSUs, the value of which is approximately $2.4 million.

We assess and manage compensation risk: We ensure our compensation programs are appropriately aligned to reflect the Corporation's position within our peer group and to best position us in the labour market to attract and retain experienced mining executives. Our programs are reviewed regularly to benchmark best practices, ensuring they are encouraging the appropriate behaviour for performance and aligning with our values. We engage a third party consultant, Mercer LLC ("Mercer"), to assist with our review to ensure a balanced approach and to mitigate excessive risk. In addition, our Anti-Hedging and Clawback Policies were designed to complement our risk management approach.

We follow leading compensation practices: We operate in a highly competitive industry and our programs are designed to facilitate the attraction, motivation and retention of talented and experienced mining executives. Through the annual engagement of Mercer and the combination of a balanced pay mix of base salary, short term incentive and long term equity with meaningful links to performance measures, share ownership requirements and anti-hedging guidelines, the Corporation has developed a flexible, executive compensation program.

The Corporation's executive compensation program and practices are described in detail in the CD&A below. The Compensation Committee believes that the executive compensation program and its governance practices transparently and effectively support the achievement of our strategic objectives and align the interests of our executives with those of our Shareholders.

Yours sincerely,

"Peter Gillin"

Peter Gillin, Chair,
Compensation Committee,
Dundee Precious Metals Inc.

COMPENSATION DISCUSSION AND ANALYSIS

This CD&A describes our executive compensation philosophy, summarizes the principles of our executive compensation program and analyzes our pay decisions for 2015. It also provides context for the data we present in the compensation tables. For purposes of this CD&A, our named executive officers ("NEOs") for 2015 are:

NEO	Title
Rick Howes	President and CEO
Hume Kyle	Executive Vice President and Chief Financial Officer ("CFO")
David Rae	Executive Vice President and COO
John Lindsay	Senior Vice President ("SVP"), Projects
Richard Gosse	SVP, Exploration

Objectives of Compensation Strategy

The Corporation's goal in designing its executive compensation program is to achieve two principal objectives. Firstly, the program is intended to offer compensation competitive to comparable positions with similar companies in the mining industry, thereby attracting, motivating and retaining talented individuals who are able to fulfill the strategic objectives of the Corporation. Secondly, the program is designed so that a portion of the compensation of the Corporation's executives aligns their interests with those of the Shareholders in both the short and long term.

The compensation program is designed to reward individual performance based on objectives designed to support the Corporation's goal of building Shareholder value, as established by the President and CEO and, in the case of the CEO, the performance of the Corporation against established corporate strategic objectives and operating metrics approved by the Compensation Committee and the Board; and extraordinary contributions.

Attraction, Motivation and Retention of Key Talent

The compensation package is designed to attract, motivate and retain key talent in a highly competitive mining environment through the following elements:

- a competitive cash compensation program, consisting of base salary and short term incentive compensation (bonus paid as a set percentage of salary); and
- a long term equity-based compensation program, consisting of Options, RSUs and PSUs.

Alignment of Interest of Management with Interests of Shareholders

The compensation package is designed to align the interests of management with the interests of Shareholders through the following elements:

- the grant of Options, RSUs, and PSUs, that give both management and Shareholders benefit if the price of the Common Shares increases over time; and
- a three-year vesting on Options, and RSU and PSU awards, that gives management an interest in increasing the price of the Common Shares over time, rather than focusing on short term results.

Compensation Committee Composition and Process

The Corporation's executive compensation program is administered by the Compensation Committee of the Board. All of the members of the Compensation Committee are independent. All the members of the Compensation Committee are independent of the Corporation. The Board is confident that the Compensation Committee collectively has the knowledge, experience and background required to effectively fulfill its mandate of making executive compensation decisions in the best interests of the Corporation and its Shareholders. The Compensation Committee met four times during 2015 and was composed as set out below.

Peter Gillin has served as Chairman of the Corporation's Compensation Committee since March 24, 2010. Mr. Gillin also serves as Chairman of the Compensation Committee of both Silver Wheaton Corp. and Turquoise Hill Resources Ltd. and serves on the Human Resource Committee of Sherritt International Corporation. He was Chairman and CEO of Tahera and President and CEO of Zemex Corporation. During his career, Mr. Gillin has gained extensive experience in matters pertaining to director and senior management compensation and had frequent interaction with professional compensation advisors. He holds the ICD.D designation from The Institute of

Corporate Directors and, during 2015, participated in a number of compensation-related continuing education courses/seminars.

Jeremy Kinsman has been a member of the Corporation's Compensation Committee and the Corporate Governance Committee since May 13, 2009 and May 7, 2008, respectively. During Mr. Kinsman's 40 year career, he has gained high level international relations experience in dealing with both diplomatic and commercial matters on behalf of Canada, providing him with the skills and experience to contribute to the discussions and determinations of the Compensation Committee.

Peter Nixon has been a member of the Corporation's Compensation Committee and Chairman of the Corporate Governance Committee since June 9, 2004, and has been a past member of the Audit Committee. Mr. Nixon is also a member of the Compensation Committee of Reunion Gold Corporation**.** During his extensive experience in the investment industry, specializing in the natural resource sector, and as a founder of the investment firm Goepel Shields & Partners and, subsequently, President of the firm's subsidiary in the United States, Mr. Nixon has had regular involvement with executive compensation matters. Mr. Nixon is also a member of The Institute of Corporate Directors and has participated in compensation-related courses offered by the Institute.

Anthony P. Walsh has been a member of the Corporation's Compensation Committee and the Audit Committee since May 9, 2013 and August 1, 2012, respectively. Throughout his career, Mr. Walsh has held several senior executive positions of publicly-listed companies in the mining industry which has provided him with extensive experience in executive compensation matters, including Miramar Mining Ltd. and Sabina Gold and Silver Corp. ("Sabina"), as President and CEO. Prior to joining the mining industry, Mr. Walsh had a 12-year tenure with Deloitte, Haskins & Sells, where he earned his Chartered Accountant designation. Mr. Walsh currently serves on the board of several publicly-traded exploration and development companies and is on the Compensation Committees of both Sabina and Novagold Resources Inc.

One of the key roles of the Compensation Committee is to assist the directors of the Corporation in attracting, evaluating and retaining key senior executive personnel through compensation and other appropriate performance incentives.

The CEO, the Corporate Secretary and the SVP, Corporate Services, generally attend part of each meeting of the Compensation Committee but do not have the right to vote on any matter considered by the Compensation Committee and are required to leave the meetings when deemed appropriate by the Chairman. An "in camera" session, without management present, is held at the end of each meeting. In addition, the CEO does not participate in discussions concerning his own compensation. The role of management is to provide the Compensation Committee with perspectives on the business context and individual performance to assist the Compensation Committee in making recommendations regarding compensation. The Corporate Secretary is also responsible for keeping the minutes of the committee meetings. The Chairman of the Compensation Committee also provides regular reports to the Board regarding actions and discussions at committee meetings.

Compensation Consultant

In 2015, the Compensation Committee arranged for a representative of Mercer to provide the Compensation Committee with an overview of current and emerging governance and executive compensation trends in the mining industry. The Compensation Committee was focused on the compensation of the CEO, the CFO and the COO, collectively referred to as the "Executive Officers". The compensation of the SVP, Exploration, and the SVP, Projects, is determined by the CEO, using industry-related market data and, in some cases, compensation data provided by Mercer, as is the pay of the remaining members of the executive group. In the case of the CEO, the Compensation Committee and the CEO establish annual performance objectives and appropriate weighting factors to measure performance and to establish total remuneration for the CEO. The Compensation Committee reviews and discusses with the CEO his recommendations regarding the total remuneration packages of the Executive Officers prior to recommending approval of such packages to the Board.

Following completion of the financial year, the Compensation Committee reviews the performance of the Corporation against established annual corporate strategic objectives ("Objectives") and consolidated operating performance metrics ("Metrics") to establish a performance rating upon which the compensation of the Corporation's NEO's will, in part, be based. The compensation of the CEO, CFO and COO is substantially tied to corporate performance. The Compensation Committee bases its recommendation to the Board on the established Objectives and the evaluations and recommendations of the CEO based on the performance of the CFO and COO against personal performance objectives, which are also substantially represented and described under the Objectives of the Corporation, below. External compensation experts, such as Mercer, are consulted by the Compensation Committee, annually.

Executive Compensation-Related Fees

The following table sets forth the fees paid by the Corporation to Mercer, and to its affiliates, for the years ended 2015, 2014 and 2013:

Category of Fees	**December 31, 2015 ($)**	**December 31, 2014 ($)**	**December 31, 2013 ($)**
Executive Compensation-Related Fees (1)	65,505	49,769	102,209
All other fees (2)	464,954	556,702	562,862
Total	**530,459**	**606,471**	**665,071**

(1) Fees include review of the Corporation's compensation policy (including choice of comparator companies, base salary, total cash compensation and total direct compensation), long term incentive vehicles relative to the peer group and market best practices and provision of observations and recommendations for change, where appropriate, to assist the Compensation Committee in determining the compensation of the NEO's; and

(2) Insurance-related fees and commissions paid to Marsh Inc., an affiliate of Mercer.

Peer Group

The Compensation Committee retains Mercer, an independent compensation advisor, annually, to conduct a benchmark analysis of the total direct compensation, including base salary, annual and long term incentives of each of the Executive Officers, based on information publicly disclosed in management proxy circulars of companies in an updated peer group, defined below. Mercer concluded that the compensation of the Executive Officers is competitively positioned relative to the peer group benchmarks and therefore required no adjustments for 2015. Mercer also reviews the compensation-related disclosure in this Circular.

The companies that were selected for the peer group in late 2014, and which are set out in the table below, were chosen based on similar characteristics to those of the Corporation with respect to some, or all, of the following: industry, market capitalization, revenue, global scope of operations and their complexity, as well as their focus on both gold and base metal production.

Peer Group		
Alacer Gold Corp.	Capstone Mining Corp. **(1)**	Semafo Inc.
Alamos Gold Inc.	First Majestic Silver Corp.	Sherritt International Corporation
Allied Nevada Gold Corp.	Gabriel Resources Ltd.	Silver Standard Resources Inc.
AuRico Gold Inc.	Hudbay Minerals Inc.	Thompson Creek Metals Company Inc.
B2Gold Corp.	Nevsun Resources Ltd.	

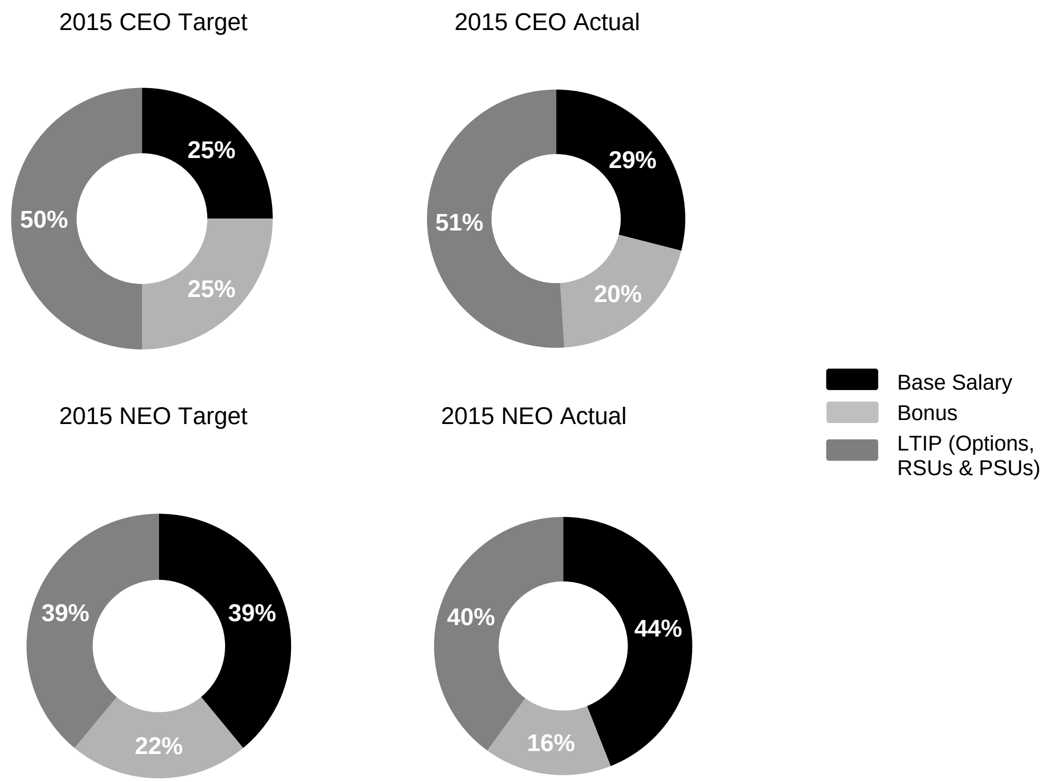
(1) In 2014, Mercer recommended replacing Golden Star Resources Ltd. with Capstone Mining Corp. as it no longer fell within DPM's market capitalization range.

Although the Compensation Committee receives advice from other sources, the decisions reached by the Compensation Committee may reflect factors and considerations other than the information and recommendations with which it is provided.

Components of Executive Compensation

The executive compensation program is comprised of three components: (i) base salary; (ii) short term incentive compensation (cash bonus); and (iii) long term incentive compensation. In 2015, PSUs were added to the mix which now includes Options, RSUs and PSUs. In addition, as a result of the economic environment and the Corporation's focus on cash preservation, the Compensation Committee elected to exercise its discretion and determined that all 2015 cash bonuses would be reduced by 30%, and all long term incentive awards in 2015, including those to the Board, would be reduced by 10%.

The graphs below illustrate the target mix of executive compensation for 2015 and the actual mix of executive compensation awarded for 2015, after negative discretion was applied.



Base Salaries

Salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare relative to peer groups and the global market generally. They are fixed and used as the base to determine other elements of compensation and benefits. Salaries are determined by discussion of the Compensation Committee upon the recommendation of management. The main consideration in establishing base salary ranges for the Executive Officers is the evaluation of comparable market positions. Within those ranges, individual rates generally vary based upon experience, past performance or expected performance, level of responsibility, impact on the business, tenure and retention concerns. There is no mandatory framework that determines which of these additional factors may be more or less important and the emphasis placed on any of these additional factors may vary among the Executive Officers. While certain roles are common throughout the industry, others are more unique. As such, industry surveys may not always produce comparable data on which to base compensation decisions. A certain level of discretion is required to ensure internal equity and external competitiveness.

Late in 2014, the Compensation Committee reviewed a report prepared by Mercer which compared the salaries of the Executive Officers against the base salaries of similar positions within the peer group. The Compensation Committee then aligned the target total direct compensation of the NEOs at approximately the 50th percentile of the peer group. This alignment reflects the adoption, by the Compensation Committee, of a median pay philosophy consistent with industry practice. Actual pay may differ due to company and individual performance.

No adjustments were made to the executive salaries for 2015 as they were deemed to be competitive and substantially in line with the comparator group information. Refer to "Executive Compensation - Summary Compensation Table" for further details.

Short Term Incentive Compensation

Executive Officers and other key employees are also eligible for short term incentive payments in the form of annual cash bonus awards. The bonus for the CEO is developed and recommended by the Compensation Committee and approved by the Board. With respect to the CFO and COO, the bonuses are developed and recommended to the Compensation Committee by the CEO and approved by the Board. Bonuses are calculated as a percentage of annual base salary**,** and are determined on the basis of both corporate and individual performance, equally, with the exception of the Executive Officers, whose performance is substantially tied to the performance of the Corporation.

Bonus payments are based on a target level as a percentage of annual base salary. An individual meeting their target in a year in which the Corporation also meets its overall Objectives is normally rated as “Target” and paid out at 100% of their target bonus. For individual and/or corporate performance that exceeds or is below target performance, a multiplier is used. Refer to the Grid, defined below, for further information on the payout against target, based on a 50/50 combination of corporate and personal performance at various ranking levels, with the exception of the Executive Officers, being the CEO, CFO, and COO.

Both the individual and company performance components are compared to Objectives and Metrics that have been pre-determined and, in the case of the CEO and Corporation, approved by the Board. The Corporation’s performance is based on specific Objectives, each of which are weighted, that support the advancement of the Corporation’s overall strategy and the creation of Shareholder value, together with specific Metrics, each of which is also weighted. Individual performance is based on objectives established within each individual’s primary area of accountability, together with certain personal performance objectives, with at least 50% of each individual’s objectives supporting the achievement of the Corporation’s Objectives. Company and individual performance are then determined by evaluating the level of achievement of the pre-determined objectives.

Following completion of the financial year, the Compensation Committee meets to review the performance of each of the Executive Officers and the Corporation based on the specific Objectives and Metrics that were established at the beginning of the year. As business conditions and other factors change, the Compensation Committee recognizes that certain Objectives may no longer be applicable given prevailing circumstances. In the case of the other Executive Officers, the Compensation Committee, with the assistance of the CEO, determines the ranking of each Executive Officer and the percentage of the target bonus to be paid as a cash bonus award, if any. In the case of the CEO, the Compensation Committee performs a similar evaluation against the company Objectives for the year then ended, as well as the personal objectives set for the CEO, and determines the ranking of the Corporation and the percentage of the CEO’s target bonus amount to be paid as a cash bonus award, if any. The Compensation Committee also takes into account any extraordinary contributions made during the year by any of the Executive Officers and has the discretion to make what it considers to be a suitable recommendation with respect to a cash bonus or other award in connection therewith.

Both company and personal performance are assessed using five ranking categories. With the exception of the CEO, CFO, and COO, whose performance rating is substantially tied to the overall corporate performance, an individual’s overall rating and multiplier is determined by combining, on an equal basis, the corporate rating and the individual’s personal performance rating, as indicated in the table below (the “Grid”). Actual payouts can range from 0 to 150% of the target bonus, depending on the level of performance:

		Company Performance				
Individual Performance		**Below Target (“BT”)**	**Between Target & Below (“BT&B”)**	**Target (“T”)**	**Between Target & Above (“BT&A”)**	**Above Target (“AT”)**
	BT	0%	25%	50%	62.5%	75%
	BT& B	25%	50%	75%	87.5%	100%
	T	50%	75%	100%	112.5%	125%
	BT&A	62.5%	87.5%	112.5%	125%	137.5%
	AT	75%	100%	125%	137.5%	150%

The Compensation Committee established the following Metrics, which, for 2015, included an additional 5% factor relating to safety, all of which were assigned weightings, with the Metrics now accounting for 25% of the overall weighting and the Objectives accounting for the remaining 75%.

2015 Consolidated Metrics (25%)

Key Metric	Target (1)	Actual	Weighting	Rating
Operating				
Gold (‘000s ounces) (2) (3)	199	195	20%	BT&B
Copper (million pounds) (2)	45	42		
Zinc (million pounds) (2)	12	12		
Silver (‘000s ounces) (2)	708	703		

Key Metric	Target [1]	Actual	Weighting	Rating
Cash cost/oz of gold sold, net of by-product credits (US$) [4] [6] [7]	511	559		
Concentrate smelted ('000s tonnes)	210	196		
Cash cost/tonne of complex concentrate smelted (US$) [5] [6] [7]	350	415		
Safety				
All Injury Frequency Rate (AIFR) [8]	2.2	1.2	5%	BT&A

(1) Overall ratings were based on actual results achieved relative to the 2015 budget and guidance having regard for the relative importance of the Corporation's mine and smelter operations, production, costs and in the case of mining operations the value of each metal produced;

(2) Represents metals contained in concentrate produced;

(3) Includes gold contained in pyrite concentrate produced;

(4) Cash cost/ounce of gold sold, net of by-product credits, represents cost of sales at Chelopech and Kapan less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs, less by-product copper, zinc and silver revenues, including realized gains on copper swap contracts, divided by the payable gold in concentrate sold. Includes payable metals in pyrite concentrate sold and applicable treatment charges, transportation and other selling costs;

(5) Cash cost/tonne of complex concentrate smelted represents cost of sales less depreciation and amortization, transportation and related costs and operating costs related to acid production, divided by the volumes of complex concentrate smelted;

(6) Actual costs have been adjusted to reflect budgeted foreign exchange rates;

(7) In this Circular, the terms cash cost/oz of gold sold, cash cost/tonne of concentrate smelted, all-in sustaining cost/oz of gold sold are used and not defined measures under Generally Accepted Accounting Principles ("GAAP") and have no standardized meanings under International Financial Reporting Standards ("IFRS"). See the Corporation's latest management's discussion and analysis for more information about these non-GAAP measures, including a reconciliation to the proximate IFRS measures; and

(8) A fatality would automatically result in a zero safety rating.

2015 Objectives (75%)

Objectives were developed by management and approved by the Board on March 19, 2015. For 2015, a 35% weighting was assigned to Objectives that illustrate the Corporation's focus on operational execution, 25% on disciplined growth and diversity, 10% on maintaining financial strength and the remaining 5% on corporate responsibility. The table below provides information about the corporate performance measurement criteria, the actual performance results, the weighting and the rating allocation in the four key areas of focus. Regardless of whether the Corporation meets or exceeds all or a portion of its Objectives in any given year, the Compensation Committee retains the right to exercise its discretion based on the Corporation's TSR.

Performance Criteria and Key Results	Weighting	Rating
Operational Execution (35%)		
Develop a common company-wide safety system that will drive changes in behaviour and lead to continually improving safety results over time		
• Benchmarked with safety leaders in a number of different industries and roles • Reviewed the Chelopech safety system and processes and provided feedback • Completed audit of the current situation • Developed 3-5 year Improvement Program (database, reporting, incident analyses, initiatives) • Identified Behavioural Change process to be adopted to move to brother-keeper culture and commenced implementation in Q3 at Chelopech	5%	T
Continue building on the Organizational Effectiveness & Accountability ("OE&A") foundation built in 2014		
• Implemented "Working Together" workshops in Bulgaria and Armenia • Implemented a management restructuring at Tsumeb	5%	BT&A

Performance Criteria and Key Results	Weighting	Rating
Advance the DPM Management Operating Model at all sites to improve the reliability of delivery against commitments and support continuous improvement and cost control		
• Completed Chelopech gap analysis and implemented corrective measures to address gaps identified • Completed the Hot Metals Work Management rollout at Tsumeb • Introduced next phase of Work Management to Chelopech, based on feedback from Tsumeb and Kapan • Commenced Work Management planning and scheduling for the Chelopech mill in Q4 • Advanced "Compliance to Schedule" metric commonality at all sites • Introduced “Brown Paper” reviews for shared services and structural improvements in preparation for Krumovgrad startup	10%	BT&A
Complete development and implementation of Project Governance model and development of Project Delivery model by the end of 2015		
• Defined and implemented Project Governance Model • Completed two stage gate reviews in 2015	5%	T
Transform Kapan into a sustainable and profitable mining operation		
• Implemented Ground Control Management Plan • Improved dilution control practices, specifically drilling and blasting techniques, passports and compliance • Reduced inventory and unit cost controls • Continued enhancement of government and community relations • Completed Phase 1 of the tailings facility remediation (dewatering)	5%	T
Continue the transformation of the Tsumeb smelter into a sustainable and profitable standalone complex copper concentrate tolling business		
• Advanced strategic process incorporating operations, strategic partners, arsenic fixation options, potential new concentrate sources etc. • Completed a prefeasibility study on potential smelter expansion and commenced feasibility study • Initiated Phase 2 of the smelter optimization plan • Advanced project to improve identification and control of metals exposure • Introduced OE&A and management changes for the future growth platform • Sulphuric acid plant delivered to operations in Q4, producing at design quality within budget • New converter construction completed at year end, operation delayed from Q4 2015 to Q1 2016	5%	T
Disciplined Growth and Diversity (25%)		
Complete program to identify a deposit with potential for > 500,000 ounces of gold equivalent through brownfield exploration around existing mines and properties by end of 2015		
• Chelopech: Completed 6,000 metres of diamond drilling, BHEM survey, new geological model • Krumovgrad: Completed 3,600 metres of diamond drilling, 100 line km IP, Kupel North intersection 8m @ 12.9 g/t gold • Antarshat, Armenia: Completed three hole diamond drill program, which identified new high sulphidation epithermal system • Barabatoom, Armenia: Proposed drill program cancelled	5%	T
Identify, evaluate and secure or sign agreements on three new exploration projects, outside of existing properties, with potential for >1 million ounces of gold by end of 2015		
• Signed two option agreements for exploration in Armenia • Signed conditional Letter of Intent with Castle Minerals Ltd. covering concessions in Ghana; however, project did not proceed beyond due diligence	5%	BT&B

Performance Criteria and Key Results	Weighting	Rating
Identify and evaluate potential acquisition or merger targets consistent with strategic goals and investment criteria		
• Conducted due diligence and associated negotiations with six parties • Completed technical evaluations and valuation on two parties and two other development stage projects	5%	T
Maintain spend and schedule for Krumovgrad project, based on achieving agreed upon key milestones and completing financing, to support the completion of construction and the commencement of production in Q1 2018, within budget and in compliance with regulatory and social license requirements		
• Main Detailed Development Plan ("DDP") approved • Water well construction permit issued • Waste water permit issued • Land re-designation process initiated • First concentrate production forecast in second half of 2018	10%	BT&A
Maintaining Financial Strength (10%)		
Manage DPM's key financial risks and strengthen balance sheet and capital allocation to support business strategy		
• Extended the existing revolving credit facility on the same terms and conditions • Executed additional commodity price and foreign exchange rate hedges to manage risk within defined parameters • Advanced several initiatives directed at sourcing additional capital through the sale of non-core assets, strategic partnerships, and conventional and non-conventional forms of financing • Progressed the development of a comprehensive capital allocation framework and associated policies and procedures to be rolled out in 2016	10%	BT&B
Corporate Responsibility (5%)		
Complete development of a detailed corporate responsibility and sustainability strategy to further develop our social and political license in each operation, reduce risks to the business, and continue to move along continuum from "acceptance" to "approval"		
Environment: • Advanced Mine and Processing waste management plan with expected completion mid-2016 • Performed safety audit at the Tsumeb smelter • Developed and advanced overall arsenic management plan • Developed Responsible Arsenic Management Program (RAMP) and commenced arsenic handling standards for completion mid-2016 **Corporate Responsibility and Sustainability:** • Updated Stakeholder Engagement Plans • Developed Community Investment Programs • Developed Donations Register to advance anti-bribery and anti-corruption compliance • Established sustainability targets process (Sustainability Report) • Advanced Namibian Economic Empowerment arrangement	5%	T

At the end of the year, the Compensation Committee reviewed corporate performance against the various factors established at the beginning of 2015, taking into account other relevant events and circumstances, to determine an overall corporate performance rating that is applied in the Grid. In 2015, the Corporation experienced success in a number of areas, including the achievement of record production levels and a reduction in cash costs year-over-year. Based on its evaluation of the results achieved in connection with the Metrics (which account for 25% of the total) and Objectives (which account for 75% of the total) outlined above, including those that were successful and those that fell short of expectations, the Compensation Committee agreed to recommend, and the Board approved, an overall rating of "Target" for the Corporation for 2015, representing a 100% payout on the corporate performance component, before any exercise of discretion by the Board.

The Compensation Committee also reviewed the CEO's individual performance, as well as the CEO's assessment of each NEO's individual performance, against pre-established objectives, set out below.

With respect to the CEO, commencing in 2015, the Compensation Committee allocated 20% of Mr. Howes' performance ranking to the achievement of certain specific personal objectives, which for 2015, were focussed on cost reductions. During the year, Mr. Howes developed and led the Corporation through a rigorous cost containment program which resulted in a reduction in all-in sustaining costs per ounce of gold sold from US$690 in 2014 to US$620 in 2015, and a US$10.7 million reduction in corporate general and administrative expenses over 2014. In addition to securing these significant cost reductions, Mr. Howes led a comprehensive review and update of the organization's strategy and activities designed to ensure enhanced organizational accountability. Mr. Howes' personal performance was rated at "Target" by the Compensation Committee, and as the remaining 80% of the CEO's performance is based on the performance of the Corporation, his overall performance was also rated at "Target".

Mr. Kyle, CFO, continued to effectively lead the overall financial management of the Corporation and led or supported the advancement and execution of a number of initiatives directed at strengthening its balance sheet, improving financial flexibility, enhancing overall cash flows and supporting the growth of the business, including extending the revolving credit facility, on the same terms and conditions, executing additional commodity price and foreign exchange rate hedges to manage risk within defined parameters, initiating a company-wide margin improvement effort to address a potentially weaker future market environment, and sourcing additional capital through the sale of non-core assets, strategic partnerships, and conventional and non-conventional forms of financing. He also led the finalization of a long term acid transportation agreement with TransNamib, as well as numerous improvements around financial risk management, internal control, financial planning, and substantially completed the development of a comprehensive capital allocation framework, together with associated policies and procedures to be rolled out in 2016. Mr. Kyle's performance was rated at "Target".

Mr. Rae, COO, furthered improvements in the safety and environmental performance of the sites with the continuation of the Golden Rule implementation, and improved practices for ground support and the Corporation's tailings management facilities. In his area of accountability, significant progress was made in introducing the principles of OE&A, including restructuring activities at the operations. The additional application of the DPM Management Operating Model aided in the progression of the optimization of current assets in line with the DPM strategic initiatives. Together, these initiatives target improving operational performance and efficiency, working capital management and innovation. Mr. Rae's overall performance was rated at "Target".

Mr. Lindsay, SVP, Projects, was accountable for the development and implementation of the Corporation's Project Governance Model, with a number of project stage gate reviews conducted in 2015. With respect to the Krumovgrad Project, he played a key role in the achievement of a number of significant milestones, including receipt of the final Main DDP, receipt of the water well final DDP and construction permit, receipt of the waste water discharge permit, and cancellation of the Archaeological Immovable Cultural Asset status, allowing for the initiation of the land re-designation process. At Tsumeb, he led the successful delivery of the Tsumeb acid plant and the new copper converters, which are forecast to be fully operational in the second quarter of 2016. He also oversaw the completion of a prefeasibility study, which investigated potential expansion options at the smelter, and has been advanced to the feasibility stage. His overall performance was rated at "Target".

Mr. Gosse, SVP, Exploration, led the exploration group on the key objectives of expanding Mineral Resources through brownfield exploration around existing properties and assessing exploration projects held by other companies in new and existing regions, as well as securing agreements on projects that met DPM's investment criteria. Planned exploration programs were completed at Chelopech, including 6,000 metres of diamond drilling from surface and underground, and orientation downhole EM, and at Krumovgrad, including 100 line kilometres of IP and 3,600 metres of diamond drilling. Results are encouraging and will be disclosed in the AIF. A new greenfield project in Armenia commenced after two option agreements were signed in June. A Letter of Intent with Castle Resources was signed in June for their Wa South project in Ghana. However, for various reasons, the Corporation decided not to proceed. Mr. Gosse's overall performance was rated at "Between Target and Below".

Despite the achievement of a performance ranking of "Target" by the Corporation for 2015, the declining metals prices, specifically copper, and the economic environment, which resulted in a significant decline in the Corporation's share price and negative TSR, resulted in the Compensation Committee recommending to the Board that it elect to exercise its discretion and the Board subsequently reduced the 2015 bonus awards by 30%.

The table below sets out the target bonus amount, the performance rating and the cash bonus awards approved by the Board and paid to each of the NEOs for 2015. Refer to "Executive Compensation - Summary Compensation Table" for further information.

NEO	Position	Target Bonus	Performance Rating	Individual/ Corporate Split (%)	Unadjusted Payment ($)	After 30% Reduction ($)
Rick Howes	CEO	100%	Target	20/80	625,000	437,500
Hume Kyle	CFO	60%	Target	30/70	220,500	154,400
David Rae	COO	60%	Target	40/60	240,000	168,000
John Lindsay	SVP, Projects	50%	Target	50/50	150,000	105,000
Richard Gosse	SVP, Exploration	50%	Between Target and Below	50/50	120,468	84,300

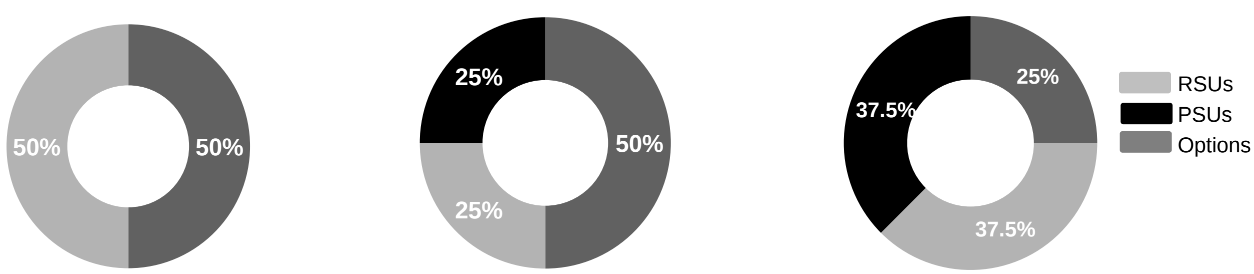
Long Term Incentive Compensation

In 2015, long term incentive compensation was provided through both the Stock Option Plan and the RSU Plan (both as defined below) and aligns the interests of senior management with the longer term interests of Shareholders. Similar to 2015, long term incentive compensation in 2016 will consist of Options, RSUs and PSUs. However, in order to reflect Shareholder concerns and industry trends, the proportion of long term incentive awards represented by Options has been reduced from 50% to 25%, with the balance being split equally between RSUs and PSUs, as illustrated below:

2014 LTIP

2015 LTIP

2016 LTIP



These compensation plans have been designed to give individuals an interest in preserving and maximizing Shareholder value over the longer term, to enable the Corporation to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance.

In determining the number of Options, RSUs and PSUs to be granted, the Compensation Committee is guided by the relative position of the individual within the Corporation. In 2015, the Black-Scholes value ("Value") of Options granted was combined in approximately equal measure with the Value of RSUs and PSUs granted to arrive at the total long term incentive compensation provided to senior management.

Each year, the Executive Officers are provided with long term incentives (comprised of Options, RSUs and PSUs) that are competitive with similar positions found in comparator group companies. In 2015, DPM introduced PSUs, a performance-based component to RSU awards, based on three-year TSR relative to a TSR peer group established for this purpose (the "Achieved Performance Ratio"). The objective is to provide total target direct compensation (base salary + short term incentives + long term incentives) at approximately the 50th percentile. This alignment reflects the adoption, by the Compensation Committee, of a median pay philosophy consistent with industry practice. Actual pay may differ due to company and individual performance. PSUs are paid out on the basis of the Achieved Performance Ratio ranging from 50% to 150%, or such other ratio as determined by the Board.

Following the initial awards made at the time of hiring, Option, RSU and PSU grants to eligible individuals are considered on an annual basis, at the prevailing prices, thereby motivating employees to work towards sustained increases in the share price. For all eligible employees, other than the CEO, recommendations are made to the Compensation Committee by management for consideration and approval by the Board. With respect to the CEO, awards are considered and proposed by the Compensation Committee for approval by the Board.

In March 2015, upon the recommendation of the Compensation Committee, the Board applied negative discretion and agreed to a 10% reduction in total long term incentive awards, to all participants, in an effort to apply negative discretion as part of its ongoing efforts to reduce costs. Subsequently, it approved the following grants of Options, RSUs and PSUs to the NEOs. Refer to "Executive Compensation - Stock Option Plan", "Executive Compensation -

Restricted Share Unit Plan" and "Executive Compensation - Outstanding Option-Based and Share-Based Awards at Year End" for further information.

NEO	Option Grant	RSU Grant	PSU Grant
Rick Howes	385,274	94,700	94,700
Hume Kyle	141,600	34,800	34,800
David Rae	154,100	37,900	37,900
John Lindsay	68,800	16,900	16,900
Richard Gosse	68,800	16,900	16,900

Compensation Risk Management

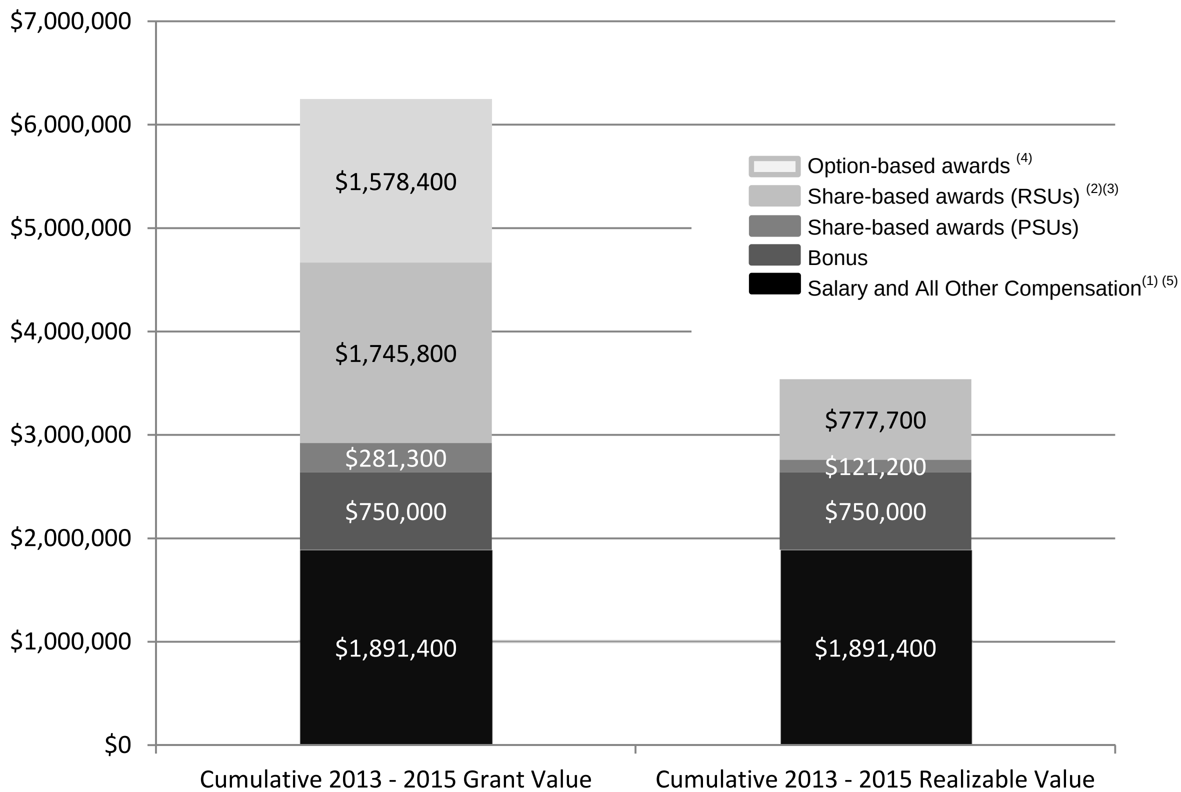
The Compensation Committee avoids compensation policies and practices that encourage excessive risk-taking, such as those that pay out before the risks associated with the performance are likely to materialize. The Compensation Committee is also sensitive to the possible reputational damage that could be suffered by the Corporation where executives are not compensated in a manner that is consistent with the objectives of the Corporation's compensation program or that is otherwise not in the best interests of the Corporation and its Shareholders. To mitigate the risks associated with the Corporation's compensation policies and programs and specifically ensure the compensation policies and programs do not encourage undue risk-taking on the part of its executives, the Corporation has implemented mitigating practices, such as executive equity ownership requirements, a prohibition on hedging, clawback provisions and PSU awards, all of which are discussed in greater detail below.

The Compensation Committee also considers the nature of the Objectives established each year to ensure they incorporate both short and long term objectives so as not to encourage high risk behaviour on the part of senior management, which may be inconsistent with the creation of Shareholder value over the longer term. In addition, the compensation formulae do not apply direct compensation calculations to specific transactions or events.

Net Realizable Pay

Net realizable pay adjusts compensation to reflect the impact of company performance (share price and other performance metrics) on potential pay values. Grant value measures the value of the compensation at the beginning of the year (or other time period), as set out in the Summary Compensation Table. Theoretically, net realizable pay more accurately represents compensation value by taking into account the share price change at the end of a given time period. The graph below shows three-year net realizable total compensation compared to three-year grant value total compensation for the CEO, the period Mr. Howes has served as CEO of the Corporation. The graph shows no difference for the salary amounts, as these are paid in cash. However, the differences in Options, RSUs and PSUs are significant. All Options granted to the CEO over the past three years have been valued at zero, as they all have exercise prices that exceed the 2015 year end market price of the Common Shares of $1.28. In addition, Mr. Howes elected to take his entire 2013 cash bonus of $450,000 in RSUs, the value of which has declined significantly due to the drop in the share price since the time of the grant, as has the value of the RSUs granted to him as part of the long term incentive program. Based on the information below, CEO three-year realizable pay has declined by 43% when compared to the value at the time of the grants, as a result of the declining share price, which clearly illustrates that the Corporation's compensation program design pays for performance and aligns executives with long term Shareholder value creation.

CEO Net Realizable Pay Comparison (Cumulative 2013 - 2015)



(1) *Mr. Howes' salary for 2013 was comprised of three months serving as COO, at an annual base salary of $385,000, and nine months as CEO, at an annual base salary of $600,000; Mr. Howes' salary for 2014 was comprised of three months at $600,000, and nine months at an annual base salary of $625,000;*

(2) *Realizable values of RSUs are based on the actual payout for vested RSUs and one RSU having the value of one Common Share at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28, for unvested RSUs;*

(3) *Total RSUs for 2013 include 49,700 granted in 2013 as part of the annual compensation program and 113,636 granted in March 2014, following Mr. Howes' election to take his $450,000 bonus earned in 2013 entirely in RSUs;*

(4) *Realizable values of Options are valued at nil since the Options granted during the year have exercise prices (2015-$2.97; 2014-$3.96; 2013-$7.84) greater than the value of one Common Share at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28 and are deemed to be "out of the money";*

(5) *The graph does not reflect a $72,900 travel allowance which Mr. Howes received in 2013; and*

(6) *In 2015, PSUs were added as part of the long term compensation plan, and the realizable value of the unvested PSUs is based on one PSU having the value of one Common Share (assuming a 100% Achieved Performance Ratio) at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28.*

EXECUTIVE EQUITY OWNERSHIP REQUIREMENTS

The Board believes that the Corporation's executives should hold significant equity ownership in the Corporation to align their interests with those of the Corporation and its Shareholders and to promote the Corporation's commitment to sound corporate governance.

On November 6, 2013, the Corporation adopted a formal President and CEO Equity Ownership Policy that required the CEO to hold at least three times his then annual base salary in Common Shares, DSUs and RSUs within five years.

On March 19, 2015, the Board approved an amendment to the President and CEO Equity Ownership Policy, now referred to as the Executive Equity Ownership Policy, which now includes the Executive Chair and its Executive and Senior Vice Presidents. Effective January 1, 2015, the NEOs are required to hold, during their respective terms of office, Common Shares, DSUs, RSUs and PSUs, as applicable, (collectively referred to as "Shares") with an aggregate value equal to the individual equity ownership guidelines set out below:

Executive	Equity Ownership Requirement ($) (Multiple of Salary)	Position as at December 31, 2015 ($) (1)	Percentage Achieved as at December 31, 2015
Rick Howes	1,875,000 (3X)	1,437,000	77
Hume Kyle	459,375 (1.25X)	449,000	98
David Rae	500,000 (1.25X)	370,000	74
John Lindsay	225,000 (0.75X)	130,000	58
Richard Gosse	240,900 (0.75X)	300,000	125

(1) Ownership levels are monitored and compliance with this policy is assessed as at December 31 of each year based upon the greater of: (i) the acquisition cost or the grant value of the Shares; and (ii) the aggregate fair market value of the Shares on the TSX on the last trading day of the year.

The executives noted above must comply with their applicable equity ownership requirement within five years of the later of; January 1, 2015, and the date of his or her appointment as an executive, with two thirds of the ownership requirement to be attained within three years and the remaining one third over the remaining two years. An executive will be required to purchase Common Shares representing up to 50% of his or her annual RSU distribution (after tax), in the third, fourth and fifth year, until the requirement has been fulfilled.

In the event of an increase in the executive's annual base salary, after the level of equity ownership requirement is attained, the executive will be expected to reach the additional ownership requirement, related to such increase, within three years of the change.

Clawback Policy

On March 17, 2016, the Board adopted an Executive Compensation Recoupment (Clawback) Policy (the "Clawback Policy"). The Clawback Policy applies to (a) a president; (b) a CEO, CFO or COO; (c) an SVP; and (d) a vice president (each an "Executive Officer" for the purpose of this section only). An individual who is an "Executive Officer" also includes former Executive Officers and provides that in the event that:

(a) DPM makes a restatement;

(b) an Executive Officer is engaged in willful misconduct or fraud which caused or significantly contributed to the restatement; and

(c) the Executive Officer received an "Overcompensation Amount" (being the portion of the Executive Officer's incentive compensation relating to the year(s) subject to the restatement which is in excess of the incentive compensation that the Executive Officer would have received for such year(s) if the incentive compensation had been computed in accordance with the results as restated under the restatement, calculated on an after-tax basis to the Executive Officer);

the Board may then, in its discretion, on the recommendation of the Compensation Committee, determine and recover the Overcompensation Amount from the Executive Officer.

Anti-Hedging Policy

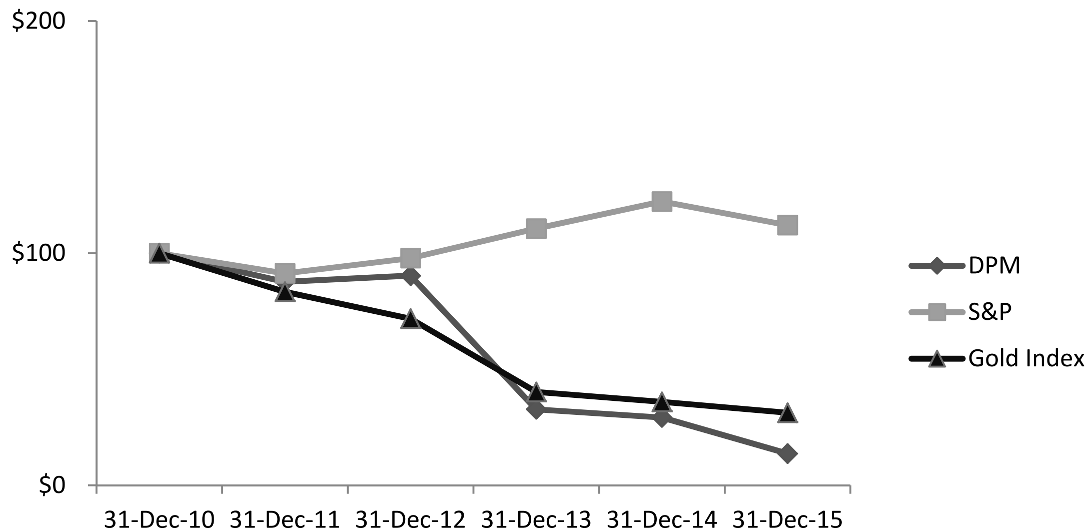
On February 13, 2014, the Board adopted an Anti-Hedging Policy to prohibit directors and senior officers of the Corporation or any of its subsidiaries, from directly or indirectly, engaging in any kind of hedging transaction that could reduce or limit the director's and senior officer's economic risk with respect to their holdings, ownership or interest in or to Common Shares or other securities of the Corporation, including without limitation, outstanding Options, stock appreciation rights or other compensation awards the value of which are derived from, referenced to or based on the value or market price of Common Shares or other securities in the capital of the Corporation. Prohibited transactions include purchasing financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of any securities of the Corporation which were granted as compensation or held, directly or indirectly, by such director or senior officer.

Directors and officers of the Corporation are required to confirm their compliance with this policy on an annual basis.

PERFORMANCE GRAPH

The following table compares the yearly percentage change in the cumulative TSR of the Common Shares compared with the cumulative total return of the S&P/TSX Composite Index ("S&P") and the S&P/TSX 15104030-Gold Index ("Gold Index") for the five most recently completed financial years of the Corporation assuming an investment of $100 on December 31, 2010 and assuming the reinvestment of all dividends. A graphical depiction follows the table.

	Dec. 31/10	Dec. 31/11	Dec. 31/12	Dec. 31/13	Dec. 31/14	Dec. 31/15
DPM	100.00	87.63	90.30	32.73	29.21	13.65
S&P	100.00	91.29	97.85	110.56	122.23	112.06
Gold Index	100.00	83.35	71.78	40.21	35.93	31.25



Trend

Between 2010 and 2012, the Corporation outperformed the Gold Index and performed relatively in-line with the S&P, as illustrated in the performance graph above. The sharp decrease in the gold price which started in 2013 and continued throughout 2015 has had an adverse impact on gold equities, gold indices and gold exchange traded funds. The result of these market factors is clearly illustrated above in the steep decline of both the Gold Index and the DPM share price. In addition, DPM's share performance was also impacted by a decline in the copper price during 2015 as copper revenue represents approximately 25% of the Corporation's revenue**.**

The fixed components of executive compensation, comprised primarily of base salary, have remained relatively stable over the measurement period with ad hoc changes mainly reflecting changes in accountability. There were no salary adjustments in 2015.

As noted above under "Net Realizable Pay", the 43% decline in the CEO's net realizable pay, as a result of the decline in the share price between 2013 and 2015, illustrates that the Corporation's executive compensation is directly linked to corporate performance and is aligned with long term Shareholder interests.

Refer to "Executive Compensation - Compensation Discussion and Analysis - Compensation Committee Composition and Process" for further information.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides details of compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2015.

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans**
Equity compensation plans approved by securityholders	6,126,937	$6.03	2,054,532
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	**6,126,937**	**$6.03**	**2,054,532**

STOCK OPTION PLAN

On February 23, 2004, the Board approved a stock option plan (the "Stock Option Plan" or the "Plan") which was subsequently approved by Shareholders on April 15, 2004. The Plan was subsequently amended on May 7, 2008, May 5, 2010 and February 16, 2012. The Plan is designed to advance the interests of the Corporation by, among other things, encouraging stock ownership by certain eligible persons, including employees, officers, directors and consultants of the Corporation or any affiliate of the Corporation ("Eligible Persons"). The Plan is administered by the Board or a duly appointed committee of the Board (the "Committee" and, together with the Board, the "Administrator") consisting of not less than three directors, all of whom are independent. The Board or the Committee, as the case may be, has the authority to, among other things, grant Options to Eligible Persons and determine the terms, including the limitations, restrictions and conditions (including any performance conditions and/or subject to clawback policies the Corporation may have from time to time), if any, of such grants.

In May 2012, the Shareholders approved an increase in the aggregate maximum number of Common Shares reserved for issuance from treasury under the Plan to 12,500,000, which then represented approximately 10% of the Corporation's issued and outstanding Common Shares, subject to adjustment in the event of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares or other fundamental corporate change.

The maximum number of shares which may be reserved for issuance under the Plan, together with any other compensation arrangement of the Corporation to insiders shall be 10% of the Common Shares outstanding on the date of issuance thereof (on a non-diluted basis). The maximum number of shares which may be issued under the Plan, together with any other compensation arrangement of the Corporation to insiders in any 12 month period shall be 10% of the Common Shares outstanding on the date of issuance thereof (on a non-diluted basis). The maximum number of shares which may be reserved for issuance under the Plan, together with any other compensation arrangement of the Corporation, to any one insider and any such insider's associates in any 12 month period shall be 5% of the Common Shares outstanding at the date of issuance thereof (on a non-diluted basis). The maximum number of shares which may be reserved for issuance under the Plan, together with any other compensation arrangement of the Corporation, to any one person, together with any holding corporation pursuant to Options shall be 5% of the Common Shares outstanding at the date of issuance thereof.

In addition, in accordance with ISS Guidelines, Option grants to non-executive directors shall not exceed 1% of the outstanding issued Common Shares at that time; provided further that the maximum value of Options which may be granted to each non-executive director shall not exceed $100,000 in any fiscal year.

The Options granted under the Plan must expire no later than ten years after the date of the grant or within such lesser period as the applicable grant or regulations under the Plan may require. In 2008, the Plan was amended to provide that Options expiring during a blackout period shall be automatically extended to the 10^{th} day after the end of a blackout period. Unless otherwise determined by the Administrator, the aggregate number of Options granted under the Plan to an Eligible Person (including his or her holding company) shall vest equally over a period of three years from the date of the grant and expire five years from the date of the grant. No fractional Common Shares may be issued and the Administrator may determine the manner in which any fractional share value will be treated.

No fewer than 100 Common Shares may be purchased at any one time except where the remainder totals less than 100. All Options granted under the Plan are non-assignable.

Upon termination of employment of an Eligible Person (the “Termination Date”), with or without cause, the Eligible Person has 60 days within which to exercise all Options that were vested as of the Termination Date, or such longer period as may be determined by the Board provided that no Option may remain outstanding for any period exceeding the lesser of (i) the expiry date of the Option; and (ii) one year following termination of a consultant, or three years following termination of all other Eligible Persons. In the event of the death of an Eligible Person, the legal representative of the Eligible Person has 180 days after the date of death within which to exercise all Options that were vested as of such date or such longer period as may be determined by the Administrator provided that no Option may remain outstanding for any period exceeding the lesser of (i) the expiry date of the Option; and (ii) one year following the death of the Eligible Person.

The Board may, by resolution, in connection with a proposed sale or conveyance of all or substantially all of the property and assets of the Corporation or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Common Shares (collectively, the “Proposed Transaction”), give notice to all Eligible Persons advising that their Options, including those held by holding companies, vested and exercisable as of the date of the notice may be exercised only within 30 days after the date of such notice, and not thereafter, subject to the expiry of any exercise prohibition period, and provided that the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any Option will be affected by such notice except that the Option may not be exercised between the date of the expiration of the applicable 30-day period and the day after the expiration of the 180-day period.

The Board may by resolution, in connection with the occurrence or imminent occurrence of a change of control of the Corporation (as such term is defined in the Plan), give written notice to all Eligible Persons advising that their respective Options, including Options held by their holding companies, shall automatically vest, if unvested, and may be exercised only within 30 days after the date of the notice, subject to a 30 day period immediately following any exercise prohibition, and not thereafter, and that all rights of the Eligible Persons and their holding companies under any Options not exercised will terminate at the expiration of the applicable 30-day period, provided that the change of control is completed within 180 days after the date of the notice. If the change of control is not completed within the 180-day period, no right under any Option will be affected by the notice, except that the Option may not be exercised between the date of expiration of the applicable 30-day period and the day after the expiration of the 180-day period.

The directors of the Corporation establish the exercise price of an Option at the time each Option is granted on the basis of, among other things, the closing market price of the Common Shares on the market with the highest closing price on the last trading date preceding the effective date of the grant. The Plan allows the Board, subject to the requisite regulatory and legislative requirements, to grant the holders of Options the option to terminate such Options and to receive a cash payment from the Corporation in an amount equal to the product of the number of Options terminated multiplied by the difference between the exercise price of such Options and the current market price of the Common Shares.

The Plan specifies those amendments to the Plan that can be made by the Board with/without Shareholder approval. Shareholder approval is required in connection with: (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage; (ii) the addition of any form of financial assistance; (iii) any addition of a cashless exercise feature, payable in cash or securities whether or not it provides for a full deduction in the number of underlying securities from the Plan; (iv) the addition of any provision in the Plan which results in participants receiving securities while no cash consideration is received by the Corporation; (v) any amendment that reduces the range of amendments requiring Shareholder approval contemplated in the Plan; (vi) any amendment that permits Options to be transferred other than for normal estate settlement purposes; (vii) any amendment that extends the exercise period of Options beyond their original expiry date (subject to any blackout extension as permitted under the Plan); (viii) any amendment that reduces the exercise price or permits the cancellation and re-issuance of Options; (ix) any amendment that results in an increase to the limit imposed on the participation of non-executive directors; and (x) any other amendments that may lead to significant and unreasonable dilution in the Corporation’s outstanding securities or may provide additional significant benefits to participants, especially to Insiders of the Corporation, at the expense of the Corporation and its existing Shareholders.

Under the Plan, the Board is, subject to the receipt of the requisite regulatory approval, where required, in its sole discretion (without Shareholder approval), able to make all other amendments to the Plan that are not of the type contemplated above, including, without limitation; (i) amendments of a housekeeping nature; (ii) the addition of, or a change to vesting provisions of a security of the Plan; and (iii) a change to the termination provisions of a security of the Plan which does not entail an extension beyond the original expiry date.

During 2015, the directors granted Options to purchase an aggregate of 1,660,754 Common Shares at an average exercise price of $2.97 per Common Share to Eligible Persons, which vest over a period of three years and expire after five years (representing less than 2% of the issued and outstanding Common Shares at December 31, 2015).

During 2015, the Corporation did not issue any Common Shares under the Plan, in connection with the exercise of Options.

Effective March 17, 2016, the Corporation granted an aggregate of 1,231,364 Options to Eligible Persons exercisable at $2.21 per Common Share, which Options vest over a period of three years and expire after five years.

As of the date hereof, of the 12,500,000 Common Shares reserved for issuance under the Stock Option Plan 4,318,531 Common Shares have been issued on the exercise of Options (representing approximately 3% of the issued and outstanding Common Shares), 7,217,168 Options are outstanding under the Plan (representing approximately 5% of the outstanding Common Shares) and 964,301 Options to purchase Common Shares remain available for granting under the Plan (representing approximately 0.7% of the issued and outstanding Common Shares).

RESTRICTED SHARE UNIT PLAN

Restricted Share Units

On March 22, 2012, the Corporation introduced a Restricted Share Unit Plan ("RSU Plan") to supplement its Stock Option Plan as part of its long term incentive compensation program. RSUs are seen as an effective retention tool for top and middle management. A number of the companies in the peer group utilize a combination of Options and RSUs in the design of their long term incentive compensation programs. RSUs are granted for past services and can also serve to enhance alignment with Shareholders as RSUs offer both upside potential and downside exposure based on the Corporation's future stock price.

The RSU Plan provides for phantom share unit awards that mirror the market value of the Corporation's Common Shares. They may be granted by the Board to employees, officers, directors and certain eligible contractors of the Corporation and its affiliates ("Participants") as a bonus in consideration of past services to the Corporation or its affiliates. The RSU Plan is not used for the purpose of non-executive director compensation.

The RSU Plan provides that the RSUs will vest on the entitlement date or dates, which shall not be later than December 31 of the year that is three years after the year of service for which the RSUs were granted (the "Entitlement Date"), as determined by the Board in its sole discretion. The Entitlement Date for each RSU grant is usually determined as follows: one-third of the RSUs granted shall be payable in cash on the first anniversary of the date they were authorized by the Board; one-third in cash on the second anniversary; and one-third in cash on the third anniversary.

On an Entitlement Date, the Corporation will make a payment to the relevant Participant in cash equal to the five-day volume-weighted average price of the Common Shares on the TSX, multiplied by the number of RSUs that are vested. RSUs may be authorized and granted subject to performance conditions to be achieved by the Corporation, the Participant or a class of Participants, before the Entitlement Date for such RSUs, to entitle the Participant to receive the cash payment for such RSUs. The Participant has no right or entitlement whatsoever to receive any cash payment until the Entitlement Date. In the event of the termination, with or without cause, of a Participant, all RSUs credited to the Participant shall become void and the Participant shall have no entitlement to any payment under this RSU Plan, subject to any good leaver policy of the Corporation that may be in effect from time to time.

On the effective Entitlement Dates of March 22, 2015, March 27, 2015 and April 2, 2015, 124,938, 195,279 and 427,141 RSUs were redeemed at prices of $2.89, $2.98 and $2.77, respectively.

During 2015, an aggregate of 1,080,650 RSUs were granted, 747,358 RSUs were redeemed and 155,637 RSUs were forfeited under the RSU Plan. Refer to "Executive Compensation - Summary Compensation Table".

On March 17, 2016, the Board authorized the granting of an aggregate of 1,813,900 RSUs to Participants for services rendered to the Corporation, or its subsidiaries, in 2016. The RSUs vest equally over the first three anniversaries of the authorization date. An aggregate of 3,753,029 RSUs are outstanding as of the date hereof.

Performance Share Units

On March 19, 2015, the Corporation introduced awards of RSUs with a performance-based component to officers and director-level managers of the Corporation under the RSU Plan. Like RSUs, PSUs are seen as an effective retention tool for senior management and also help to align their interests with those of Shareholders. A number of the companies in the peer group utilize a combination of Options, RSUs and PSUs in the design of their long term incentive compensation programs.

Like RSUs, PSUs are phantom share unit awards that mirror the market value of the Corporation's Common Shares and may be granted by the Board to Participants as a bonus in consideration of past services to the Corporation or its affiliates. PSUs, as the name suggests, have a performance modifier that determines their ultimate value.

PSUs will vest on the third anniversary of the initial grant date, and shall not be later than December 31 of the year that is three years after the year of service for which the PSUs were granted (the "PSU Entitlement Date"), as determined by the Board in its sole discretion.

On a PSU Entitlement Date, the Corporation will make a payment to the relevant Participant in cash equal to the 20-day volume-weighted average price of the Common Shares on the TSX, multiplied by the number of PSUs that are vested, and the Achieved Performance Ratio, being the performance factor as measured by TSR relative to a peer group established for this purpose, ranging between 50% to 150% or such other ratio as determined by the Board. The Participant has no right or entitlement whatsoever to receive any cash payment until the PSU Entitlement Date. In the event of the termination, with or without cause, of a Participant, all PSUs credited to the Participant shall become void and the Participant shall have no entitlement to any payment under the RSU Plan, subject to any good leaver policy of the Corporation that may be in effect from time to time.

During 2015, an aggregate of 380,200 PSUs were granted under the RSU Plan. Refer to "Executive Compensation - Summary Compensation Table".

On March 17, 2016, the Board authorized the granting of an aggregate of 854,500 PSUs to Participants for services rendered to the Corporation, or its subsidiaries, in 2016. The PSUs will vest on the third anniversary of the initial grant date. An aggregate of 1,224,300 PSUs are outstanding as of the date hereof.

EMPLOYEE DEFERRED SHARE UNIT PLAN

On December 16, 2004, the Corporation established an employee deferred share unit plan (the "Employee DSU Plan") for the purpose of strengthening the alignment of interests between eligible senior officers and employees of the Corporation and designated affiliates thereof (the "Employee") and the Shareholders by linking a portion or all of an Employee's bonus or long term incentive to the future value of the Common Shares.

The Employee DSU Plan is administered by the Compensation Committee. Under the Employee DSU Plan, an Employee may be granted, at any time and from time to time, deferred share units (the "Employee Units") in such number and effective as of such date as the Compensation Committee shall specify and based on certain criteria determined by the Compensation Committee, including services performed or to be performed by the Employee. The Employee Units are credited to an account maintained for the Employee by the Corporation or its designated affiliates, as specified by the Compensation Committee, and are subject to adjustment for dividends and normal anti-dilution events including the subdivision, consolidation or reclassification of the outstanding Common Shares.

An Employee is only entitled to payment in respect of the Employee Units granted to him or her when the Employee ceases to be employed by the Corporation, or an affiliate thereof, for any reason. Upon termination, the Corporation shall, on such date as determined by the Employee, which shall be after the separation date and prior to December 15 of the calendar year commencing after the separation date (the "Deferred Redemption Date"), redeem each Employee Unit credited to the Employee's account for cash (the "Redemption Value"). The Redemption Value of the Employee Units will be the product of: (i) the number of Employee Units credited to the Employee's account; and (ii) the volume-weighted average trading price of the Common Shares on the TSX for the five (5) consecutive trading days immediately prior to the date as of which market value is determined or the closing price of a Common Share on the TSX on the day immediately prior to the date as of which such price is determined, as elected by the Employee as at the relevant date, multiplied by the number of Employee Units redeemed from the Employee on such date.

No Employee Units were granted or redeemed under the Employee DSU Plan during the year ended December 31, 2015. An aggregate of 406,446 Employee Units were outstanding as of December 31, 2015 and the date hereof. Refer to "Board of Director Compensation - Outstanding Option-Based and Share-Based Awards at Year End".

DIRECTOR DEFERRED SHARE UNIT PLAN

On December 16, 2004, the Corporation established a director deferred share unit plan ("Director DSU Plan") for the purpose of strengthening the alignment of interests between eligible directors of the Corporation and designated affiliates thereof (the "Eligible Directors") and Shareholders by linking a portion of annual director compensation to the future value of the Common Shares. In addition, the Director DSU Plan has been adopted for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors of the Corporation and its designated affiliates, it being generally recognized that deferred share unit plans aid in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

In March 2010, the Corporation amended the Director DSU Plan to provide for the payment of a portion of directors annual compensation by way of DSUs, as determined by the Board from time to time. Under the revised terms of the Director DSU Plan, the Board can establish a policy allowing directors to elect to receive all or a portion of their compensation in DSUs, subject to compliance with the Corporation's equity ownership requirements. The Board has established a policy that allows directors to elect to receive all, or a portion, of their annual compensation in DSUs. Refer to "Director Equity Ownership Requirements" below.

The Director DSU Plan is administered by the Compensation Committee. Under the Director DSU Plan, DSUs granted are credited to an account maintained for the Eligible Director by the Corporation or its designated affiliates, as specified by the Compensation Committee, and are subject to adjustment for dividends and normal anti-dilution events including the subdivision, consolidation or reclassification of the outstanding Common Shares.

An Eligible Director is only entitled to payment in respect of the DSUs granted to him or her when the Eligible Director ceases to be a director of the Corporation or an affiliate thereof for any reason. Upon termination, the Corporation shall, on such date as determined by the Eligible Director, which shall be after the separation date and prior to December 15 of the calendar year commencing after the separation date (the "Deferred Redemption Date"), redeem each DSU credited to the Eligible Director's account for cash (the "Redemption Value"). The Redemption Value of the DSUs will be the product of: (i) the number of DSUs credited to the Eligible Director's account; and (ii) the volume-weighted average trading price of the Common Shares on the TSX for the five (5) consecutive trading days immediately prior to the date as of which market value is determined or the closing price, as elected by the Eligible Director as at the relevant date, multiplied by the number of DSUs redeemed from the Eligible Director on such date. Executive directors are not eligible to receive DSUs under the Director DSU Plan.

During the year ended December 31, 2015, an aggregate of 295,609 DSUs were issued and nil DSUs were redeemed under the Director DSU Plan. As of December 31, 2015 and the date hereof, there were an aggregate of 715,574 DSUs outstanding under the Director DSU Plan.

SUMMARY COMPENSATION TABLE

The following table sets forth all annual compensation for services in all capacities to the Corporation and its subsidiaries for the three most recently completed financial years in respect of each of the individuals who were, for any portion of the year, the CEO, or the CFO, and the other three most highly compensated executive officers of the Corporation, or a principal subsidiary thereof, for the year ended December 31, 2015, other than the CEO and the CFO (collectively the "Named Executive Officers" or "NEOs").

Name and Principal Position	Year	Salary ($)	Share-based awards (RSUs) ($)[1]	Share-based awards (PSUs) ($)[2]	Option-based awards ($)[3]	Non-Equity compensation ($)[4] (annual)	All other compensation ($)[5]	Total compensation ($)
Rick Howes[6] CEO	2015	625,000	281,300	281,300	562,500	437,500	101,300	2,288,900
	2014	618,800	624,900	Nil	628,300	312,500	Nil	2,184,500
	2013	546,300	839,600	Nil	387,600	Nil	72,900	1,846,400
Hume Kyle CFO	2015	367,500	103,400	103,400	206,700	154,400	57,200	992,600
	2014	367,500	235,200	Nil	236,400	192,900	50,000	1,082,000
	2013	367,500	255,600	Nil	254,900	249,200	50,000	1,177,200
David Rae[7] COO	2015	400,000	112,600	112,600	225,000	168,000	57,300	1,075,500
	2014	366,900	160,500	Nil	213,800	157,400	Nil	898,600
	2013	299,400	112,900	Nil	112,700	152,300	Nil	677,300
John Lindsay[8] SVP, Projects	2015	300,000	50,200	50,200	100,400	105,000	78,400	684,200
	2014	209,200	44,600	Nil	89,300	91,100	Nil	434,200
	2013	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Name and Principal Position	Year	Salary ($)	Share-based awards (RSUs) ($)[1]	Share-based awards (PSUs) ($)[2]	Option-based awards ($)[3]	Non-Equity compensation ($)[4] (annual)	All other compensation ($)[5]	Total compensation ($)
Richard Gosse[9] SVP, Exploration	2015	321,200	50,200	50,200	100,400	84,300	46,100	652,400
	2014	312,900	107,700	Nil	108,500	120,500	Nil	649,600
	2013	293,000	112,900	Nil	258,700	152,300	Nil	816,900

(1) Shared-based awards (RSUs) consist of RSUs granted under the RSU Plan, valued at the grant price;

(2) Share-based awards (PSUs) consist of PSUs granted under the RSU Plan, valued based on the grant price and management's forecasted multiplier factor of one (assuming a 100% Achieved Performance Ratio);

(3) The fair value of Options granted, estimated using the Black-Scholes fair value option pricing model, is in compliance with IFRS 2, "Share-based payment". The key assumptions used are determined at each grant date and a life of five years is assumed;

(4) Non-equity compensation relates to the cash bonus earned in the year. The non-equity compensation is paid annually and there is no long term portion;

(5) In 2015, the amounts include contributions to registered savings plan for all NEOs. For 2013 and 2014 for Mr. Kyle, and for 2015 for Mr. Lindsay, this amount also includes a cash payment relating to the start of their employment with the Corporation in accordance with their terms of employment. For 2013, the amount for Mr. Howes represents his travel allowance;

(6) Mr. Howes' salary for 2013 was comprised of three months serving as Executive Vice President and COO, at an annual base salary of $385,000, and nine months serving as President and CEO, at an annual base salary of $600,000. Mr. Howes elected to receive his entire 2013 cash bonus of $450,000 in RSUs, which was approved by the Board on March 19, 2014;

(7) Mr. Rae joined the Corporation as SVP Operations on November 19, 2012 and was appointed COO on May 6, 2014;

(8) Mr. Lindsay joined the Corporation as SVP Projects on April 21, 2014; and

(9) Mr. Gosse joined the Corporation as Vice President, Exploration on January 7, 2013 and was appointed SVP Exploration on April 1, 2013.

Refer to "Executive Compensation - Compensation Discussion and Analysis" for a description of the components of compensation and refer to "Executive Compensation - Equity Compensation Plan Information" for a description of the material terms of the Plan and the Employee DSU and RSU Plans.

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS AT YEAR END

The following table provides details of Options and share-based awards outstanding as of December 31, 2015 for each of the Named Executive Officers.

	Option-Based Awards				Share-Based Awards (RSUs) [1]		Share-Based Awards (PSUs) [2]	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($) [3]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Rick Howes	75,000	8.90	Mar. 24, 2016	Nil	273,285	349,800	94,700	121,200
	61,600	8.89	Mar. 21, 2017	Nil				
	102,800	7.84	Mar. 26, 2018	Nil				
	336,000	3.96	Apr. 1, 2019	Nil				
	385,274	2.97	Mar. 22, 2020	n/a				
Hume Kyle	175,000	8.12	Jun. 5, 2016	Nil	85,267	109,100	34,800	44,500
	54,100	8.89	Mar. 21, 2017	Nil				
	67,600	7.84	Mar. 26, 2018	Nil				
	126,400	3.96	Apr. 1, 2019	Nil				
	141,600	2.97	Mar. 22, 2020	n/a				

Name	Option-Based Awards				Share-Based Awards (RSUs) [1]		Share-Based Awards (PSUs) [2]	
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexer-cised in-the-money options ($) [3]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
David Rae	55,000 29,900 58,000 68,400 154,100	8.34 7.84 3.96 3.28 2.97	Nov. 20, 2017 Mar. 26, 2018 Apr. 1, 2019 May 8, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	71,568	91,600	37,900	48,500
John Lindsay	58,000 68,800	3.96 2.97	Apr. 1, 2019 Mar. 22, 2020	Nil n/a	25,967	33,200	16,900	21,600
Richard Gosse	35,000 29,900 58,000 68,800	8.54 7.84 3.96 2.97	Jan. 6, 2018 Mar. 26, 2018 Apr. 1, 2019 Mar 22, 2020	Nil Nil Nil n/a	39,834	51,000	16,900	21,600

(1) Share-based awards (RSUs) consist of RSUs granted under the RSU Plan. Amounts shown are based on one RSU having the value of one Common Share at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations. The RSUs will vest on the Entitlement Date or Dates. There are no share-based awards (RSUs) that have vested and not been paid out or distributed;

(2) Share-based awards (PSUs) consist of PSUs granted under the RSU Plan. Amounts shown are based on one PSU having the value of one Common Share (assuming a 100% Achieved Performance Ratio) at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28 and management's forecasted multiplier factor of one (assuming a 100% Achieved Performance Ratio). These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations. The PSUs will vest on the Entitlement Date or Dates. There are no share-based awards (PSUs) that have vested and not been paid out or distributed; and

(3) Value of unexercised in-the-money options relates to vested Options based on the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. This amount may not be representative of the amount that may be realized on payout due to market fluctuations.

VALUE VESTED OR EARNED DURING THE YEAR

The following table provides details on the value realized or earned upon vesting of Options, share-based awards and non-equity incentive plan payouts by any of the NEOs during the year ended December 31, 2015.

Name	Option-based awards – Value vested during the year [1] ($)	Share-based awards (RSUs) – Value vested during the year [2] ($)	Share-based awards (PSUs) – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Rick Howes	Nil	379,500	Nil	437,500
Hume Kyle	Nil	111,000	Nil	154,400
David Rae	Nil	54,300	Nil	168,000
John Lindsay	Nil	12,600	Nil	105,000
Richard Gosse	Nil	39,400	Nil	84,300

(1) The value vested during the year on option-based awards is based on the closing price of the Common Shares on the TSX for the various dates that Options vest in 2015; and

(2) The value vested during the year on share-based awards (RSUs) is based on the five-day volume-weighted average price of the Common Shares on the TSX on the Entitlement Date or Dates. There are no share-based awards (RSUs) that have vested and not been paid out or distributed.

Retirement Savings Plan

To encourage employees to save for their retirement through long term investment, the Corporation matches an employee's contribution to a registered retirement savings plan ("RRSP"), which up until January 1, 2015, was in an amount determined by length of service to the Corporation. The plan was revised to eliminate the length of service thresholds to ensure that all employees: (i) are eligible to fully participate in the plan from their date of hire; and (ii) receive a full company contribution of 9% of their base salary towards their RRSP. Depending on the individual employee's base salary, the employee's contribution level will range from 0 to 9%. In all cases, the employee receives a full 9% of their base salary towards their RRSP from the Corporation. In the case of NEOs, if 9% of the base salary exceeds the Canada Revenue Agency limit for annual RRSP contributions, the excess is paid to a non-registered savings plan. This RRSP is available to all full-time employees of the Corporation resident in Canada.

Termination and Change of Control Benefits

Termination

The Corporation has not entered into termination agreements with any of the NEOs; however, severance payments are payable to Messrs. Howes, Kyle, and Lindsay under the general terms of their employment. Assuming the termination, without cause, of Messrs. Howes, Kyle, and Lindsay occurred on December 31, 2015, the estimated incremental payments payable under the general terms of their employment are $312,500, $576,600, and $155,800, respectively, representing payment of at least six months' current base annual salary for Mr. Howes, 12 months' current base annual salary, benefits and a bonus payment for Mr. Kyle, and six months' current base annual salary and benefits for Mr. Lindsay.

Stock Option Plan

Upon termination of employment of an Eligible Person, with or without cause, the Eligible Person has 60 days within which to exercise all Options that were vested as of the Termination Date, or such period as may be determined by the Board provided that no Option may remain outstanding for any period exceeding the lesser of: (i) the expiry date of the Option; and (ii) three years following termination of an Eligible Person. In the event of the death of an Eligible Person, the legal representative of the Eligible Person has 180 days after the date of death within which to exercise all Options that were vested as of such date or such longer period as may be determined by the Administrator, provided that no Option may remain outstanding for any period exceeding the lesser of: (i) the expiry date of the Option; and (ii) one year following the death of the Eligible Person.

Employee DSU Plan

An Employee is entitled to payment in respect of the Employee Units granted to him or her only when the Employee ceases to be employed by the Corporation or an affiliate thereof for any reason. Upon termination, the Corporation will, on the Redemption Date, redeem each Employee Unit credited to the Employee's account for the Redemption Value. The Redemption Value of the Employee Units will be the product of: (i) the number of Employee Units credited to the Employee's account; and (ii) the volume-weighted average trading price of a Common Share on the TSX for the five consecutive trading days immediately prior to the Redemption Date.

RSU Plan

An RSU Plan Participant has no right or entitlement to receive any cash payment until the Entitlement Date. In the event of the termination, with or without cause, of a Participant, all RSUs and PSUs credited to the Participant shall become void and the Participant shall have no entitlement to any payment under the RSU Plan, subject to any good leaver policy of the Corporation, in effect from time to time.

Change of Control

The Corporation has entered into change of control agreements (the "Agreements") with each of the NEOs. The Agreements contain provisions with respect to Change of Control, as defined in the Agreements, which include, among other things, a consolidation, merger, arrangement or other acquisition as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares, a sale of assets which have a fair value greater than 50% of the fair value of the Corporation's assets or the acquisition by any person or entity of control over 30% of the voting securities of the Corporation.

In the case of the NEOs, the Agreements provide that the Corporation shall pay certain amounts to each of the officers if his employment is terminated, without just cause, by the Corporation within 12 months after the Change of Control, or if Good Reason (as defined in the Agreements) exists, within 12 months after the Change of Control and the officer elects within six months of the occurrence of Good Reason to resign his employment. The amount to be paid is the equivalent of a multiplier of such executives' current annual base salary at the annual rate in effect on the effective date of the Change of Control plus a further amount equal to a multiplier of the average of the two most recent annual incentive bonuses paid to such executives immediately prior to the effective date of the Change in Control. The multipliers are two and one-half for Mr. Howes, two for Messrs. Kyle, and Rae and one and one-half for Messrs. Lindsay and Gosse. If an executive has not completed two years of service on the date of the Change of Control, only the completed year is included in the calculation of the payment.

In 2013, the Corporation adopted a practice that all future Agreements must contain a provision for Good Reason, as defined in the Agreements.

Upon a Change of Control of the Corporation, any securities convertible into or exercisable or exchangeable for securities or shares of the Corporation and any Options, rights, warrants or other entitlements for the purchase or acquisition of shares in the Corporation that are held by an officer will immediately vest and become immediately, and remain, exercisable until their ordinary exercise dates. Under the RSU Plan, all RSUs and PSUs upon termination within 12 months of a Change of Control are accelerated and become payable. In the case of PSUs, the Achieved Performance Ratio will be calculated based on (x) in the case of any performance measurement periods that are complete on or prior to the Change of Control, the actual performance, and (y) in the case of any performance measurement periods that are not complete on or prior to the Change of Control, assuming 150% performance achievement during such measurement period.

Upon termination of the officer's employment, as set forth above, following a Change of Control of the Corporation, the continuation of rights and benefits under employee benefit plans and programs of the Corporation are for 30 months for Mr. Howes, 24 months for Messrs. Kyle, and Rae and 18 months for Messrs. Lindsay and Gosse.

As of December 31, 2015, the aggregate value of the termination liability under the Change of Control provisions for the NEOs is approximately $7 million based on 2015 salaries, prior years' bonuses paid and assuming lump sum payments of salaries, accelerated vesting of Options, RSUs and PSUs, and including the value of the continuation of rights and benefits under employee benefits plans and programs of the Corporation after the termination date, to which these officers are also entitled.

The estimated incremental payments, payables and benefits that might be paid under the various plans and arrangements in the event of termination following a Change of Control are as follows (assuming an effective date of December 31, 2015 for the Change of Control):

Name	Payment for Salary 2015 ($)	Payment for Average Bonus for 2014/2015 ($)	Accelerated Vesting of Stock Options, RSUs and PSUs ($) (1)	Value of Continued Benefits ($)	Total ($)
Rick Howes	1,562,500	937,500	471,000	253,000	3,224,000
Hume Kyle	735,000	347,200	153,700	114,300	1,350,200
David Rae	800,000	336,000	140,100	114,600	1,390,700
John Lindsay	450,000	157,500	54,900	66,600	729,000
Richard Gosse	481,900	153,600	72,600	69,100	777,200
Total	**4,029,400**	**1,931,800**	**892,300**	**617,600**	**7,471,100**

(1) *In 2015, PSUs were added as part of the long term compensation plan, and the realizable value of the unvested PSUs is based on one PSU having the value of one Common Share (assuming a 100% Achieved Performance Ratio) at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28.*

BOARD OF DIRECTOR COMPENSATION

The Corporation compensates its non-executive directors through the grant of equity-based compensation, in the form of Options and DSUs, to align the interests of directors with those of Shareholders. As with other eligible employees, an annual program has been established pursuant to which each non-executive director and the Executive Chair will receive annual awards.

In 2011, the Compensation Committee retained the services of Mercer to, among other things, conduct a review of compensation paid to directors by the peer group. Based on the results of the Mercer report, effective January 1, 2012, the Compensation Committee recommended to the Board, and the Board approved a total annual retainer for every non-executive director, to be equally comprised of both a cash component and a long term equity component. The annual equity component is in the form of Options, up to the lesser of: (i) 10,000 Options; or (ii) the Black-

Scholes valuation of $100,000 to each non-executive director, with any balance remaining to be paid in DSUs. Refer to "Stock Option Plan" and "Director Deferred Share Unit Plan" above for further information.

All non-executive directors also receive a fee for attending each Board and Committee meeting, of which they are a member, in person or by teleconference. In addition, the Lead Director, the Chair of the Audit Committee and the chairs of the other Board committees each receive additional annual retainers, all of which are paid quarterly, in cash. Mr. Goodman also receives an annual retainer, to be comprised of both a cash and long term equity component, as well as an additional fee for serving as the Executive Chair of the Corporation.

There has been no change to the non-executive director compensation since 2012. However, in 2015, the directors elected to reduce all long term incentive awards, including those to the directors, by 10% and, in 2016, the directors also voluntarily reduced their annual cash retainer by 10% in order to assist in the Corporation's efforts to preserve cash.

The following table summarizes director compensation, paid quarterly, for services rendered:

Director Services	Compensation ($)
Annual Retainers [1]	
Non-Executive Directors	120,000
Executive Chair	137,500
Additional Fees	
Executive Chair (effective April 1, 2014)	250,000
Lead Director	45,000
Chair of the Audit Committee	15,000
Chair of the Corporate Governance Committee Chair of the Compensation Committee Chair of the Health, Safety & Environment Committee	10,000
Meeting fee	1,250
Travel day fee	1,250

(1) Annual retainers are comprised equally of both a cash and long term equity component.

The Compensation Committee believes that the current compensation structure for the Board members is reasonable, competitive and would assist in attracting and retaining superior candidates to the Board.

DIRECTOR COMPENSATION TABLE

The following table shows the compensation provided to non-executive directors of the Corporation for the year ended December 31, 2015.

Name[1]	Fees earned ($)	Share-based awards (DSUs) ($)	Option-based awards ($)[2]	Total Compensation ($)
Jonathan Goodman[3]	250,000	61,900	61,900	373,800
Derek Buntain[4]	52,900	44,500	13,100	110,500
R. Peter Gillin	71,300	100,900	13,100	185,300
Murray John	15,000	100,900	13,100	129,000
Jeremy Kinsman	88,800	40,900	13,100	142,800
Garth MacRae	92,500	40,900	13,100	146,500
Peter Nixon	81,800	52,900	13,100	147,800
Ronald Singer[4]	29,000	17,700	Nil	46,700
Marie-Anne Tawil[5]	6,300	18,000	n/a	24,300
Anthony Walsh	57,500	70,900	13,100	141,500

Name[(1)]	Fees earned ($)	Share-based awards (DSUs) ($)	Option-based awards ($)[(2)]	Total Compensation ($)
Donald Young	108,800	40,900	13,100	162,800

(1) Mr. Howes is also a director of the Corporation, for which he does not receive any additional compensation;

(2) The fair value of Options granted, estimated using the Black-Scholes fair value option pricing model, is in compliance with IFRS 2, "Share-based payment". The key assumptions used are determined at each grant date and a life of five years is assumed;

(3) Mr. Goodman has served as Executive Chair of the Board since April 1, 2013 and was the former President and CEO of the Corporation;

(4) Messrs. Singer and Buntain resigned as directors of the Corporation effective May 7, 2015 and November 3, 2015, respectively. Messrs. Singer and Buntain may elect any date prior to December 15, 2016 to redeem their DSUs. If no such date is elected, then the redemption date shall mean December 15, 2016, or the last trading date immediately preceding such date. Their Option-based awards will expire on the earlier of: (i) three years following the date of resignation; and (ii) the original expiry date of the Options; and

(5) Ms. Tawil became a director of the Corporation effective November 4, 2015. She was not eligible to receive Options at that time as she had not served a full quarter in 2015.

During the financial year ended December 31, 2015, the Corporation incurred a total of $1,611,000 in directors' fees, of which $853,900 were paid in cash, $590,400 were awarded in DSUs and $166,700 were awarded in Options. No other pension or retirement benefits have been paid to any of the directors of the Corporation. All directors of the Corporation are reimbursed for their travel and other expenses incurred in connection with fulfilling their responsibilities as directors of the Corporation.

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS AT YEAR END

The following table provides details of Options and share-based awards outstanding as of December 31, 2015 for each of the non-executive directors of the Corporation.

Option-Based Awards					Share-Based Awards (DSUs)		Share-Based Awards (RSUs)	
Name[(1)]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[(2)]	Number of share or units of shares that have not vested (#)[(3)]	Market or payout value of share awards that have not vested ($)[(3)]	Number of shares or units of shares that have not vested (#)[(4)]	Market or payout value of share-based awards that have not vested ($)[(4)]
Jonathan Goodman[(5)]	190,000 98,000 97,700 36,800 42,380	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	457,722	585,900	15,734	20,140
Derek Buntain[(6)]	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	n/a	n/a	n/a	n/a
R. Peter Gillin	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	118,823	152,100	n/a	n/a

Option-Based Awards					Share-Based Awards (DSUs)		Share-Based Awards (RSUs)	
Name(1)	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(2)	Number of share or units of shares that have not vested (#)(3)	Market or payout value of share awards that have not vested ($)(3)	Number of shares or units of shares that have not vested (#)(4)	Market or payout value of share-based awards that have not vested ($)(4)
Murray John	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar, 22, 2020	Nil Nil Nil Nil n/a	129,856	166,200	n/a	n/a
Jeremy Kinsman	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	53,178	68,100	n/a	n/a
Garth MacRae	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	50,269	64,300	n/a	n/a
Peter Nixon	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	66,353	84,900	n/a	n/a
Ronald Singer (6)	10,000 10,000 10,000 10,000	8.90 8.89 7.84 3.96	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019	Nil Nil Nil Nil	n/a	n/a	n/a	n/a
Marie-Anne Tawil(7)	n/a	n/a	n/a	n/a	14,038	18,000	n/a	n/a
Anthony Walsh	10,000 10,000 10,000 9,000	7.71 7.84 3.96 2.97	Aug. 6, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil n/a	67,811	86,800	n/a	n/a
Donald Young	10,000 10,000 10,000 10,000 9,000	8.90 8.89 7.84 3.96 2.97	Mar. 24, 2016 Mar. 21, 2017 Mar. 26, 2018 Apr. 1, 2019 Mar. 22, 2020	Nil Nil Nil Nil n/a	42,587	54,500	n/a	n/a

(1) *Mr. Howes is also a director of the Corporation. Option and share-based awards outstanding at December 31, 2015 for the CEO are disclosed under the heading "Executive Compensation - Outstanding Option-Based and Share-Based Awards at Year End";*

(2) *Value of unexercised in-the-money Options relates to vested Options based on the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. This amount may not be representative of the amount that may be realized on payout due to market fluctuations;*

(3) Share-based awards (DSUs) consist of DSUs granted under the Director DSU Plan. Amounts shown are based on one DSU having the value of one Common Share at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. This amount may not be representative of the amount that may be realized on payout due to market fluctuations. These DSUs have been deemed to be unvested as, under the terms of the Director DSU Plan, they cannot be redeemed until the date a director ceases to be a director of the Corporation or an affiliate thereof;

(4) Share-based awards (RSUs) consist of RSUs granted under the RSU Plan. Amounts shown are based on one RSU having the value of one Common Share at the closing price of the Common Shares on the TSX on December 31, 2015 of $1.28. These amounts may not be representative of the amounts that may be realized on payout due to market fluctuations. The RSUs will vest on the Entitlement Date or Dates;

(5) Mr. Goodman has served as Executive Chair of the Board since April 1, 2013 and was formerly the President and CEO of the Corporation. His Employee Units and RSUs were granted when he was the President and CEO of the Corporation. Mr. Goodman holds 406,446 Employee Units granted under the Employee DSU Plan and 51,276 DSUs granted under the Director DSU Plan. These Employee Units and DSUs have been deemed to be unvested as, under the terms of the Employee DSU Plan and the Director DSU Plan, they are not redeemable until the date Mr. Goodman is no longer a director or officer of the Corporation or an affiliate thereof.

(6) Messrs. Singer and Buntain resigned as directors of the Corporation effective May 7, 2015 and November 3, 2015, respectively. Messrs. Singer and Buntain have 61,539 and 59,844 vested DSUs, respectively, which they may elect to redeem on any date prior to December 15, 2016. If no such date is elected, then the redemption date shall mean December 15, 2016, or the last trading date immediately preceding such date. Their Option-based awards will expire on the earlier of: (i) three years following the date of resignation; and (ii) the original expiry date of the Options; and

(7) Ms. Tawil became a director of the Corporation effective November 4, 2015. She was not eligible to receive Options at that time as she had not served a full quarter in 2015.

Refer to "Executive Compensation - Equity Compensation Plan Information" for a description of the material terms of the Stock Option Plan and the Director DSU Plan.

VALUE VESTED OR EARNED DURING THE YEAR

The following table provides details on the value realized upon vesting of Options, share-based awards and non-equity incentive plan pay-outs by any of the non-executive directors during the year ended December 31, 2015.

Name[1]	Option-based awards – Value vested during the year ($)[2]	Share-based awards (DSUs) – Value vested during the year ($)[3]	Share-based awards (RSUs) – Value vested during the year ($)[4]	Non-equity incentive plan compensation – Value earned during the year ($)
Jonathan Goodman[5]	Nil	Nil	89,800	n/a
Derek Buntain[6]	Nil	115,500	n/a	n/a
R. Peter Gillin	Nil	Nil	n/a	n/a
Murray John	Nil	Nil	n/a	n/a
Jeremy Kinsman	Nil	Nil	n/a	n/a
Garth MacRae	Nil	Nil	n/a	n/a
Peter Nixon	Nil	Nil	n/a	n/a
Ronald Singer[6]	Nil	179,100	n/a	n/a
Marie-Anne Tawil[7]	n/a	Nil	n/a	n/a
Anthony Walsh	Nil	Nil	n/a	n/a
Donald Young	Nil	Nil	n/a	n/a

(1) Mr. Howes is also a director of the Corporation. See "Executive Compensation - Value Vested or Earned During the Year";

(2) The value vested during the year on Option-based awards is based on the closing price of the Common Shares on the TSX for the various dates that Options vested in 2015;

(3) The value vested during the year on share-based awards (DSUs) is based on the five-day volume-weighted average price of the Common Shares on the TSX on the date the director resigned from the Board of the Corporation;

(4) The value vested during the year on share-based awards (RSUs) is based on the five-day volume-weighted average price of the Common Shares on the TSX on the Entitlement Date or Dates;

(5) Mr. Goodman was granted RSU awards when he was the President and CEO of the Corporation, which vest over a three-year period;

(6) Messrs. Singer and Buntain resigned as directors of the Corporation effective May 7, 2015 and November 3, 2015, respectively. Messrs. Singer and Buntain may elect any date prior to December 15, 2016 to redeem their respective 61,539 and 59,844 vested DSUs. If no such date is elected, then the redemption date shall mean December 15, 2016, or the last trading date immediately preceding such date. These DSUs have vested but the directors have not elected to redeem the DSUs as at December 31, 2015. The indicated DSU values have been estimated based on the five-day volume weighted average price on the date of resignation. Their Option-based awards will expire on the earlier of: (i) three years following the date of resignation; and (ii) the original expiry date of the Options; and

(7) Ms. Tawil became a director of the Corporation effective November 4, 2015. She was not eligible to receive Options at that time as she had not served a full quarter in 2015.

DIRECTOR EQUITY OWNERSHIP REQUIREMENTS

It is important for our directors to hold a significant equity ownership in the Corporation in order to align their interests with those of the Corporation and its Shareholders and provide a performance incentive to each of them by ensuring their vested interest in the price performance of the Common Shares.

To achieve this, in February 2010, upon the recommendation of the Corporate Governance Committee, the Board adopted a Directors' Equity Ownership Policy which required that each non-executive director own Common Shares or DSUs with an aggregate acquisition cost equal to at least two times the annual retainer fee paid to each non-executive director.

On February 12, 2015, upon the recommendation of the Corporate Governance Committee, the Board approved an increase of the minimum equity ownership requirement to three times the annual retainer fee paid to each non-executive director (the "Director Equity Ownership Requirement"). Effective January 1, 2015, each non-executive director is required to own Common Shares or DSUs with an aggregate value of $180,000, calculated based on the greater of: (i) the acquisition cost or the grant value; and (ii) the aggregate fair market value of the Common Shares on the TSX on the last trading day of the year. Each non-executive director must comply with the newly-established Director Equity Ownership Requirement by the later of December 31, 2017 or within five years of becoming a member of the Board. Under the terms of the policy, each director is required to take at least 50% of his or her annual retainer fee in DSUs until their ownership requirement has been fulfilled.

In March 2010, the Corporation amended the Director DSU Plan to provide for directors to elect to receive all or a portion of their compensation in DSUs in accordance with this policy. Refer to "Business of the Meeting - Election of Directors" and "Executive Compensation - Director Deferred Share Unit Plan" for further information.

In the event of an increase in the directors' annual retainer, after the Director Equity Ownership Requirement is attained, the non-executive director will be expected to reach the additional ownership requirement, related to the annual retainer increase, within three years of the change.

Directors are prohibited from engaging in equity monetization transactions or hedges involving securities of the Corporation and are required to confirm this on an annual basis. Refer to "Executive Compensation – Anti-Hedging Policy" for further information.

As of the date hereof, all of the non-executive directors, with the exception of Ms. Tawil, who joined the Board on November 4, 2015, meet or exceed the Director Equity Ownership Requirement.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance with an aggregate policy limit of $35 million insuring its directors and officers against liability arising from wrongful acts in their capacity as directors and officers, subject to limitations, if any, contained in the *Business Corporations Act* (Ontario). This coverage is subject to a deductible of $250,000 on Indemnifiable and Securities Claims, as defined in the insurance policy.

The current insurance coverage is in effect until November 15, 2016. The annual premium for this insurance is $127,124. No portion of this insurance is directly paid by any director or officer of the Corporation.

The Corporation also maintains a local directors' and officers' liability insurance policy in each of Bulgaria and Armenia for its subsidiaries. Each of the policies has a limit of $500,000, subject to deductibles of $5,000 on each and every loss, except for claims made in Canada or the United States, which are subject to deductibles of $50,000 on each and every loss. These policies are also in effect until November 15, 2016. The annual premiums for the Bulgarian and Armenian policies are $6,322 and $7,000, respectively.

To date, no claims have been made against any of these policies.

CORPORATE GOVERNANCE PRACTICES

The Corporation and its Board recognize the need for sound corporate governance in order that the Corporation achieve its goals of enhancing Shareholder value over the long term by conducting its business activities in an effective, ethical and transparent manner. The Board monitors the extensive and continuing changes to the regulatory environment regarding corporate governance practices. The Corporation is pleased to provide, in this Circular, an overview of its corporate governance practices, as assessed in the context of NI 58-101; National Policy 58-201 - Corporate Governance Guidelines ("NP 58-201") and National Instrument 52-110 - Audit Committees and Companion Policy ("NI 52-110").

BOARD OF DIRECTORS

Board Composition and Directors' Independence

As of the date hereof, the Board is composed of 10 directors, eight of whom are independent in accordance with the definition of "independence" set out in National Instrument 52-110, Audit Committees, representing an 80% independent Board.

On an annual basis, the Board reviews the relationship each director has with the Corporation and each other, also giving consideration to such things as Board tenure and Board interlocking, to assist in determining whether or not their independence is maintained. When a director has no direct or indirect material relationship with the Corporation or its subsidiaries which could interfere with the director's independent judgment, that director is considered to be independent.

Mr. Howes is President and CEO and is therefore not considered independent. Jonathan Goodman, Executive Chair of the Board, is not considered independent and, as a result, Peter Gillin, an independent director, was appointed Lead Director on March 21, 2013, to facilitate the functioning of the Board independently of management and to provide independent leadership to the Board, when required.

In conjunction with the CEO, the Executive Chair is responsible for developing the overall corporate strategy and providing leadership, and building consensus, in the development of the Corporation's overall strategic plan, capital markets activities and corporate development initiatives within the context of the corporate strategy. He is also responsible for the leadership, management, development and effective functioning of the Board and supporting the CEO in building a strong senior management team to ensure that the objectives, policies and procedures of the Corporation, as agreed by the Board, are carried out. He also works with the Board to monitor and evaluate the performance of the CEO and senior executives and address management performance, remuneration and succession issues, on an ongoing basis. The Executive Chair and Lead Director each perform their duties and responsibilities in accordance with a written mandate, copies of which can be found on the Corporation's website at www.dundeeprecious.com or may be obtained by contacting the Corporate Secretary of the Corporation.

Directors are expected to consult with the Executive Chair of the Board, who may further consult with the Corporate Governance Committee, prior to joining another board of directors in order to ensure that a conflict would not arise, that the director will still have sufficient time to properly fulfill their role and also to ensure that an additional board seat would not have a negative impact on the director's status under good governance practices.

Certain directors are presently on the board of other public companies, as set out under the heading "Election of Directors - Other Public Board Directorships".

Board and Committee Meetings

During the year ended December 31, 2015, the Board met on nine occasions. All members of the Board also have a standing invitation to attend all Board committee meetings. The CEO regularly attends Board committee meetings, as a non-voting participant, as, occasionally, do other directors.

The attendance of each director at all Board and committee meetings, of which he or she is a member, either in person or by telephone, during the year ended December 31, 2015, is set out under "Election of Directors - Committee Memberships and Meeting Attendance During 2015".

MEETINGS OF INDEPENDENT DIRECTORS

In 2015, the independent directors held "in camera" sessions, without management present, at every Board and committee meeting, including those held by telephone. These sessions are led by the Lead Director and committee Chairs and are of no fixed duration, at which participating directors are encouraged to raise and discuss any issues of concern. At least once each quarter, the Audit Committee also meets independently with the Corporation's external auditor to discuss the financial affairs of the Corporation without management present, and also has confidential discussions with management, as well as the Director of Internal Audit. The independent members of each Board committee operate independently of management in fulfilling their mandates and making recommendations to the Board. In addition, the independent directors may meet separately at such other times as any independent director may request.

The Lead Director and the committee Chairs update senior management on the substance of these sessions, to the extent that action is required by management.

BOARD MANDATE

The Board operates in accordance with a written mandate that outlines its role and responsibilities, a copy of which is attached hereto as Schedule "A" and can also be found on the Corporation's website at www.dundeeprecious.com or may be obtained by contacting the Corporate Secretary of the Corporation.

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Board, CEO, Executive Chair, the Lead Director and for the Chair of each committee of the Board. All of these position descriptions may be found on the Corporation's website at www.dundeeprecious.com.

ORIENTATION AND CONTINUING EDUCATION

The Corporation has an orientation program for new directors to assist them in becoming knowledgeable in all aspects of the Corporation's business activities. This program provides for each new director to participate in informal discussions with members of the senior management team. Directors are provided with continuous disclosure materials over the previous three years, corporate policies, mandates for the Board and each committee and Board minutes. In addition, online access to a Board portal is provided which allows new directors to review previous Board meeting or other materials. During the interview process, the Corporate Governance Committee makes each prospective new director aware of the amount of time required to fulfill his or her role as a director. Site visits to the Corporation's main operations are encouraged and arranged periodically, at the earliest opportunity upon the request of a new or any existing director.

The Corporation is also committed to a continuing education program for all directors. At each regularly scheduled Board meeting, management provides the directors with a presentation on each of the Corporation's operations, development projects and strategic initiatives thereby updating the Board on all important activities since the previous meeting. The Board also receives updates from the CEO between scheduled meetings via teleconference. The CEO and the executive management team also coordinate special sessions for the Board periodically in order to keep the Board apprised of the longer term strategy of the Corporation. Through the Corporate Governance Committee, directors are kept informed of best practices with respect to the role of the Board, and emerging trends that are relevant to their roles as directors.

In addition, in the event of significant regulatory or other industry developments that may affect the Corporation, the Compensation Committee, in conjunction with the Corporate Governance Committee, will arrange for an appropriate member of management, the independent auditor, outside legal counsel and/or other experts, as deemed appropriate, to present an overview of the changes to the Board and the ways in which they may impact the Corporation, its Shareholders and/or the Board. During 2015, the Compensation Committee arranged for a representative of Mercer to participate in several informal meetings with the Chair of the Compensation Committee and senior management in order to provide an overview of current and emerging governance and executive compensation trends in the mining industry.

Directors are also advised of, and encouraged to participate in, seminars and educational programs, at the expense of the Corporation, which can enhance their abilities to fulfill their roles as Board or committee members.

In 2015, several directors of the Corporation attended conferences and/or workshops relating to the business or industry of the Corporation, compensation practices, anti-corruption and anti-bribery legislation and practices, diversity in the workplace, as well as changes to the regulatory and/or financial environment.

DIVERSITY

The Corporation fully recognizes that having a diverse pool of Board members and senior managers is key to achieving strong business performance, continuous innovation and good governance, and specifically acknowledges the important role that women, with appropriate and relevant skills and competencies, play in contributing to the Corporation's effectiveness and success.

On March 19, 2015, the Board adopted a policy commitment to gender diversity at the Board level only and, on February 9, 2016, the Board replaced that policy with a written policy committing to diversity in all characteristics that make individuals different from each other, such as gender, education, skills, experience, ethnicity, age, and others, placing a special focus on the gender diversity of its Board and in executive officer and senior management positions (the "Diversity Policy").

DPM's Diversity Policy sets out a number of initiatives which the Corporation is committed to undertake in order to ensure diversity on the Board and in senior management while, at the same time, identifying and recruiting the best candidates. The Board has not adopted any specific targets regarding gender representation on the Board, in executive officers and in senior management positions, on the basis that appropriate skills and experience must remain the overriding criteria for nomination to the Board. However, the Corporation will seek to meet its objectives through the initiatives set out in its Diversity Policy with a view to identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time.

To address the Corporation's gender diversity needs, during the second half of 2014 and into 2015, the members of the Corporate Governance Committee and the Executive Chair interviewed several potential Board candidates in the search for a suitable director to replace retiring directors Ronald Singer and Derek Buntain. As a result, a female director, Ms. Marie-Anne Tawil, was appointed by the Board on November 4, 2015. The Corporation also has a number of women on its senior management team, representing a total of 20%. These include Lori Beak, who is Senior Vice President, Governance, and Corporate Secretary and four directors in charge of corporate functions.

The benefits of gender diversity are also recognized at the Corporation's local operations. The Corporations' Bulgarian subsidiary, Dundee Precious Metals Chelopech EAD, despite operating under statutory restrictions with respect to the employment of women in underground mining positions, (which results in only 19% of the workforce being female), recently received a government award for achieving a good balance of women and men in management. The percentage of women in managerial and higher positions at the Corporation's local operations is 43% in Bulgaria, 19% in Namibia and 15**%** in Armenia.

NOMINATION OF DIRECTORS

The Corporate Governance Committee, composed entirely of independent directors, is responsible for identifying, recruiting and recommending potential Board candidates for nomination to the Board and as such, monitors and assesses, on an annual basis, the mix of skills and competencies required in order for the Board to perform and fulfill its role effectively. When the Corporate Governance Committee identifies additional skills and competencies required, or becomes aware of an individual director's intention to retire from the Board, it initiates a recruitment process and, if necessary, engages the services of a search firm to assist in the identification of potential candidates. As part of the process, the Corporate Governance Committee considers the core skills and competencies matrix, the long term plan for Board composition, and the potential candidate's skills, expertise, experience, independence and diversity. In addition, consideration is also given to the perceived ability of a candidate to devote the time and effort needed to fulfill his or her duties and that he or she exhibits the highest degree of integrity, professionalism, values and independent judgment.

The Corporate Governance Committee reviewed the qualifications of the current directors, all of whom have been nominated for election as directors in 2016, against the mix of skills and competencies that it determined are required for the Board to perform and fulfill its role effectively and concluded that there are currently no gaps that need to be filled.

The Corporation has implemented a Majority Voting Policy for its directors. Refer to "Business of the Meeting - Majority Voting" for further information.

Advance Notice Policy

The Corporation has also adopted an "Advance Notice Policy" with the purpose of providing Shareholders, directors and management of the Corporation with a clear framework for nominating directors.

The Advance Notice Policy provides a framework for director nominations by establishing a notice period by which holders of Common Shares must submit director nominations to the Corporation prior to any Meeting of Shareholders and also sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form, in order for any director nominee to be eligible for election at any Meeting of the Shareholders.

The Advance Notice Policy allows the Corporation a reasonable opportunity to assess the qualification and suitability of director nominees and to respond, as appropriate, in the best interests of the Corporation. It also allows the Shareholders a reasonable opportunity to evaluate all proposed director nominees and the Board's recommendation in order to make an informed vote.

Director Core Skills and Competencies Matrix

The Corporate Governance Committee reviews the skills and competencies of its directors in a number of areas critical to the Board's oversight function to ensure that there is appropriate diversity of experience. The lack of a specifically identified area of expertise does not mean that the particular director does not possess the applicable skill or competency. Rather, a specially identified area indicates that the Board currently relies upon that director for those particular skills and competencies.

The table below sets out a matrix identifying only the relevant skills and competencies for each director that the Board currently relies upon, as of the date hereof:

Core Skills and Competencies Matrix							
Directors	**Capital Markets**	**Financial Literacy**	**Strategic Leadership / Risk Management**	**Governance / Executive Compensation**	**International Business / Government & Community Relations**	**Mining, Exploration & Operations**	**Safety, Health & Environment**
Peter Gillin	✓		✓	✓			
Jonathan Goodman	✓				✓	✓	
Rick Howes			✓		✓	✓	
Murray John	✓					✓	✓
Jeremy Kinsman			✓	✓	✓		
Garth MacRae		✓				✓	✓
Peter Nixon	✓	✓		✓			
Marie-Anne Tawil		✓		✓			✓
Anthony Walsh	✓	✓	✓				
Donald Young		✓	✓	✓			

Definitions of core skills and competencies:

Capital Markets: Experience in the field of finance, investment and/or mergers and acquisitions.

Financial Literacy: The ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Strategic Leadership/Risk Management: Experience in developing and guiding implementation of growth strategies of an organization, preferably including the management of multiple significant projects as well as experience in overseeing policies and processes to identify principal business risks and to ensure that appropriate systems are in place to mitigate these risks.

Governance/Executive Compensation: Experience with providing guidance on, and defining the framework for, directing, administering and controlling a corporation to ensure management coherence, accountability, transparency and protection of Shareholder interests and ethics, and/or experience in the oversight of significant, sustained succession planning, talent development and retention programs, including executive compensation.

International Business/Government & Community Relations: Experience operating in multiple jurisdictions, (preferably in countries or regions where the Corporation has or expects to be developing operations, as well as having knowledge and experience in international business practices and regulatory requirements, and/or experience with, or a good understanding of, the workings of governments and public policy, domestically and internationally, and experience developing strong working relationships with communities and mining regulators, including corporate public outreach.

Mining, Exploration and Operations: Experience with a leading mining or resource company and dealing with one or more of the following areas: reserves, exploration, mine development, metallurgy and operations, including cultivating and maintaining a culture focused on operational excellence.

Safety, Health & Environment: Strong understanding of the requirements and leading practices of workplace safety, health, and environment, including the requirements needed for a strong safety culture and environmental stewardship.

The Corporate Governance Committee operates in accordance with a written mandate that outlines its role and responsibilities, a copy of which can be found on the Corporation's website at www.dundeeprecious.com or may be obtained by contacting the Corporate Secretary of the Corporation.

BOARD ASSESSMENTS

The Corporate Governance Committee has a mandate and responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole, the Board committees and each of its Chairs, as well as the Lead Director and Executive Chair of the Board. The process by which such assessments are made is through questionnaires which are reviewed and approved by the Corporate Governance Committee and completed by each individual director.

The Corporate Governance Committee conducts an annual review of the performance of the Board and the Board committees. The committee has designed a questionnaire that is completed by each director, on an annual basis, to evaluate the Board, as a whole, as well as the Board committees. The questionnaire requires directors to evaluate the Board's composition, function and meetings, in an effort to identify strengths and areas for improvement. In addition, each committee is evaluated with respect to its understanding of its role and responsibilities, the involvement of each committee member, its composition, and conduct of meetings. Individual directors are also assessed every three years where their performance is determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance. The Executive Chair and Lead Director will be evaluated in the second quarter of 2016, following the completion of their third year in their respective roles. Finally, each director is interviewed by the Chair of the Corporate Governance Committee, with respect to Board function.

The results of the questionnaires are then compiled by the Chair of the Corporate Governance Committee, discussed with the Corporate Governance Committee and the findings are reported to the full Board. Appropriate action is then taken to remedy any area of Board or individual director performance which the responses indicate are in need of improvement.

The latest annual assessments conducted in 2015 showed that the Board, Committees, Committee Chairs and individual directors were effectively fulfilling their responsibilities and no serious concerns were raised.

SUCCESSION PLANNING

The Board, through the Corporate Governance Committee, is actively involved in the Corporation's succession planning process with respect to senior management of the Corporation, and for the Board itself. The Corporate Governance Committee, in conjunction with Human Resource senior management, analyzes and establishes the necessary skills for the senior management roles within the Corporation, specifically for the three most senior roles: President and Chief Executive Officer; Chief Operating Officer; and the Chief Financial Officer. In the context of these skill sets, the Corporate Governance Committee, together with senior management, identifies those candidates best suited for advancement into those roles. The Corporate Governance Committee then meets with the candidates identified to discuss their career goals in the context of the succession planning process. During these discussions, the Corporate Governance Committee, Human Resource senior management, and the candidates develop plans to provide skill-strengthening programs where it is considered appropriate, or necessary, for advancement. Regular reports are also provided to the Board on the ongoing progress and development of these prospective successors and other key personnel.

With respect to succession planning for the Board itself, the Corporate Governance Committee Chair discusses, annually, with each director his or her intentions with respect to continuing to serve as a director for the ensuing year. Based on these conversations, and other considerations, the Corporate Governance Committee develops and maintains an "active" list of potential candidates for recruitment to the Board. Refer to the "Diversity" section above for further information.

The Board has not adopted a mandatory retirement policy or term limits for directors. The Board believes that mandatory retirement and term limits may result in the loss of effective directors with deep knowledge of the

Corporation. Instead, determination of a director's continued fitness for service as a member of the Board is assessed through the implementation of the thorough Board and individual director assessment process outlined above.

BOARD COMMITTEES

Compensation Committee

The Compensation Committee, which is composed entirely of independent directors, is responsible for determining, and recommending to the full Board for approval, the compensation of the directors and Executive Officers of the Corporation. The process by which appropriate compensation is determined includes, among other things, a periodic review, conducted by an independent compensation advisor, of the peer group and other mining industry compensation data, including a benchmark analysis of the base salary, total cash compensation and total direct compensation of each Executive Officer based on information publicly-disclosed in management proxy circulars of companies in the peer group. In the case of the CEO, the Compensation Committee and the CEO establish annual performance objectives and appropriate weighting factors, in order to measure performance and to establish total remuneration for the CEO, which is primarily weighted on company performance. The Compensation Committee reviews and discusses with the CEO his recommendations regarding the total remuneration packages of the CFO and COO prior to recommending approval of such packages by the Board. Refer to the "Executive Compensation - Compensation Discussion and Analysis" for further information.

Health, Safety & Environment Committee

The Board has a Health, Safety & Environment Committee to assist the Board in developing and implementing a corporate culture of environmental responsibility and to oversee all aspects of health and safety relating to the Corporation's operating activities, including quarterly reviews of the Corporation programs to promote zero injuries among the workforce, and monitoring their effectiveness, as well as reviewing the programs in place to minimize or prevent the harmful effects of the Corporation's operations on the environment. The Health, Safety & Environment Committee also reviews management reports on a quarterly and annual basis, tracking performance and compliance with applicable laws providing for the protection of the environment, employees and the public.

Audit Committee

The Board also has an Audit Committee to assist it in fulfilling its oversight responsibilities for the integrity, quality and transparency of the Corporation's financial statements, compliance with legal and regulatory requirements relating to financial reporting, the appointment of the external auditor with the responsibility to approve its compensation, review its independence and qualifications as well as oversight of all its audit and allowable non-audit work. The Audit Committee is also responsible for the appointment of the head of internal audit, approval of its charter and annual audit plan, and for the review and approval of its compensation, including bonuses and other special compensation. The Audit Committee is also responsible for the oversight of the Corporation's whistleblower reporting system and such other duties as may be assigned to it from time to time by the Board.

Each of these committees has a written mandate which defines its roles and responsibilities, copies of which can be found on the Corporation's website at www.dundeeprecious.com or may be obtained by contacting the Corporate Secretary of the Corporation. In addition, the Audit Committee mandate is included in the AIF, under the heading "Audit Committee Disclosure", which is available on the Corporation's website at www.dundeeprecious.com and on SEDAR at www.sedar.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To date, no director, executive officer or associate of any director or executive officer of the Corporation is indebted to the Corporation, nor are any of these individuals indebted to any other entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

RISK OVERSIGHT

The Board oversees an enterprise-wide approach to risk management designed to support the achievement of organizational objectives, including strategic objectives, to improve long term organizational performance and enhance Shareholder value. A fundamental part of risk management is not only understanding the risks the Corporation faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Corporation. The involvement of the full Board in setting the Corporation's business strategy is a key part of its assessment of the Board's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Corporation.

While the Board has the ultimate oversight responsibility for the risk management process, various standing committees have responsibility for particular risk management areas:

- The Audit Committee focuses on financial risk, including internal controls, and periodically discusses with management and the internal auditor the Corporation's policies regarding financial risk assessment and financial risk management;
- The Compensation Committee assesses potentially material adverse risks facing the Corporation arising from the Corporation's compensation policies and practices, and considers ways to address those risks; and
- The Health, Safety & Environment Committee focuses on risks related to the operations and sustainability practices and the implementation of appropriate mitigation strategies.

For a detailed explanation of the risks applicable to the Corporation and its business, see ''Risk Factors'' in the Corporation's AIF dated March 28, 2016, and filed on SEDAR at www.sedar.com on March 30, 2016.

ETHICAL BUSINESS CONDUCT

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") that applies to all directors, officers and employees, including contractors. The Code has been translated into Armenian and Bulgarian in order to ensure better comprehension by employees in those countries and has been communicated to all employees at each of the Corporation's sites. To facilitate the Code sign-off process, in 2014, management launched an electronic process for review of the corporate policies by email users, which also includes electronic confirmation of the understanding of, and adherence to, the respective corporate policy.

A copy of the Code can be found on the Corporation's website at www.dundeeprecious.com, may be obtained by contacting the Corporate Secretary of the Corporation and is also filed on SEDAR at www.sedar.com.

The Code promotes high ethical standards and sets out expectations for the conduct of the Corporation's business in accordance with the applicable laws, rules and regulations. The Board, and the Corporation, promote a "tone at the top" culture which intends to instill ethics, openness, honesty and accountability throughout the organization. All directors are required to disclose any activities or relationships which could have the potential for a conflict of interest. The Board has not granted any waiver of the Code in favour of any director, officer or employee since its adoption by the Board in 2004. Directors, officers and employees are fully aware that violations of the Code will be addressed and could result in disciplinary action or dismissal.

The Board adopted its formal Anti-Bribery & Anti-Corruption ("ABC") Policy in 2013. The prohibitions and requirements of the ABC Policy are designed not merely to comply with Canada's *Corruption of Foreign Public Officials Act* and other anti-corruption laws, but seeks to avoid even the appearance of questionable conduct in connection with the Corporation's operations and business in the actions of its directors, officers and employees, as well as its contractors and any other third parties.

In late 2014, the Corporation rolled out its on-line training course on the function of the Code, covering the key components of the Corporation's Insider Trading, Disclosure, ABC and Whistleblower Policies to all email users across the Corporation, in multiple languages.

In June 2015, an additional ABC-focused on-line training course was launched to all employees working in areas potentially associated with higher risk activities, including Finance, Procurement, Legal & Permitting, Human Resources and Projects, as well as all managerial staff down to supervisory level positions.

Furthermore, as part of the Corporation's efforts to better understand the ABC risks and to assist in the development and implementation of a comprehensive compliance program, in 2015, management undertook a detailed, four phase, ABC Risk Assessment project, starting with its Bulgarian sites at Chelopech and Krumovgrad. A detailed ABC Risk Register was developed, including initial and residual risks, which will be subject to regular review. A prioritized list of remediation actions, taking into consideration the impact on ABC controls and estimated implementation period, was developed. In 2016, the Corporation will proceed with implementing high priority items, as well as conducting ABC risk assessments in the Corporation's other locations. The implementation of the identified remediation measures will impact all operations and is expected to reduce ABC risk throughout the entire organization.

The Corporation's broad-based compliance efforts are facilitated by the Compliance Officer role, which is assigned to the Corporation's Corporate Secretary. The role reports regularly to the Audit and Corporate Governance Committees on matters regarding compliance with the Code and corporate policies. The Compliance Officer is supported at the Corporation's head office in Toronto by the Legal and Compliance team and, globally, by the HR officers at each site.

The Corporation retains an independent, third party supplier to provide a confidential and anonymous communication channel for reporting concerns with respect to the integrity of the Corporation's accounting, internal accounting controls and auditing matters, as well as potential breaches under the Code (the "Ethics Hotline"), and has a whistleblower policy in place to protect any employee, director or officer, who in good faith submits any complaint or concern, from retaliation. This is monitored by the Audit Committee and any reported infractions are communicated to the Chair of the Audit Committee. The Ethics Hotline has been made available to all employees in the local languages of each of the Corporation's operations. The Corporation recognizes that the program must be continually communicated and actively promoted to employees; therefore, the Corporation initiated a campaign which was introduced at all sites in January 2015, which includes the distribution of brochures and wallet cards, as well as the display of posters in order to promote awareness of the Corporation's Ethics Hotline. In 2016, the Corporation will implement additional awareness raising initiatives, reiterating the confidentiality of the investigations and non-retaliation.

Management of the Corporation has established a Disclosure Committee to ensure that it is communicating with Shareholders, employees and the public openly and in a timely way, as well as complying with its continuous disclosure obligations under securities laws. The Disclosure Committee reviews all news releases and material public filings prior to their release, and the Corporation has mechanisms in place to evaluate the design and effectiveness of disclosure controls. In addition, all press releases and public filings disclosing the financial performance of the Corporation are then reviewed by the Audit Committee. The Disclosure Committee currently has three members: the President and CEO, the CFO, and the Corporate Secretary. Each Board committee reviews the public disclosure relevant to its mandate, where applicable, prior to the Board considering the item for approval. For example, the Audit Committee is responsible for reviewing the annual and interim financial statements and management's discussion and analysis, as well as the news release with respect thereto, and recommending them to the Board for approval.

Shareholder Engagement

The Corporation communicates with its Shareholders in a variety of ways including through its website, disclosure documents and management's quarterly conference calls with analysts, which Shareholders and the public can access. Specific Shareholder inquiries are handled by Investor Relations and the Corporate Secretary of the Corporation. We are currently updating our website to provide greater insight into our vision, our strategy and how we apply these to guide our business. Once launched, the site will showcase our operations and our people through a strong application of photography and video, bringing our business to life for all stakeholders. The new website is designed to demonstrate the intrinsic link between our values, our actions and our results.

Communication with the Board

The Board welcomes input and comments from Shareholders for the Board or its committees which should be directed to:

Board of Directors of Dundee Precious Metals Inc.
c/o Corporate Secretary
Dundee Precious Metals Inc.
1 Adelaide Street East, 5th Floor
Toronto, Ontario M5C 2V9

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.dundeeprecious.com. The Corporation's annual audited consolidated financial statements and management's discussion and analysis for the years ended December 31, 2015 and December 31, 2014 are provided in the Corporation's annual report which can be found on the SEDAR website located at www.sedar.com. Shareholders may also contact the Corporate Secretary of the Corporation by telephone at (416) 365-5191 or by email to info@dundeeprecious.com to request copies of these documents.

The information contained herein is given as of March 22, 2016, except as otherwise indicated. The contents and the sending of this Circular have been approved by the Board.

By Order of the Board

"Lori Beak"

Lori E. Beak
Senior Vice President, Governance,
and Corporate Secretary
March 22, 2016

Schedule “A”

Amended: July 30, 2015
Adopted: March 10, 2006

MANDATE OF THE BOARD OF DIRECTORS

I. GENERAL

The board of directors (the “Board”) is responsible for the stewardship and the general supervision of the management of the business of Dundee Precious Metals Inc. (the “Corporation”) and for acting in the best interests of the Corporation and its shareholders. The Board will discharge its responsibilities directly and through its committees. In addition, the Board may, from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own mandate. The Board shall meet regularly, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Corporation. All meetings of the Board will also include meetings of the independent members of the Board without management being present. The primary functions of the Board are to:

- perform its duties and responsibilities in accordance with the laws of the jurisdiction of incorporation of the Corporation;
- oversee and monitor the performance of the Corporation in the context of the long term interests of its shareholders;
- promote a culture of integrity throughout the organization; and
- together with management of the Corporation, develop a process for the timely and accurate disclosure of information which is material to the Corporation.

II. COMPOSITION

The Board shall be constituted at all times of a majority of “independent directors” within the meaning of National Policy 58-201 - *Corporate Governance Guidelines*. Generally, pursuant to the Canadian corporate governance guidelines (except in respect of British Columbia), in order to be considered “independent”, directors shall have no direct or indirect material relationship with the Corporation. In British Columbia, a director shall be considered independent unless a reasonable person with knowledge of all relevant circumstances would conclude that the director is in fact not independent of management or of any significant shareholder.

III. RESPONSIBILITIES

The Board, directly and through its committees, fulfills these functions by, among other things and without limitation to its general mandate:

- overseeing the development of the Corporation’s approach to corporate governance;
- reviewing, approving (at least annually) and monitoring implementation of the Corporation’s strategic plan (which takes into account the risks and opportunities of the Corporation’s business), annual business plan and corporate goals for which the Chief Executive Officer is responsible;
- reviewing with senior management, and approving material transactions outside the ordinary course of business and such other major corporate matters which require Board approval;
- reviewing and discussing with senior management the significant risks and issues which could affect the Corporation and the systems that are in place to manage these risks;
- selecting, evaluating and compensating the executive officers of the Corporation and planning for senior management succession and training;
- overseeing the integrity of the Corporation’s internal controls through the adoption of appropriate internal and external audit control systems;
- overseeing compliance with the policies and procedures of the Corporation which include, but are not limited to the Corporation’s Anti-Bribery & Anti-Corruption, Diversity, Communication and its Disclosure Policy, as well as its financial reporting, relationship with all stakeholders, and the Corporation's Code of Business Conduct and Ethics;
- assessing the effectiveness of the Board, its committees and each individual director, on a regular basis, including considering whether the size of the Board is appropriate and reviewing the independence of its members to ensure it meets independence requirements;

- establishing an appropriate review and selection process for new nominees to the Board, taking its Diversity Policy into consideration;
- adopting an appropriate orientation and education program for new members of the Board;
- reviewing the processes for the implementation and maintenance of environmental stewardship and health and safety management systems that are consistent with industry practices and comply with the applicable laws and regulatory requirements in the communities where the Corporation conducts its business;
- with the assistance of the Audit Committee, recommending the appointment of the auditors and reviewing the performance of the auditors;
- approving the Corporation's annual and interim financial statements, including the notes thereto, management's discussion and analysis ("MD&A"), and the release and filing thereof. The Board may delegate approval of interim financial statements and MD&A to its Audit Committee; and
- performing such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents and by-laws.

IV. MISCELLANEOUS

The members of the Board are expected to attend all meetings of the Board.

The members of the Board (and any Board committee) are required to have reviewed Board (and committee, if applicable) materials in advance of the meeting and be prepared to discuss such materials at the meeting.

The members of the Board are required to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

www.dundeeprecious.com