Dundee Precious Metals Announces 2016 Fourth Quarter and Annual Results and 2017 Guidance

2/15/2017

TORONTO, ONTARIO--(Marketwired - Feb. 15, 2017) - Dundee Precious Metals Inc. (TSX:DPM)

(All monetary figures are expressed in U.S. dollars unless otherwise stated)

Annual Financial and Operating Highlights:

- **Metals production from continuing operations -** Achieved annual gold and copper production of 165,665 ounces and 38.4 million pounds, respectively, at the upper end of our 2016 guidance;
- **Smelter -** Processed 200,272 tonnes of complex concentrate, underperforming 2016 guidance due primarily to an unplanned shutdown in the third quarter;
- **Impairment charges -** Recognized a $118.2 million write-down in respect of Tsumeb primarily reflecting lower forecast third party toll rates and a slower ramp-up of throughput to 370,000 tonnes per year, and the decision to close the arsenic trioxide plant;
- **Near term growth opportunities -** Commenced construction at Krumovgrad and on track for first concentrate production in late 2018; and
- **Financial position -** Reduced debt in 2016 by $106.3 million with current aggregate cash resources of approximately $262 million, including the undrawn portion of DPM's long-term revolving credit facility. In January, added $33 million to cash resources with EBRD equity investment.

Dundee Precious Metals Inc. ("DPM" or the "Company") today reported a fourth quarter net loss attributable to common shareholders from continuing operations of $107.5 million ($0.67 per share) compared to $0.9 million ($0.01 per share) for the same period in 2015. Net loss attributable to common shareholders from continuing operations in 2016 was $150.0 million ($1.00 per share) compared to net earnings attributable to common shareholders from continuing operations of $2.8 million ($0.02 per share) in 2015. Net loss attributable to common shareholders from discontinued operations was $2.5 million ($0.02 per share) and $1.6 million ($0.01 per share) in the fourth quarter and twelve months of 2016, respectively, compared to $47.7 million ($0.34 per share) and $49.8 million ($0.35 per share) for the same periods in 2015.

Net loss attributable to common shareholders from continuing operations for the fourth quarter and twelve months of 2016 was impacted by several items not reflective of the Company's underlying operating performance, including impairment charges, unrealized losses and gains attributable to hedging future copper and gold production and foreign denominated operating costs, and net gains or losses on Sabina special warrants. Excluding these items, the adjusted net earnings(1) from continuing operations during the fourth quarter of 2016 were $5.7 million ($0.04 per share) compared to an adjusted net loss from continuing operations of $0.8 million ($0.01 per share) for the corresponding period in 2015. The increase in adjusted net earnings was due primarily to lower deductions for treatment charges and transportation costs at Chelopech, higher volumes of payable gold in concentrate sold, a 7% increase in realized gold prices, higher volumes of complex concentrate smelted, and reduced deductions for estimated metals exposure. These favourable variances were partially offset by a 25% decrease in realized copper prices, higher local currency expenses and depreciation at Tsumeb and lower third party toll rates at Tsumeb.

In 2016, adjusted net loss from continuing operations was $22.4 million ($0.15 per share) compared to adjusted net earnings from continuing operations of $5.0 million ($0.04 per share) in 2015. This loss was due primarily to a 27% decrease in realized copper prices and higher local currency operating expenses and depreciation at Tsumeb. These unfavourable variances were partially offset by reduced deductions for estimated metals exposure at Tsumeb, lower transportation costs, a stronger U.S. dollar relative to the ZAR and a 7% increase in realized gold prices.

"It was a strong quarter for both our operations. Chelopech gold and copper production came in at the high end of our guidance for 2016. The smelter had a strong finish to the year following a weak third quarter caused by the unplanned shutdown, achieving record production levels in December. For 2017, we expect the performance at the smelter to gradually improve, particularly over the second half of the year with the addition of matte holding furnaces to reduce bottlenecks," said Rick Howes, President and CEO. "Following the receipt of the Krumovgrad construction permit in August, we continued to advance the project with the completion of an early works program and the initiation of the earth works activity on site. Everything remains on track and with $295 million in cash resources following the recent EBRD investment, forecast free cash generation, and a solid balance sheet, we are well positioned for 2017."

Impairment charges

As at December 31, 2016, the carrying value of Tsumeb exceeded its estimated recoverable amount resulting in an impairment charge of $107.0 million, which was recognized in the consolidated statements of loss. This impairment charge was primarily attributable to lower forecast third party toll rates and reduced volumes related to a slower ramp-up of throughput to 370,000 tonnes per year.

During the year ended December 31, 2016, Tsumeb also recognized an $11.2 million impairment charge reflecting management's decision to discontinue producing arsenic trioxide, a by-product of the Tsumeb smelter process, by the end of the first quarter of 2017.

During the fourth quarter and twelve months of 2016, Chelopech recognized a $7.7 million impairment charge on certain equipment that it does not expect to use.

Adjusted EBITDA from continuing operations

Adjusted EBITDA(1) from continuing operations during the fourth quarter and twelve months of 2016 was $30.2 million and $73.0 million, respectively, compared to $22.1 million and $84.7 million in the corresponding periods in 2015, driven primarily by the same factors affecting adjusted net earnings (loss) from continuing operations, except for depreciation, finance costs and income taxes, which are excluded from adjusted EBITDA.

Production from continuing operations

Copper concentrate produced from continuing operations during the fourth quarter and twelve months of 2016 of 25,034 tonnes and 107,108 tonnes, respectively, was 24% and 6% lower than the corresponding periods in 2015 due primarily to lower copper grades, partially offset by higher volumes of ore mined and processed. Pyrite concentrate produced during the fourth quarter and twelve months of 2016 of 53,637 tonnes and 214,775 tonnes, respectively, was 13% and 10% lower than the corresponding periods in 2015. These results were in line with the mine plan.

Relative to the fourth quarter of 2015, gold contained in copper and pyrite concentrates produced in the fourth quarter of 2016 increased by 2% to 43,964 ounces, copper production decreased by 23% to 8.8 million pounds and silver production decreased by 21% to 51,035 ounces. The increase in gold production was due primarily to higher volumes of ore mined and processed. The decreases in copper and silver production were due primarily to lower grades, partially offset by higher recoveries and higher volumes of ore mined and processed.

Relative to 2015, gold contained in copper and pyrite concentrates produced in 2016 decreased by 2% to 165,665 ounces, copper production decreased by 3% to 38.4 million pounds and silver production decreased by 6% to 227,673 ounces. These decreases were due primarily to lower grades for all metals, partially offset by higher volumes of ore mined and processed.

Complex concentrate smelted during the fourth quarter of 2016 of 61,270 tonnes was 10% higher than the corresponding period in 2015 due primarily to improved performance resulting from the installation of the new copper converters. Complex concentrate smelted during 2016 of 200,272 tonnes was 2% higher than 2015. Performance of the smelter in 2016 was significantly impacted by a 21 day unplanned shutdown of the Ausmelt furnace following a regional power outage in July 2016, which reduced throughput by approximately 14,000 tonnes, and post commissioning issues related to the acid plant and new copper converters, which contributed to an 8,000 tonne shortfall relative to targeted performance. Converter optimization is ongoing and the introduction of matte holding furnaces in the second quarter of 2017 is expected to resolve the remaining converter constraints.

Smelter concentrate processed in the fourth quarter of 2016 was a new record, with the treatment of 23,686 tonnes of concentrate in December 12% higher than the previous record. The increased production rates achieved during the fourth quarter of 2016 were due primarily to increased stabilization of the operations as a result of various improvement initiatives being implemented at the smelter. These and other initiatives are expected to support improved and more consistent performance from the smelter during the course of 2017.

Deliveries from continuing operations

Deliveries of copper concentrate during the fourth quarter and twelve months of 2016 of 26,232 tonnes and 106,752 tonnes, respectively, were 13% and 7% lower than the corresponding periods in 2015 due primarily to the decrease in production and the timing of shipments. Deliveries of pyrite concentrate in the fourth quarter and twelve months of 2016 of 52,596 tonnes and 217,872 tonnes, respectively, were 8% and 3% lower than the corresponding periods in 2015 due primarily to lower pyrite concentrate production.

In the fourth quarter of 2016, payable gold in concentrate sold increased by 6% to 37,259 ounces, payable copper decreased by 10% to 8.8 million pounds and payable silver decreased by 26% to 37,940 ounces, in each case, relative to the corresponding periods in 2015. The increase in payable gold was due primarily to higher gold production in 2016 as a result of increased ore mined and processed. The decrease in payable copper was due primarily to the decrease in copper production as a result of lower grades, and the timing of shipments.

In 2016, payable gold in concentrate sold decreased by 6% to 139,324 ounces, payable copper decreased by 5% to 36.1 million pounds and payable silver decreased by 17% to 160,537 ounces, in each case, relative to the corresponding period in 2015. The decrease in payable gold was consistent with the decrease in copper and pyrite concentrate deliveries as a result of the decrease in production, partially offset by higher gold grades in copper concentrate sold. The decrease in payable copper was due primarily to the decrease in copper production as a result of lower grades, and the timing of shipments.

Cost measures

Cost of sales in the fourth quarter and twelve months of 2016 of $69.0 million and $258.0 million, respectively, was $9.7 million and $31.9 million higher than the corresponding periods in 2015 due primarily to higher depreciation related to the new acid plant and copper converters, and local currency operating expenses related to contractors, consumables, labour and electricity at Tsumeb, and additional expenses related to the acid plant running for 12 months in 2016 versus three months in 2015, which were partially offset by the favourable impact of a stronger U.S. dollar in 2016 relative to 2015.

Cash cost per ounce of gold sold, net of by-product credits, during the fourth quarter of 2016 of $529 was $120 higher than the corresponding period in 2015. This increase was due primarily to a 25% decrease in realized copper prices, partially offset by lower treatment charges and transportation costs and a lower cost per tonne as a result of higher ore mined and processed.

Cash cost per ounce of gold sold, net of by-product credits, in 2016 of $562 was $235 higher than 2015 due primarily to a 27% decrease in realized copper prices, partially offset by lower transportation costs and a lower cost per tonne as a result of higher ore mined and processed.

All-in sustaining cost per ounce of gold in the fourth quarter of 2016 of $602 was $26 lower than the corresponding period in 2015. This decrease was due primarily to lower cash outlays for sustaining expenditures, lower treatment charges and transportation costs, and higher volumes of payable gold in concentrate sold, partially offset by a 25% decrease in realized copper prices.

All-in sustaining cost per ounce of gold in 2016 of $738 was $246 higher than 2015 due primarily to a 27% decrease in realized copper prices, resulting in an increase in cash cost per ounce of approximately $305, partially offset by lower transportation costs.

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the fourth quarter and twelve months of 2016 of $369 and $440, respectively, was 10% and 5% higher than the corresponding periods in 2015 due primarily to higher local currency operating costs related to contractors, consumables, labour and electricity, partially offset by a weaker ZAR in 2016 relative to 2015. The unplanned 21 day shutdown in 2016 had the effect of increasing cash cost by approximately $24 per tonne.

Cash provided from operating activities of continuing operations

Cash provided from operating activities in the fourth quarter of 2016 was $15.7 million compared to $29.2 million in the corresponding period in 2015. This decrease was due primarily to unfavourable changes in non-cash working capital. Cash provided from operating activities in 2016 was $84.1 million compared to $77.3 million in the corresponding period in 2015. This increase was due primarily to proceeds from the prepaid forward sales of gold of $50.0 million and higher realized gold prices, partially offset by unfavourable changes in non-cash working capital and lower realized copper prices.

Cash provided from operating activities, before changes in non-cash working capital, during the fourth quarter and twelve months of 2016 was $24.8 million and $122.1 million, respectively, compared to $22.3 million and $78.9 million in the corresponding periods in 2015.

Capital expenditures from continuing operations

Capital expenditures during the fourth quarter and twelve months of 2016 totaled $14.1 million and $50.9 million, respectively, compared to $18.5 million and $77.7 million in the corresponding periods in 2015.

Growth capital expenditures during the fourth quarter and twelve months of 2016 were $9.6 million and $29.6 million, respectively, compared to $8.7 million and $53.9 million in the corresponding periods in 2015. The year over year decrease was due primarily to lower spending on the acid plant and new copper converters at Tsumeb. Sustaining capital expenditures during the fourth quarter and twelve months of 2016 were $4.5 million and $21.3 million, respectively, compared to $9.8 million and $23.8 million in the corresponding periods in 2015.

Financial position

As at December 31, 2016, DPM had cash and cash equivalents of $11.8 million, an investment portfolio valued at $19.2 million and $250.0 million of undrawn lines under its committed long-term revolving credit facility.

In January 2017, the Company completed a non-brokered private placement with the European Bank for Reconstruction and Development ("EBRD"), pursuant to which the Company issued 17,843,120 common shares at a price of Cdn$2.45 per share for gross proceeds of $33.2 million (Cdn$43.7 million).

2017 Guidance

The Company's production and cash cost guidance for 2017 is set out in the following table:

	Chelopech	Tsumeb	Consolidated
Ore mined/milled ('000s tonnes)	2,040 - 2,200	-	2,040 - 2,200
Complex concentrate smelted ('000s tonnes)	-	210 - 240	210 - 240
Metals contained in concentrates produced(1),(2)			
Gold ('000s ounces)	157 - 174	-	157 - 174
Copper (million pounds)	33.7 - 37.0	-	33.7 - 37.0
Payable metals in concentrates sold(1)			
Gold ('000s ounces)	135 - 150		135 -150
Copper (million pounds)	32.0 - 35.0	-	32.0 - 35.0
Cash cost per tonne of ore processed ($)(3),(4)	32 - 36	-	32 - 36
Cash cost per ounce of gold sold, net of by-product credits ($)(3),(4),(5)	670 - 810	-	670 - 810
All-in sustaining cost per ounce of gold ($)(3),(4),(5)	-	-	840 - 965
Cash cost per tonne of complex concentrate smelted, net of by-product credits ($)(3),(4)	-	400 - 485	400 - 485

1) Includes gold in pyrite concentrate produced of 42,000 to 47,000 ounces and payable gold in pyrite concentrate sold of 27,000 to 30,000 ounces.
2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
3) Based on foreign exchange rates and, where applicable, metal prices that approximate current rates and prices. The assumed copper price reflects the impact of 88% of 2017 copper production being hedged at $2.40 per pound.
4) Cash cost per tonne of ore processed, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold and cash cost per tonne of complex concentrate smelted, net of by-product credits, have no standardized meaning under GAAP. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations to IFRS.
5) Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold. Cash cost per ounce of gold sold, net of by-product credits, excluding payable gold in pyrite concentrate sold and related costs, is expected to range between $640 and $790 in 2017. All-in sustaining cost per ounce of gold, excluding payable gold in pyrite concentrate sold and related costs, is expected to range between $850 and $985 in 2017.

For 2017, the majority of the Company's growth capital expenditures(1) are primarily focused on the construction of the Krumovgrad gold project. These expenditures are expected to range between $116 million and $140 million. Sustaining capital expenditures(1) are expected to range between $25 million and $32 million.

The 2017 guidance provided above is not expected to occur evenly throughout the year. The estimated metals contained in concentrates produced and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages. Production in the second half of 2017 is expected to be higher than the first half based on the existing mine plans at Chelopech and the annual maintenance shutdown at Tsumeb, which started on February 9, 2017 and is expected to take approximately three weeks to complete. This relining was originally scheduled to occur in May, however, increased wear to a section of the lining where converter rather than Ausmelt bricks had to be used last year following the unplanned additional relining, prompted a rescheduling, and will result in Tsumeb being able to take advantage of the earlier than expected installation of matte holding furnaces in the converter aisle, which will be commissioned in March. During this maintenance shutdown, the Ausmelt and converter linings will be replaced and the acid plant will undertake its annual maintenance. As result, all annual maintenance will be completed during this three week period. For 2017, Tsumeb throughput is expected to increase by approximately 5% to 20% over 2016 as a result of increased availability of the Ausmelt furnace, ongoing converter improvement initiatives, including the introduction of matte holding furnaces in the second quarter of 2017 at a capital cost of approximately $2 million.

The rate of capital expenditures is also expected to vary from quarter to quarter based on the schedule for, and execution of, each capital project.

Further details can be found in the Company's MD&A under the section "2017 Guidance".

(1) Adjusted net earnings (loss), adjusted basic earnings (loss) per share, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash provided from operating activities, before changes in non-cash working capital, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted net of by-product credits, and growth and sustaining capital expenditures have no standardized meaning under International Financial Reporting Standards ("IFRS"). Presenting these measures from period to period helps management and investors evaluate earnings and cash flow trends more readily in comparison with results from prior periods. Refer to the "Non-GAAP Financial Measures" section of the MD&A for further discussion of these items, including reconciliations to IFRS measures.

Key Financial and Operational Highlights

$ millions, except where noted	Three Months		Twelve Months	
Ended December 31,	**2016**	2015(5)	**2016**	2015(5)
Revenue(2)	**82.1**	53.7	**279.5**	225.1
Cost of sales(2)	**69.0**	59.3	**258.0**	226.1
Impairment charges(2)	**(115.2)**	(0.1)	**(126.3)**	(0.9)
(Loss) earnings before income taxes from continuing operations	**(106.2)**	(0.4)	**(146.9)**	7.5
Net (loss) earnings attributable to common shareholders from continuing operations	**(107.5)**	(0.9)	**(150.0)**	2.8
Basic (loss) earnings per share from continuing operations	**(0.67)**	(0.01)	**(1.00)**	0.02
Net loss attributable to common shareholders	**(110.0)**	(48.5)	**(151.6)**	(47.0)
Basic loss per share attributable to common shareholders	**(0.69)**	(0.35)	**(1.01)**	(0.33)
Adjusted EBITDA from continuing operations(1)	**30.2**	22.1	**73.0**	84.7
Adjusted net earnings (loss) from continuing operations(1)	**5.7**	(0.8)	**(22.4)**	5.0
Adjusted basic earnings (loss) per share from continuing operations(1)	**0.04**	(0.01)	**(0.15)**	0.04
Cash provided from operating activities of continuing operations	**15.7**	29.2	**84.1**	77.3
Cash provided from operating activities of continuing operations, before changes in non-cash working capital(1)	**24.8**	22.3	**122.1**	78.9
Metals contained in concentrate produced from continuing operations:				
Gold (ounces)(3)	**43,964**	43,238	**165,665**	169,725
Copper ('000s pounds)	**8,817**	11,440	**38,459**	39,760
Silver (ounces)	**51,035**	64,592	**227,673**	242,094
Tsumeb - complex concentrate smelted (mt)	**61,270**	55,833	**200,272**	196,107
Payable metals in concentrate sold from continuing operations:				
Gold (ounces)(4)	**37,259**	35,086	**139,324**	148,137
Copper ('000s pounds)	**8,786**	9,814	**36,074**	37,913
Silver (ounces)	**37,940**	51,286	**160,537**	192,468
Cash cost per tonne of ore processed from continuing operations ($)(1)	**32.63**	39.07	**32.97**	37.14
Cash cost per ounce of gold sold, net of by-product credits, from continuing operations ($)(1)	**529**	409	**562**	327
Cash cost per ounce of gold sold in pyrite concentrate ($)(1)	**651**	895	**776**	919
All-in sustaining cost per ounce of gold from continuing operations ($)(1)	**602**	628	**738**	492
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits ($)(1)	**369**	336	**440**	418

(1) Adjusted EBITDA; adjusted net earnings (loss); adjusted basic earnings (loss) per share; cash flow provided from operating activities of continuing operations, before changes in non-cash working capital; cash cost per tonne of ore processed; cash cost per ounce of gold sold, net of by-product credits; cash cost per ounce of gold sold in pyrite concentrate; all-in sustaining cost per ounce of gold; and cash cost per tonne of complex concentrate smelted, net of by-product credits are not defined measures under IFRS. Refer to the MD&A for reconciliations to IFRS measures.
(2) Excludes results from Kapan, which are reported separately as a discontinued operation under IFRS.
(3) Includes gold contained in pyrite concentrate produced in the fourth quarter and twelve months of 2016 of 12,387 ounces and 47,237 ounces, respectively, compared to 13,656 ounces and 54,774 ounces for the corresponding periods in 2015.
(4) Includes payable gold in pyrite concentrate sold in the fourth quarter and twelve months of 2016 of 8,140 ounces and 31,380 ounces, respectively, compared to 9,779 ounces and 38,156 ounces for the corresponding periods in 2015.
(5) Certain comparative figures have been reclassified as a consequence of several expenses previously classified as general and administrative

expenses being classified as operating costs and included in cost of sales to better reflect the operating results of each segment.

DPM's audited consolidated financial statements and MD&A for the three and twelve months ended December 31, 2016, are posted on the Company's website at **www.dundeeprecious.com** and have been filed on SEDAR at **www.sedar.com**.

The Company will be holding a call and a webcast to discuss its 2016 fourth quarter and annual results on Thursday February 16, 2017 at 9:00 a.m. (E.S.T.). Participants are invited to join the live webcast (listen/view only) at: **http://edge.media-server.com/m/p/7vqwcp3x**. Alternatively, participants can access a listen only telephone option at 416-340-2216 or North America Toll Free at 1-866-223-7781. A replay of the call will be available at 905-694-9451, passcode 2526890. The audio webcast for this conference call will also be archived and available on the Company's website at **www.dundeeprecious.com**.

About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. The Company's continuing operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold and exploration properties located in Bulgaria, Serbia, and northern Canada, including the Krumovgrad gold project, which started construction in the fourth quarter of 2016 and is expected to commence production in the fourth quarter of 2018, and its 10.7% interest in Sabina Gold & Silver Corp.

Cautionary Note Regarding Forward Looking Statements

This press release contains "forward looking statements" that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the estimated capital costs, operating costs and other project economics with respect to Krumovgrad, the timing of development, permitting, construction, and commissioning activities in respect of Krumovgrad and further optimization work at Tsumeb, the future price of gold, copper, silver and acid, toll rates, metals exposure and stockpile interest deductions, the estimation of mineral reserves and resources, the realization of such mineral estimates, the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cash measures, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing and possible outcome of pending litigation. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.
Forward looking statements are based on the opinions and estimates of management as of the date such

statements are made and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations and economic studies; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc, silver and acid; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; fluctuations in metal and acid prices, toll rates and foreign exchange rates; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber attacks; as well as those risk factors discussed or referred to in the Company's MD&A under the heading "Risks and Uncertainties" and under the heading "Cautionary Note Regarding Forward Looking Statements" which include further details on material assumptions used to develop such forward looking statements and material risk factors that could cause actual results to differ materially from forward looking statements, and other documents (including without limitation the Company's 2015 AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at **www.sedar.com**. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

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