



# Dundee Precious Metals Announces Receipt of Final Construction Permit for the Krumovgrad Gold Project

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**TORONTO, ONTARIO--(Marketwired - Aug. 9, 2016) - Dundee Precious**

**Metals Inc.** (TSX:DPM) ("DPM" or "the Company") is pleased to report that the final construction permit for the Company's Krumovgrad gold project in Bulgaria has been issued by the Chief Architect of the Krumovgrad Municipality. The statutory review and appeal period has expired and the permit is in force as of August 9, 2016. With final preparatory activities expected to be completed during the third quarter, and the recent completion of the sale of Kapan, equity offering and commodity hedging, the Company is well positioned to commence the construction phase of this project following receipt of Board approval.

"After 12 years of continuous investment in Bulgaria at the Chelopech mine and Krumovgrad project, we are pleased and excited to announce that we have received the permit to construct the Krumovgrad mine, a high value return project for all stakeholders. The receipt of this permit is a testament to the commitment of our project team to listen to the concerns of the local community and design a project capable of gaining the support of the community and other key stakeholders," said Rick Howes, President and CEO. "We are on track to break ground on this project, as scheduled, and commence production in the second half of 2018."

## About the Krumovgrad Gold Project

The proposed mine site is located approximately three kilometers south of the town of Krumovgrad in southeastern Bulgaria. The project plan contemplates the construction of an open pit mining operation comprised of a process plant which will employ conventional crushing, grinding and flotation processing for gold extraction and the disposal of thickened tailings together with the mine rock waste in an integrated mine waste facility. The plant is designed to treat up to 840,000 tonnes of ore containing 85,700 ounces of gold per annum over an eight year mine life. The capital cost to complete the construction of the mine and associated facilities, excluding escalation, financing and sunk costs is estimated at US\$178 million. This project remains robust with an estimated 25% after-tax internal rate of return based on gold and silver prices of US\$1,250/ounce and US\$15/ounce, respectively.

In addition, DPM is currently executing a systematic exploration program on the mine concession, and the surrounding exploration licenses, to identify additional resources to extend the current eight year mine life. Encouraging drill results received to date include those from the Kupel North target area that were reported in management's discussion and analysis for the second quarter issued on July 28, 2016, which is posted on the

## 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 principal 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, 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 future price of gold, copper, zinc and silver, 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 and silver; 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 prices; 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](http://www.sedar.com). 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.

Contact Information:

Dundee Precious Metals Inc.

Rick Howes

President and Chief Executive Officer

(416) 365-2836

**[rhowes@dundeeprecious.com](mailto:rhowes@dundeeprecious.com)**

Dundee Precious Metals Inc.

Lori Beak

Senior Vice President, Governance,

and Corporate Secretary

(416) 365-5165

**[lbeak@dundeeprecious.com](mailto:lbeak@dundeeprecious.com)**