Dundee Precious Metals Announces 2016 Second Quarter Results

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TORONTO, ONTARIO--(Marketwired - July 28, 2016) - Dundee Precious Metals Inc. (TSX:DPM) -

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

Q2 2016 Financial and Operating Highlights:

- **Metals production from continuing operations -** Achieved gold and copper production, including gold in pyrite concentrate, of 38,092 ounces and 9.6 million pounds, respectively, in line with 2016 guidance;
- **All-in sustaining cost per ounce of gold from continuing operations -** Achieved cost of $580, up over 2015 due to lower realized copper prices;
- **Smelter -** Processed 44,545 tonnes of complex concentrate, in line with 2016 guidance, and lower than the corresponding period in 2015 due primarily to the timing of annual maintenance;
- **Near term growth opportunities -** Advanced the remaining Krumovgrad permitting activities, including completing the land rezoning and purchase process. Approval of the construction permit and financing plan remain on track to allow construction to commence in the third quarter of 2016, as planned;
- **Kapan Disposition -** Closed sale on April 28 for total cash and non-cash consideration of $42 million;
- **Financing -** Closed equity offering on July 11, generating net proceeds of Cdn$54 million;
- **Hedging -** Added to commodity hedge positions in order to reduce near-term commodity price exposure and support the advancement of DPM's growth initiatives; and
- **Financial position -** Aggregate cash resources of approximately $226 million, including proceeds from equity offering and the undrawn portion of DPM's long-term revolving credit facility.

Dundee Precious Metals Inc. ("DPM" or the "Company") today reported a second quarter net loss attributable to common shareholders from continuing operations of $8.9 million ($0.06 per share) compared to net earnings attributable to common shareholders from continuing operations of $1.9 million ($0.01 per share) for the same period in 2015. Net loss attributable to common shareholders from continuing operations in the first six months of 2016 was $12.7 million ($0.09 per share) compared to net earnings attributable to common shareholders from continuing operations of $0.3 million ($0.00 per share) for the same period in 2015. Net earnings attributable to common shareholders from discontinued operations were $3.3 million ($0.02 per share) and $1.0 million ($0.01 per share) in the second quarter and first six months of 2016, respectively, compared to $nil ($0.00 per share) and a net loss of $1.5 million ($0.01 per share), in each case from discontinued operations, for the same periods in 2015.

Net loss attributable to common shareholders from continuing operations for the second quarter and first six months of 2016 was impacted by several items not reflective of the Company's underlying operating performance, including 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 loss(1) from continuing operations during the second quarter of 2016 was $7.4 million ($0.05 per share) compared to adjusted net earnings from continuing operations of $1.4 million ($0.01 per share) for the corresponding period in 2015. This loss was due primarily to lower copper prices, higher local currency operating expenses and depreciation at Tsumeb, lower volumes of complex concentrate smelted as a result of the timing of the planned annual maintenance shutdown of the Ausmelt furnace, and higher general and administrative and exploration expenses. These unfavourable variances were partially offset by higher volumes of payable metals in concentrate sold, higher gold prices, lower treatment charges and transportation costs at Chelopech and a stronger U.S. dollar.

In the first six months of 2016, adjusted net loss from continuing operations was $8.7 million ($0.06 per share) compared to adjusted net earnings from continuing operations of $1.3 million ($0.01 per share) in the corresponding period in 2015. This loss was due primarily to lower copper prices, higher local currency operating expenses and depreciation at Tsumeb, and higher general and administrative and exploration expenses. These unfavourable variances were partially offset by higher volumes of concentrate smelted and toll rates at Tsumeb, the favourable impact of higher first quarter grades in copper concentrate that was sold in the second quarter of 2016, lower treatment charges and transportation costs at Chelopech, a stronger U.S. dollar, reduced deductions for estimated metals exposure and higher gold prices.

Net earnings attributable to common shareholders from discontinued operations for the second quarter and first six months of 2016 were higher than the corresponding periods in 2015 due primarily to a gain of $6.0 million on the Kapan Disposition recognized in the second quarter of 2016, partially offset by lower volumes of payable metals in concentrate sold consistent with the decrease in deliveries as a result of the Kapan Disposition and lower grades for all metals.

"Chelopech continues to perform well, and we expect to exceed the 2016 guidance we issued earlier this year. At Tsumeb, damage to the refractory lining following a power blackout in Namibia is expected to result in an unplanned three week shutdown for repairs, and we now forecast 2016 concentrate smelted to be 20,000 tonnes lower than anticipated," said Rick Howes, President and CEO. "Our focus for the balance of 2016 is to deliver on our production plans and initiatives to further optimize Chelopech, and to maximize the Tsumeb smelter online time and capacity in the second half of the year. We are also well positioned to secure the construction permit for our Krumovgrad gold project and remain on track to commence construction in the third quarter."

Adjusted EBITDA from continuing operations

Adjusted EBITDA(1) from continuing operations during the second quarter and first six months of 2016 was $17.8 million and $39.3 million, respectively, compared to $19.3 million and $39.0 million in the corresponding periods in 2015, driven primarily by the same factors affecting adjusted net loss from continuing operations, except for depreciation, which is excluded from adjusted EBITDA.

The average market price for gold during the second quarter and first six months of 2016 increased by 6% and 1%, respectively, compared to the corresponding periods in 2015. The average market price for copper during the second quarter and first six months of 2016 decreased by 22% and 21%, respectively, compared to the corresponding periods in 2015. The average realized gold price, including realized hedging losses or gains, for the second quarter and first six months of 2016 was $1,254 per ounce and $1,233 per ounce, respectively, up 5% and 2% compared to the corresponding periods in 2015. The average realized copper price, including realized hedging gains, for the second quarter and first six months of 2016 was $2.33 per pound and $2.30 per pound, respectively, down 27% and 28% compared to the corresponding periods in 2015.

Production from continuing operations

Copper concentrate produced from continuing operations during the second quarter of 2016 of 27,015 tonnes was 4% lower than the corresponding period in 2015 due primarily to lower copper grades, partially offset by higher volumes of ore mined and processed. Copper concentrate produced from continuing operations during the first six months of 2016 of 56,326 tonnes was 9% higher than the corresponding period in 2015 due primarily to higher copper grades and higher volumes of ore mined and processed. Pyrite concentrate produced during the second quarter and first six months of 2016 of 40,219 tonnes and 99,271 tonnes, respectively, was 34% and 8% lower than the corresponding periods in 2015. These results were in line with the mine plan.

In the second quarter of 2016, gold contained in copper and pyrite concentrates produced decreased by 6% to 38,092 ounces, copper production decreased by 3% to 9.6 million pounds and silver production decreased by 17% to 50,042 ounces, in each case, relative to the corresponding period in 2015. The decrease in gold production was due primarily to lower gold recoveries to pyrite concentrate and lower gold grades, partially offset by higher recoveries to copper concentrate and higher volumes of ore mined and processed. The decrease in copper production was due primarily to lower copper grades, partially offset by higher volumes of ore mined and processed. The decrease in silver production was due primarily to lower silver grades, partially offset by higher volumes of ore mined and processed and higher silver recoveries.

In the first six months of 2016, gold contained in copper and pyrite concentrates produced increased by 6% to 84,910 ounces, copper production increased by 12% to 20.2 million pounds and silver production increased by 7% to 119,252 ounces, in each case, relative to the corresponding period in 2015. These increases were due primarily to higher volumes of ore mined and processed, higher recoveries for all metals and higher copper grades.

In accordance with the mine plan, second quarter Chelopech copper and gold production decreased by approximately 10% over the first quarter due to lower copper and gold grades. It is currently expected that gold production in the second half of 2016 will be 20% lower than the first half as a result of lower grade zones in the mining sequence. Metals production in 2016 is expected to exceed the guidance issued in February 2016 and has been updated accordingly.

Complex concentrate smelted during the second quarter of 2016 of 44,545 tonnes was 17% lower than the corresponding period in 2015 due primarily to the annual maintenance shutdown and oxygen constraints in May 2016. The annual maintenance shutdown commenced on June 18, 2016 and the smelter returned to operation on July 16, 2016. In 2015, the annual maintenance shutdown took place in the first quarter. Complex concentrate smelted during the first six months of 2016 of 101,967 tonnes was 5% higher than the corresponding period in 2015 due primarily to increased availability of the Ausmelt furnace and the timing of the annual maintenance shutdown.

Subsequent to a power blackout in Namibia on July 22, 2016, cooling water entered the Ausmelt furnace as a result of the back-up systems for power and cooling water not operating as expected, which compromised the integrity of the refractory lining. The repairs are expected to take three weeks to complete, resulting in a reduction in 2016 throughput of approximately 20,000 tonnes. Complex concentrate smelted in 2016 is now expected to range between 200,000 and 220,000 tonnes.

Deliveries from continuing operations

Deliveries of copper concentrate during the second quarter and first six months of 2016 of 27,059 tonnes and 52,300 tonnes, respectively, were 7% and 11% lower than the corresponding periods in 2015 due primarily to the timing of shipments. Deliveries of pyrite concentrate in the second quarter of 2016 of 39,188 tonnes were 25% lower than the corresponding period in 2015 due primarily to lower pyrite concentrate produced. Deliveries of pyrite concentrate in the first six months of 2016 of 104,897 tonnes were 8% higher than the corresponding period in 2015 due primarily to the timing of shipments.

In the second quarter of 2016, payable gold in copper and pyrite concentrates sold increased by 11% to 37,871 ounces, payable copper in copper concentrate sold decreased by 6% to 9.1 million pounds and payable silver in copper concentrate sold decreased by 16% to 43,397 ounces, in each case, relative to the corresponding period in 2015. The increase in payable gold was due primarily to higher gold grades in copper concentrate sold. The decrease in payable copper was consistent with the decrease in copper concentrate deliveries.

In the first six months of 2016, payable gold in copper and pyrite concentrates sold decreased by 4% to 69,618 ounces, payable copper in copper concentrate sold decreased by 9% to 17.6 million pounds and payable silver in copper concentrate sold decreased by 24% to 75,501 ounces, in each case, relative to the corresponding period in 2015. The decrease in payable gold was due primarily to lower deliveries of copper concentrate, partially offset by higher first quarter gold grades in copper concentrate that was sold in the second quarter. The decrease in payable copper was consistent with the decrease in copper concentrate deliveries, partially offset by higher copper grades.

Cash cost per ounce of gold sold from continuing operations

Cash cost per ounce of gold sold, net of by-product credits(1), during the second quarter of 2016 was $456 compared to $374 during the corresponding period in 2015 due primarily to lower by-product prices, partially offset by lower treatment charges and higher volumes of payable gold in concentrate sold.

Cash cost per ounce of gold sold, net of by-product credits, in the first six months of 2016 was $462 compared to $357 in the corresponding period in 2015. This increase was due primarily to lower by-product prices and lower volumes of payable metals, partially offset by lower treatment charges and a lower per tonne cost as a result of increased ore mined and processed and higher grades.

All-in sustaining cost per ounce of gold from continuing operations

All-in sustaining cost per ounce of gold(1) in the second quarter and first six months of 2016 was $580 and $627, respectively, compared to $499 and $498 in the corresponding periods in 2015. These increases were due primarily to the same factors affecting cash cost per ounce of gold sold.

Cash cost per tonne of complex concentrate smelted, net of by-product credits

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the second quarter of 2016 of $502 was 34% higher than the corresponding period in 2015 due primarily to lower volumes of complex concentrate smelted as a result of the timing of the annual maintenance shutdown, which commenced on June 18, 2016 and was completed on July 16, 2016, and higher local operating costs related to contractors, consumables, labour and electricity, partially offset by a weaker ZAR.

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the first six months of 2016 of $409 was 5% lower than the corresponding period in 2015 due primarily to higher volumes of complex concentrate smelted, net cash generated from the sale of sulphuric acid, a by-product of the smelting operation, and a weaker ZAR, partially offset by higher local operating costs related to contractors, consumables, labour and electricity.

Cash provided from operating activities of continuing operations

Cash provided from operating activities in the second quarter of 2016 was $6.7 million compared to $37.4 million in the corresponding period in 2015. This decrease was due primarily to unfavourable changes in non-cash working capital, which are expected to reverse in the third quarter of 2016, and the timing of the settlement of derivative contracts.

Cash provided from operating activities in the first six months of 2016 was $12.2 million compared to $34.7 million in the corresponding period in 2015. This decrease was due primarily to unfavourable changes in non-cash working capital, lower copper prices and the timing of the settlement of derivative contracts, partially offset by higher smelter volumes and toll rates, and higher gold prices.

Cash provided from operating activities, before changes in non-cash working capital, during the second quarter and first six months of 2016 was $15.7 million and $46.4 million, respectively, compared to $17.7 million and $35.8 million in the corresponding periods in 2015 due primarily to the same factors impacting adjusted EBITDA and the timing of proceeds from settlement of derivative contracts.

Capital expenditures from continuing operations

Capital expenditures during the second quarter and first six months of 2016 totaled $13.1 million and $24.5 million, respectively, compared to $17.7 million and $34.2 million in the corresponding periods in 2015.

Growth capital expenditures during the second quarter and first six months of 2016 were $8.9 million and $16.1 million, respectively, compared to $14.5 million and $27.0 million in the corresponding periods in 2015. These decreases were due primarily to lower spending on the acid plant and new copper converters at Tsumeb compared to the corresponding periods in 2015. Sustaining capital expenditures during the second quarter and first six months of 2016 were $4.1 million and $8.4 million, respectively, compared to $3.2 million and $7.2 million in the corresponding periods in 2015.

Financial position

As at June 30, 2016, DPM had cash and cash equivalents of $23.8 million, an investment portfolio valued at $22.5 million and $160 million of undrawn lines under its committed long-term revolving credit facility. These cash resources, together with the recent equity offering that generated net proceeds of approximately Cdn$54 million and forecast cash flows from operations, are expected to support the Company's ongoing operating and capital requirements.

Kapan Disposition

In March 2016, the Company entered into a definitive agreement with Polymetal International Plc ("Polymetal") for the sale of its interest in Kapan (the "Kapan Disposition"). Under the Kapan Disposition, the Company received on April 28, 2016 consideration consisting of (i) $10 million in cash from the buyer, (ii) a working capital adjustment estimated at $7.3 million, which is expected to be finalized in the third quarter of 2016, (iii) $15.2 million in ordinary shares of Polymetal, which were subsequently sold for net proceeds of $14.8 million, and (iv) a 2% net smelter royalty on future production from the Kapan property having an estimated value of $9.5 million. As a result, a gain of $6.0 million was recognized in the second quarter of 2016 and was included in the results from discontinued operations.

2016 Guidance

In May 2016, the Company revised its guidance for Kapan to reflect only four months of operation as a result of the Kapan Disposition occurring on April 28, 2016 and revised its consolidated production guidance accordingly. Guidance for Chelopech has been increased to reflect higher production in the first half of 2016. Tsumeb guidance has been updated to reflect the reduced 2016 throughput as a result of damage sustained to the refractory lining of the Ausmelt and the associated repair, which is expected to take approximately three weeks to complete.

The Company's production and cash cost guidance for 2016 is set out in the following table:

2016 Production & Cash Cost Guidance				
	Chelopech	Tsumeb	Kapan (5)	Consolidated (6)
Ore mined/milled ('000s tonnes)	2,030 - 2,250	-	131	2,161 - 2,381
Complex concentrate smelted ('000s tonnes)	-	200 - 220	-	200 - 220
Metals contained in copper and zinc concentrates produced(1),(2)				
Gold ('000s ounces)	108 - 118	-	6	114 - 124
Copper (million pounds)	35.0 - 39.0	-	0.7	35.7 - 39.7
Zinc (million pounds)	-	-	2.8	2.8
Silver ('000s ounces)	204 - 234	-	111	315 - 345
Payable gold in pyrite concentrate sold ('000s ounces)	26 - 40	-	-	26 - 40
Cash cost per tonne of ore processed ($)(3),(4)	32 - 36	-	81	32 - 36
Cash cost per ounce of gold sold, net of by-product credits ($)(1),(3),(4)	550 - 650	-	1,136	550 - 650
All-in sustaining cost per ounce of gold ($)(1),(3),(4)	-	-	-	750 - 850
Cash cost per tonne of complex concentrate smelted, net of by-product credits ($)(3),(4)	-	380 - 425	-	380 - 425
Cash cost per ounce of gold sold in pyrite concentrate ($)(4)	750 - 850	-	-	750 - 850

1. Excludes metals in pyrite concentrate and, where applicable, the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, which is reported separately. Cash cost per ounce of gold sold, net of by-product credits, including payable gold in pyrite concentrate sold, is expected to range between $600 and $690 in 2016. All-in sustaining cost per ounce of gold, including payable gold in pyrite concentrate sold, is expected to range between $750 and $850 in 2016.
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 67% of 2016 copper production being hedged at $2.32 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, cash cost per tonne of complex concentrate smelted, net of by-product credits, and cash cost per ounce of gold sold in pyrite concentrate have no standardized meaning under GAAP. Refer to the "Non-GAAP Financial Measures" section of the management's discussion and analysis for the three and six months ended June 30, 2016 (the "MD&A") for further discussion of these items, including reconciliations to IFRS measures.
5. As a result of the Kapan Disposition, which closed on April 28, 2016, Kapan's operating results have been treated as a discontinued operation and its production and cost guidance reflects actual performance for the period January 1 - April 28, 2016.
6. Consolidated guidance for ore mined/milled and metals production includes results from the discontinued Kapan operation. Consolidated guidance for cash cost per tonne of ore processed, cash cost per ounce of gold sold, net of by-product credits, and all-in sustaining cost per ounce of gold pertains to continuing operations.

For 2016, the majority of the Company's growth capital expenditures(1) from continuing operations have been focused on the completion of the new copper converters at Tsumeb and securing the remaining permits required to support the construction of the Krumovgrad gold project. In aggregate, these expenditures are expected to be between $27 million and $31 million. The growth capital forecast for 2016 is expected to be updated following the receipt of the approved construction permit for Krumovgrad and DPM's board of directors' authorization to proceed to the construction phase of the project in the third quarter, as planned. Sustaining capital expenditures(1) from continuing operations are expected to range between $22 million and $28 million. The rate of capital expenditures is expected to vary from quarter to quarter based on the schedule for, and execution of, each capital project and, where applicable, the receipt of necessary permits and approvals.

The 2016 guidance for Chelopech and Tsumeb is not expected to occur evenly throughout the year. The estimated metals contained in concentrate 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. Consistent with the Chelopech mine plan, metals production in the second half of 2016 is expected to be lower than the first half of 2016 as a result of lower grades. Chelopech 2016 ore production is expected to continue at a rate 10% higher than 2015 through the balance of 2016, while copper and gold grades are expected to be 13% and 11% lower than 2015, respectively, consistent with the current mine plan. Subsequent to a power blackout in Namibia on July 22, 2016, cooling water entered the Ausmelt furnace as a result of the back-up systems for power and cooling water not operating as expected, which compromised the integrity of the refractory lining. The repairs are expected to take three weeks to complete, resulting in a reduction in 2016 throughput of approximately 20,000 tonnes.

Further details can be found in the Company's MD&A under the section "2016 Guidance".

(1) Adjusted net (loss) earnings, adjusted basic (loss) earnings 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		Six Months	
Ended June 30,	2016	2015(6)	2016	2015(6)
Revenue(3)	**72.5**	58.6	**142.6**	118.6
Gross profit(1),(3)	**7.5**	3.8	**20.6**	5.5
(Loss) earnings before income taxes from continuing operations	**(6.8)**	2.2	**(10.5)**	2.7
Net (loss) earnings attributable to common shareholders from continuing operations	**(8.9)**	1.9	**(12.7)**	0.3
Basic (loss) earnings per share from continuing operations ($/share)	**(0.06)**	0.01	**(0.09)**	0.00
Net (loss) earnings attributable to common shareholders	**(5.6)**	1.9	**(11.7)**	(1.2)
Basic (loss) earnings per share attributable to common shareholders ($/share)	**(0.04)**	0.01	**(0.08)**	(0.01)
Adjusted EBITDA from continuing operations(2)	**17.8**	19.3	**39.3**	39.0
Adjusted net (loss) earnings from continuing operations(2)	**(7.4)**	1.4	**(8.7)**	1.3
Adjusted basic (loss) earnings per share from continuing operations ($/share)(2)	**(0.05)**	0.01	**(0.06)**	0.01
Cash provided from operating activities of continuing operations	**6.7**	37.4	**12.2**	34.7
Cash provided from operating activities of continuing operations, before changes in non-cash working capital(2)	**15.7**	17.7	**46.4**	35.8
Metals contained in concentrate produced from continuing operations:				
Gold (ounces)(4)	**38,092**	40,442	**84,910**	80,413
Copper ('000s pounds)	**9,641**	9,945	**20,219**	18,028
Silver (ounces)	**50,042**	60,310	**119,252**	111,947
Tsumeb - complex concentrate smelted (mt)	**44,545**	53,721	**101,967**	96,822
Payable metals in concentrate sold from continuing operations:				
Gold (ounces)(5)	**37,871**	33,977	**69,618**	72,627
Copper ('000s pounds)	**9,061**	9,613	**17,584**	19,240
Silver (ounces)	**43,397**	51,682	**75,501**	99,617
Cash cost per tonne of ore processed from continuing operations ($)(2)	**33.72**	35.09	**33.88**	35.76
Cash cost per ounce of gold sold, net of by-product credits, from continuing operations ($)(2)	**456**	374	**462**	357
Cash cost per ounce of gold sold in pyrite concentrate ($)(2)	**765**	907	**786**	944
All-in sustaining cost per ounce of gold from continuing operations ($)(2)	**580**	499	**627**	498
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits ($)(2)	**502**	376	**409**	429

1. Gross profit from continuing operations is regarded as an additional GAAP measure and is presented in the Company's consolidated statements of (loss) earnings. Gross profit represents revenue less cost of sales and is one of several measures used by management and investors to assess the underlying operating profitability of a business.
2. Adjusted EBITDA; adjusted net (loss) earnings; adjusted basic (loss) earnings 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.
3. Excludes results from Kapan, which are reported separately as a discontinued operation under IFRS.
4. Includes gold contained in pyrite concentrate produced in the second quarter and first six months of 2016 of 8,519 ounces and 21,950 ounces, respectively, compared to 14,010 ounces and 24,766 ounces for the corresponding periods in 2015.
5. Includes payable gold in pyrite concentrate sold in the second quarter and first six months of 2016 of 5,397 ounces and 15,110 ounces, respectively, compared to 8,972 ounces and 16,308 ounces for the corresponding periods in 2015.
6. 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 unaudited condensed interim financial statements, and MD&A for the three and first six months ended June 30, 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 second quarter results on Friday, July 29, 2016, at 9:00 a.m. (E.S.T.). Participants are invited to join the live webcast (listen/view only) at:

http://www.gowebcasting.com/7704. 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 or North America Toll Free at 1-800-408-3053, passcode 3510223. 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 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**. 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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