



## Dundee Precious Metals Announces Acquisition of INV Metals

**Toronto, May 31, 2021 – Dundee Precious Metals Inc. (TSX:DPM)** (“DPM”) is pleased to announce that it has entered into a definitive agreement (the “Arrangement Agreement”) with INV Metals Inc. (“INV Metals”) whereby DPM will acquire all of the issued and outstanding shares of INV Metals that DPM does not currently own pursuant to a court-approved plan of arrangement (the “Transaction”). DPM currently owns 35,344,424 common shares of INV Metals, or approximately 23.5% of outstanding INV Metals common shares.

### Highlights of the Transaction

- Under the terms of the Transaction, each of the issued and outstanding common shares of INV Metals that DPM does not currently own will be exchanged for 0.0910 of a DPM common share.
- The Transaction has strong shareholder support, with management and directors of INV Metals and IAMGOLD Corporation (“IAMGOLD”) entering into voting support agreements representing, in aggregate, approximately 47% of the outstanding common shares of INV Metals.
- The exchange ratio implies consideration of C\$0.80 per INV Metals common share based on the preceding 5-day volume-weighted average price (“VWAP”) of DPM on the Toronto Stock Exchange (“TSX”) for the period ending May 28, 2021. This represents a 63% premium to the closing price of INV Metals common shares on the TSX on May 28, 2021.
- The implied equity value of the Transaction on a 100% and fully-diluted basis is equal to approximately C\$132 million and C\$104 million for the portion not owned by DPM.
- Upon completion of the Transaction, existing DPM and INV Metals shareholders will own approximately 94.5% and 5.5% of the pro forma company, respectively.

### Strategic Rationale for DPM

- **The Loma Larga gold-copper-silver project (“Loma Larga” or “the Project”) is well-aligned with DPM’s core strengths and unique capabilities to unlock value:**
  - Similar geology, mining method and processing flow sheet to DPM’s Chelopech underground copper-gold mine, which DPM has developed into a world-class, modern operation;
  - The Project will benefit from additional engagement with local stakeholders as was also the case in the initial stages of development for Ada Tepe, which is now a highly successful DPM operation that enjoys strong support from local communities; and
  - A portion of the production includes complex concentrate, which can be processed at DPM’s Tsumeb smelter or other outlets.

- **Adds high-quality growth asset to DPM's portfolio:** Loma Larga has the potential to produce an annual average of approximately 200,000 gold ounces ("Au oz.") in its first five years. Life of mine production is estimated to be approximately 170,000 Au oz. per year at an attractive all-in sustaining cost, net of by-products ("AISC"), of approximately US\$630/oz.<sup>1</sup>, which continues to support DPM's peer-leading cost profile.
- **Strong reserve base and economic profile:** Loma Larga adds approximately 2.6 million Au eq. oz. of high-grade mineral reserves for an initial 12-year mine life with compelling economic returns.<sup>1</sup>
- **Attractive valuation metrics:** Transaction is expected to be accretive to DPM shareholders on a reserves and net asset value per share basis.
- **Strong upside potential:** DPM intends to explore further optimization studies at Loma Larga while continuing to advance the permitting process.
- **Disciplined approach to project development:** Ability to minimize up front spend during the permitting process while engaging with local communities in line with international best practices. As well, DPM will work to secure an investor protection agreement with the Ecuadorian government prior to making any significant capital commitments.
- **Maintains DPM's financial flexibility:** Transaction size preserves DPM's strong balance sheet and its ability to pursue additional growth opportunities, while also continuing to return capital to shareholders.

"This transaction leverages our proven strengths as an environmentally and socially responsible mining company, and we look forward to engaging with all national and local stakeholders," said David Rae, Dundee Precious Metals' President and Chief Executive Officer. "Loma Larga adds a high-quality, advanced stage gold project to our portfolio that has the potential to generate meaningful production growth and significant value for our stakeholders."

"Our approach to advancing Loma Larga will benefit from our firm commitment to the highest standards for engagement with local communities and environmental stewardship, in addition to our development and operating experience to further unlock the significant potential of the project."

Candace MacGibbon, Chief Executive Officer of INV Metals, said, "We are very pleased to announce this transaction today following many years of hard work and dedication from the INV Metals team. We believe DPM is uniquely positioned to move Loma Larga forward, and as such, this transaction is not only an excellent outcome for our shareholders, but also one with the potential to offer tremendous benefits for both the project's national and local stakeholders in the coming years."

## Transaction Summary

The Transaction will be effected by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario), requiring the approval of: (i) at least 66 2/3% of the votes cast by the shareholders of INV Metals; and (ii) a simple majority of the votes cast by holders of INV Metals excluding for this purpose the votes attached to INV Metals common shares held by DPM and any other person as required under Multilateral Instrument 61-101 "*Protection of Minority Security Holders in Special Transactions*", at a special meeting of INV Metals' shareholders called to consider, among other matters, the Transaction.

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<sup>1</sup> For more information refer to the technical report "NI 43-101 Feasibility Study Technical Report, Loma Larga Project, Azuay Province, Ecuador" dated April 8, 2020, available at [www.sedar.com](http://www.sedar.com)

IAMGOLD, along with the directors and officers of INV Metals, holding 36% and 11%, respectively, of the issued and outstanding common shares of INV Metals, have entered into voting support agreements with DPM, pursuant to which they have agreed, among other things, to vote their INV Metals shares in favour of the Transaction. Together with the shares already owned or held by DPM, this represents approximately 70% of INV Metals issued and outstanding shares that will be voted in support of the Transaction.

In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals including, but not limited to, TSX approval and the satisfaction of certain other closing conditions customary in transactions of this nature. The Arrangement Agreement contains customary provisions including non-solicitation, “fiduciary out” and “right to match” provisions, as well as a C\$4.53 million termination fee payable to DPM under certain circumstances. The Arrangement Agreement, which describes the full particulars of the Arrangement, will be made available on SEDAR under the issuer profiles of DPM and INV Metals at [www.sedar.com](http://www.sedar.com).

Full details of the Transaction will be included in the INV Metals management information circular which is expected to be mailed to shareholders in June 2021 and made available on SEDAR under the issuer profile of INV Metals at [www.sedar.com](http://www.sedar.com). The shareholder meeting is expected to be held in July 2021 and the Transaction is expected to close shortly thereafter.

### **Board of Directors’ and Special Committee Recommendations**

The Arrangement Agreement has been unanimously approved by the Boards of Directors of DPM and INV Metals, excluding David Rae, President & CEO of DPM, who abstained from voting on the Transaction in each case as he is also a director of INV Metals. INV Metals’ Board of Directors and the special committee of the Board of Directors (the “INV Metals Special Committee”) unanimously recommend that INV Metals shareholders vote in favour of the Transaction.

BMO Capital Markets has provided a fairness opinion to the Board of Directors of INV Metals and Trinity Advisors Corporation has provided a fairness opinion to the INV Metals Special Committee, each stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be paid under the Transaction is fair, from a financial point of view, to INV Metals shareholders, other than DPM.

The INV Metals Special Committee also engaged Segal Valuation & Transaction Advisory LLP (“Segal”) as an independent valuator to prepare a formal valuation of the INV Metals common shares pursuant to MI 61-101. The INV Metals Special Committee received the formal valuation from Segal, which concluded that, subject to the scope of review, assumptions, limitations and qualifications set forth therein, as of May 30, 2021, the consideration to be paid under the Transaction is within the valuation range determined by Segal.

### **Advisors and Counsel**

RBC Capital Markets is acting as financial adviser to DPM and Stikeman Elliott LLP and Flor & Hurtado are acting as DPM’s legal advisers.

BMO Capital Markets is acting as financial adviser to INV Metals in connection with the Transaction. INV Metals’ Special Committee engaged Trinity Advisors Corporation to provide an independent fairness opinion. Cassels Brock & Blackwell LLP is acting as INV Metals’ legal adviser.

## Conference Call and Webcast Information

DPM will hold a conference call and webcast to discuss the Transaction, which will be held on Monday, May 31 at 8:30 AM EDT, followed by, followed by a question-and-answer session. The call-in numbers and webcast details are as follows:

<b>Date and Time</b>	May 31, 2021 8:30 AM EDT
<b>Webcast link</b>	<a href="https://produceredition.webcasts.com/starthere.jsp?ei=1469266&amp;tp_key=54209afc3d">https://produceredition.webcasts.com/starthere.jsp?ei=1469266&amp;tp_key=54209afc3d</a>
<b>Telephone dial-in</b>	Toll-free (Canada and US): 1-888-390-0605 International: 416-764-8609
<b>Replay</b> (available for 14 days following the call)	Toll-free (Canada and US): 1-888-390-0541 International: 416-764-8677 Passcode: 627662#

## About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian-based international gold mining company with operations and projects located in Bulgaria, Namibia and Serbia. The Company's purpose is to unlock resources and generate value to thrive and grow together. This overall purpose is supported by a foundation of core values, which guides how the Company conducts its business and informs a set of complementary strategic pillars and objectives related to ESG, innovation, optimizing our existing portfolio, and growth. The Company's resources are allocated in-line with its strategy to ensure that DPM delivers value for all of its stakeholders. DPM currently has an A rating from MSCI ESG Ratings, an independent ESG rating agency. DPM's shares are traded on the Toronto Stock Exchange (symbol: DPM).

## Dundee Precious Metals Contact

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## Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. More particularly and without limitation, this press release contains forward-looking statements and information regarding the anticipated benefits of the proposed Transaction, and the anticipated timing of the completion of the Transaction. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved". Forward looking statements involve risks, uncertainties and other factors disclosed under the risk factor disclosure contained in the filings made by DPM and INV Metals with Canadian securities regulators, that could cause actual

results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements.

In respect of forward-looking statements and information concerning the anticipated benefits and timing of the completion of the proposed Transaction, each of DPM and INV Metals have provided such statements and information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary court and shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions for the completion of the Transaction, and other expectations and assumptions concerning the proposed Transaction. The anticipated dates indicated may change for a number of reasons, including the necessary court and shareholder approvals or the necessity to extend the time limits for satisfying the other conditions for the completion of the proposed Transaction. Although DPM and INV Metals each believe that the assumptions and factors used in preparing these forward-looking statements are reasonable based upon the information currently available to each management as of the date hereof, it can give no assurance that these expectations will prove to have been correct, that the proposed Transaction will be completed or that it will be completed on the terms and conditions contemplated in this press release.

Risks and uncertainties inherent in the nature of the proposed Transaction include, without limitation, the failure of the parties to obtain the necessary shareholder and court approvals or to otherwise satisfy the conditions for the completion of the Transaction; failure of the parties to obtain such approvals or satisfy such conditions in a timely manner; significant transaction costs or unknown liabilities; the failure to realize the expected benefits of the Transaction; and general economic conditions. Failure to obtain the necessary shareholder and court approvals, or the failure of the parties to otherwise satisfy the conditions for the completion of the Transaction or to complete the Transaction, may result in the Transaction not being completed on the proposed terms or at all. Readers are therefore cautioned not to place undue reliance on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where required by applicable law, DPM and INV Metals each disclaim any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

#### **DPM Qualified Person**

All scientific and technical information in this news release with respect to DPM and its assets were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and were reviewed and approved by Ross Overall, Corporate Mineral Resource Manager of DPM, who is a qualified person as defined under NI 43-101, and not independent of the Company.

#### **INV Metals Qualified Person**

All scientific and technical information in this news release with respect to INV Metals and its assets were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101 and were reviewed and approved by Bill Shaver, P. Eng, a mining engineer and Chief Operating Officer of INV Metals, who is the qualified person for the purpose of NI 43-101.

#### **Non-IFRS Measures**

The information in this news release includes the following non-IFRS financial measure: all-in sustaining costs (AISC). These financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management of DPM and INV Metals believe that the use of these non-IFRS measures will assist analysts, investors and other stakeholders of the companies in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing the companies’ operating performance, the combined company’s ability to generate free cash flow from current operations and to generate free cash flow on an overall company basis, and for planning and forecasting of future periods. However, AISC does have limitations as an analytical tool as it may be influenced by the point in the life cycle of a specific mine

and the level of additional exploration or expenditures a company has to make to fully develop its properties. Accordingly, these non-IFRS measures should not be considered in isolation, or as a substitute for, analysis of the companies; results as reported under IFRS. A reconciliation of the non-IFRS measures presented in this news release is contained in DPM's most recently filed annual MD&A, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Additional Information**

Additional information about DPM and INV Metals can be found under their respective corporate profiles on SEDAR at [www.sedar.com](http://www.sedar.com), or respective websites at [www.dundeeprecious.com](http://www.dundeeprecious.com) and [www.invmetals.com](http://www.invmetals.com), or by contacting the contacts above.