Dundee
PRECIOUS METALS

2020
FOURTH QUARTER
REPORT

Delivering on Our Strategy

MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations

for the Three and Twelve Months Ended December 31, 2020

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

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Dundee Precious Metals Inc. ("DPM" and, together with its consolidated subsidiaries, collectively referred to as the "Company") for the three and twelve months ended December 31, 2020. This MD&A should be read in conjunction with DPM's audited consolidated financial statements for the year ended December 31, 2020 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional Company information, including the Company's most recent annual information form ("AIF") and other continuous disclosure documents, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.dundeeprecious.com. To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Capitalized terms used in this MD&A that have not been defined have the same meanings attributed to them in DPM's audited consolidated financial statements for the year ended December 31, 2020. Information contained on the Company's website is not incorporated by reference herein and does not form part of this MD&A. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

The technical and scientific information in this MD&A, with respect to the Company's material mineral projects, has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves, and has been reviewed and approved by Ross Overall, B.Sc. (Applied Geology), Corporate Mineral Resource Manager of DPM, who is a Qualified Person as defined under NI 43-101 ("QP"), and who is not independent of the Company.

This MD&A has been prepared as at February 11, 2021.

OVERVIEW

Our Business

DPM is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Its common shares (symbol: DPM) are traded on the Toronto Stock Exchange ("TSX").

The Company's purpose is to unlock resources and generate value to thrive and grow together. As illustrated in the graphic below, this overall purpose is supported by a foundation of core values, which guide how the Company conducts its business and informs a set of complementary strategic pillars and objectives relating 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.

Continuing operations:

As at December 31, 2020, DPM's principal subsidiaries include:

- 100% of Dundee Precious Metals Chelopech EAD ("Chelopech"), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria;
- 100% of Dundee Precious Metals Krumovgrad EAD ("Ada Tepe"), which owns and operates a gold mine located in south eastern Bulgaria, near the town of Krumovgrad; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited ("Tsumeb"), which owns and operates a custom smelter located in Tsumeb, Namibia.

As at December 31, 2020, DPM holds interests, directly or indirectly, in a number of exploration properties located in Serbia, Canada, Bulgaria and Ecuador including:

- 100% of Avala Resources Ltd. ("Avala"), which is focused on the exploration and development of the Timok gold project in Serbia;
- 9.4% of Sabina Gold & Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada;
- 19.4% of INV Metals Inc. ("INV"), which is focused on the exploration and development of the Loma Larga gold property located in Ecuador; and
- a 51% interest in the Malartic gold project located in the Archean Abitibi greenstone belt near Val-d'Or, Canada, with the remaining 49% held by Pershimex Resources Corporation ("Pershimex").

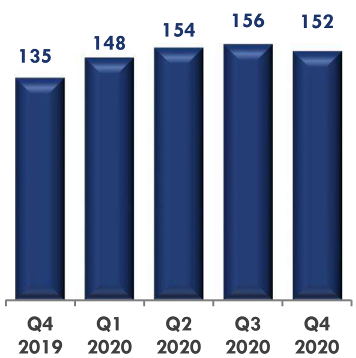
Discontinued operations:

DPM also owns:

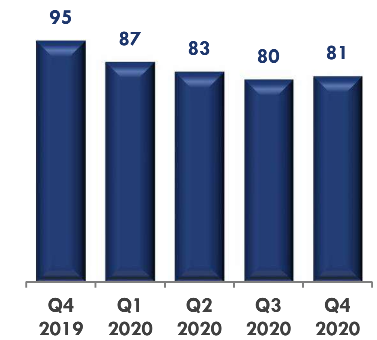
- 73.7% (70% on a fully diluted basis) of MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP"). In December 2020, DPM and other MineRP shareholders entered into a definitive agreement for the sale of their respective interests.

Overview – Operational and Financial Highlights from Continuing Operations

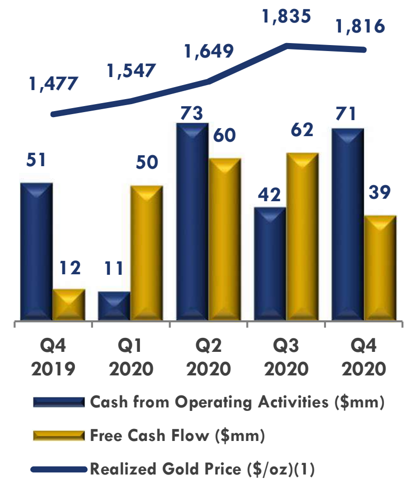
Revenue
($mm)



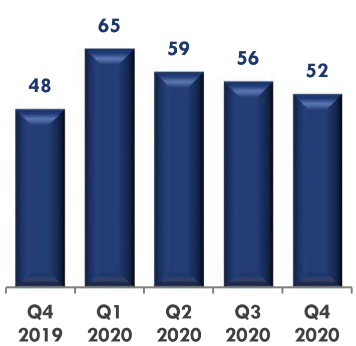
Cost of Sales
($mm)



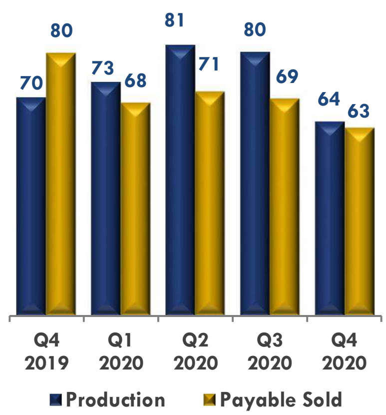
Cash Provided from Operating Activities and Free Cash Flow[1]



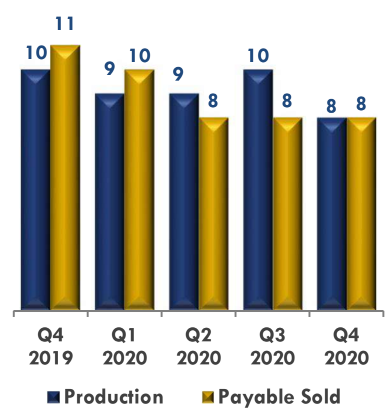
Complex Concentrate Smelted
('000s tonnes)



Gold Production and Payable Gold Sold
('000s ounces)

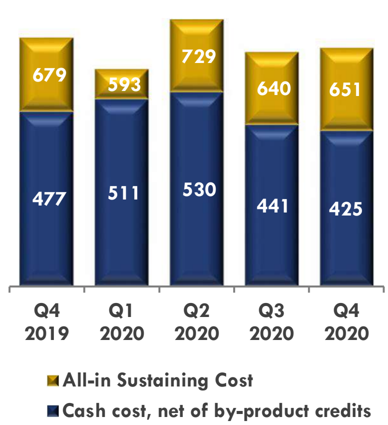


Copper Production and Payable Copper Sold
(mm pounds)

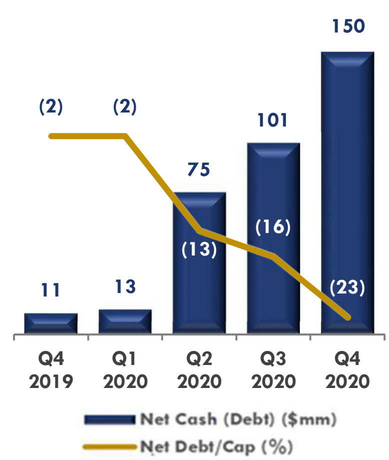


Smelter Cash Cost[1]
($/tonne)

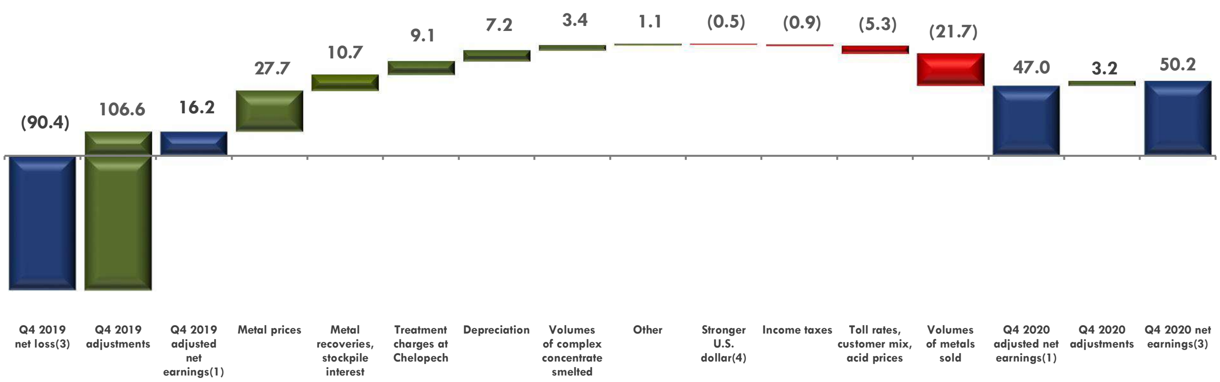
All-in Sustaining Cost[1] and Cash Cost, Net of by-product Credits[1] ($/oz)



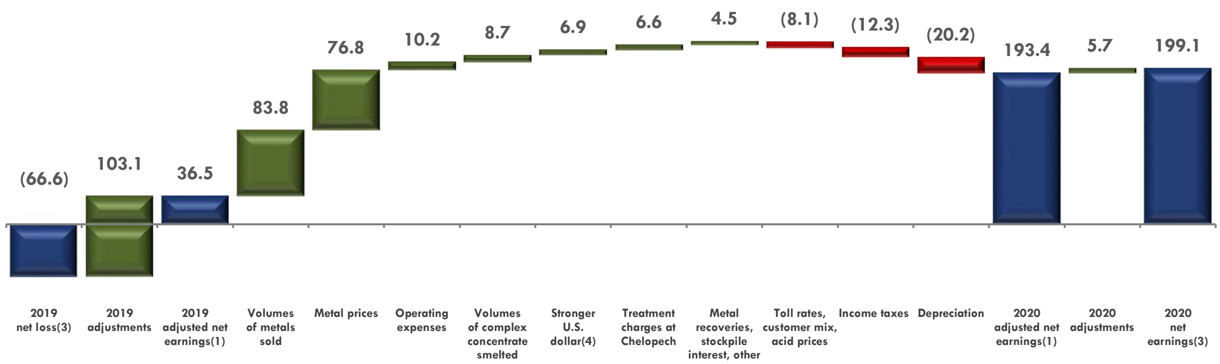
Net Cash(Debt) and Net Debt/Capitalization[2][3]



Net Earnings (Loss) Attributable to Common Shareholders
($mm)



Net Earnings (Loss) Attributable to Common Shareholders
($mm)



1) *These measures are Non-GAAP measures. Refer to the "Non-GAAP Financial Measures" section contained in this MD&A for more information, including reconciliations to IFRS measures.*
2) *Net cash represents cash at the end of the period less total debt.*
3) *Net earnings (loss) attributable to common shareholders from continuing operations.*
4) *Includes net realized gains and losses on foreign exchange option contracts.*

Response to Coronavirus ("COVID-19")

In March 2020, the World Health Organization classified COVID-19 as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19. The Company's Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

As previously reported, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in April 2020 in response to a government directive to the natural resources sector aimed at limiting staffing levels. Full operations resumed in May with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites.

The Company continues to closely assess and monitor the COVID-19 situation, particularly as governments in various jurisdictions maintain and/or implement new measures to manage a resurgence in the number of cases and the impact on their medical systems and economies. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location, which are directed at safeguarding employees, managing potential supply chain disruptions, including maintaining nearly double the normal levels of in-country complex concentrate feed for the Tsumeb smelter, and maintaining production at each of its operations. These precautionary steps include, but are not limited to, the use of personal protective equipment, workplace and social distancing practices, remote and rotational working options, health hygiene protocols, elimination of non-essential business travel and site access and widespread education of the Company's workforce.

Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations. DPM also continues to engage with local communities and authorities in Bulgaria, Namibia and Serbia as they respond to the challenges of the pandemic. To date, the Company has contributed approximately $1.0 million to support numerous initiatives to benefit local communities. This financial support has focused on local hospitals to provide additional medical facilities, supplies, transportation and protective equipment.

The Company has experienced a small number of positive cases within its workforce. These positive cases are being effectively managed with testing, contact tracing and isolation measures and, to date, the vast majority of employees have recovered with the remaining employees isolating offsite in accordance with the Company's procedures. Given the relatively low number of COVID-19 cases and the management protocols in effect, the impact on the Company's operations has been minimal.

Certain vaccines have received regulatory approval in the countries in which the Company operates, and the respective governments have initiated vaccination of medical personnel and vulnerable individuals, notably the elderly. However, vaccine distribution is a significant logistical undertaking and the timing and speed of vaccination in each jurisdiction is uncertain at this time and will depend on several factors including supply of the vaccines.

In late 2020, multiple COVID-19 variants emerged and have been identified as circulating globally, including in regions in which the Company operates. These variants spread more easily and quickly than the original virus, which may contribute to a higher number of cases before widespread vaccination can be achieved.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results. There is no assurance that the outbreak will not have a material adverse impact on the future results of the Company. For additional details on the risks faced by the Company as it relates to COVID-19, refer to the "Risk and Uncertainties" section contained in this MD&A.

Summary of Significant Operational and Financial Highlights From Continuing Operations

Financial results from continuing operations in 2020 reflected the impact of a stronger realized gold price and achievement of strong production at Chelopech and Ada Tepe.

Consolidated

- Record gold production of 298,289 ounces, up 29% relative to 2019, and at the upper end of 2020 guidance.
- Sold 270,834 ounces of payable gold and 33.4 million pounds of payable copper, and smelted 231,890 tonnes of complex concentrate, generating revenue of $609.6 million. Payable gold in concentrate sold exceeded 2020 guidance, while payable copper in concentrate sold and complex concentrate smelted were both in line with 2020 guidance.
- Cost of sales of $330.9 million was $36.4 million higher than 2019 due primarily to additional deliveries and higher depreciation from Ada Tepe. All-in sustaining cost(1) of $654 was below the original 2020 guidance, while cash cost per tonne of complex concentrate smelted of $377 was at the lower end of 2020 guidance.

- Record cash flow from operating activities of $197.0 million (2019 – $96.9 million) and free cash flow[(1)] of $211.4 million, up $141.8 million relative to 2019.
- Record net earnings attributable to common shareholders of $199.1 million (2019 – net loss attributable to common shareholders of $66.6 million, reflecting an impairment charge of $107.0 million related to Tsumeb). Adjusted net earnings[(1)] were $193.4 million compared to $36.5 million in 2019.
- In December 2020, DPM announced a 50% increase to its quarterly dividend to $0.03 per share from $0.02 per share reflecting strong ongoing performance and significant free cash flow generation. Dividend declared in 2020 aggregated to $0.09 per share.
- Ended 2020 with $149.5 million in cash, an investment portfolio of $106.6 million and no debt.

Chelopech

- Achieved gold production of 179,562 ounces, up 4% relative to 2019 as a result of higher gold grades, and at the upper end of 2020 guidance. Copper production of 35.6 million pounds was down 4% relative to 2019, reflecting lower copper grades and recoveries, and was in line with 2020 guidance.
- Sold 150,764 ounces of payable gold and 33.4 million pounds of payable copper, generating revenue of $264.9 million. Payable gold in concentrate sold was at the upper end of 2020 guidance, while copper sold was in line with 2020 guidance.
- Cost of sales of $113.5 million was comparable to 2019. Cash cost per ounce of gold sold, net of by-product credits[(1)], of $587 was also comparable to 2019.
- Reported earnings before income taxes of $146.8 million (2019 - $79.5 million) and adjusted EBITDA[(1)] of $177.2 million (2019 - $110.9 million).

Ada Tepe

- Achieved gold production of 118,727 ounces, up 108% relative to 2019 due primarily to a full year of production following the achievement of commercial production in June 2019 and ramp-up to full design capacity in the third quarter of 2019. Ada Tepe exceeded its 2020 production guidance due primarily to higher gold grades.
- Sold 120,070 ounces of payable gold, up 145% relative to 2019 and above its 2020 guidance, generating revenue of $197.6 million.
- Cost of sales of $92.4 million was $50.9 million higher than 2019 due primarily to a full year of production in 2020. Cash cost per ounce of gold sold, net of by-product credits, of $341 was $84 lower than 2019 due primarily to a lower cost per tonne of ore processed and higher gold grades in concentrate sold.
- Reported earnings before income taxes of $100.2 million (2019 - $25.3 million) and adjusted EBITDA of $156.2 million (2019 - $49.3 million).

Tsumeb

- Achieved throughput of 231,890 tonnes, up 8% relative to 2019 and in line with 2020 guidance, generating revenue of $147.1 million.
- Cost of sales of $124.9 million was $15.8 million lower than 2019 due primarily to a weaker ZAR relative to the U.S. dollar. Cash cost per tonne of complex concentrate smelted[(1)] of $377 was 10% lower than 2019 due primarily to a weaker ZAR and higher throughput.
- Reported earnings before income taxes of $18.8 million compared to a loss before income taxes of $114.1 million in 2019 as a result of a non-cash impairment charge of $107.0 million taken in 2019.
- Reported higher adjusted EBITDA of $36.7 million (2019 - $23.2 million) reflecting primarily increased throughput and the favourable impact of a weaker ZAR.

Timok gold project

- Advanced the prefeasibility study ("PFS") for the Timok gold project in the fourth quarter of 2020 and expect to release the results in the first quarter of 2021.

Exploration

- At the West Shaft prospect, located approximately one kilometre south-west of the Chelopech mine, an intensive diamond drilling exploration program began in the second half of 2020. The target represents an extension of the Chelopech hydrothermal system, trending generally east-west. Delineation and extension of the main controlling structures at depth and laterally are ongoing. Additionally, a second feeder structure has been inferred to the south and will be tested in early 2021.

- Deep directional drilling is continuing at the Wedge prospect, with a focus on testing more conceptual targets. Additional resource delineation commenced in early 2021 and aims to support the Company's plans to secure the rights to the Sveta Petka exploration license, by means of converting the license into a commercial discovery.
- A significant extensional and infill drilling program began in the fourth quarter of 2020 at the Surnak and Synap prospects, which are located approximately 3 kilometres south-west of the Ada Tepe mine. As part of sustained efforts to support an extension of the Ada Tepe mine life, exploration will continue to focus on the delineation and optimization of near mine prospects during 2021.
- A shallow oxide gold mineralization was identified in 2020 at the Chocolate prospect, 300 metres south east of the Timok gold project's Bigar Hill deposit. Infill and target delineation drilling programs are ongoing and are planned to be completed in the first quarter of 2021. Furthermore, scout drilling commenced at the Coka Rakita prospect, designed to test the potential for epithermal and porphyry related gold mineralization. The drilling program aims to delineate additional Mineral Resources to further support the Timok Gold Project.

Other

- Approximately 80% of projected Namibian dollar operating expenses for 2021 have been hedged with option contracts providing a weighted average floor price of 15.77 and a weighted average ceiling price of 18.58.
- As at December 31, 2020, approximately 18% of projected payable copper to be sold in 2021 has been hedged at an average price of $3.53 per pound. Additional hedges were entered into in early 2021 resulting in 69% of 2021 payable copper being hedged at an average price of $3.61 per pound.
- During the fourth quarter of 2020, the Company acquired a 9.9% equity interest in Velocity Minerals Ltd. ("Velocity") for a total cost of $5.1 million.
- DPM has published its first report on the impact of climate change on the Company's business. The report follows the recommendations of the Task Force for Climate-related Financial Disclosure, highlights DPM's efforts to achieve reductions in energy, water use, emissions and consumption of raw materials, and outlines the major identified risks and opportunities related to climate change. The report can be found at the Company's web page at www.dundeeprecious.com.

Discontinued operations:

- On December 22, 2020, the Company entered into a definitive agreement with Epiroc Canada Holding Inc, a subsidiary of Epiroc Rock Drills AB ("Epiroc") for the sale of its interest in MineRP (the "MineRP Disposition"). The MineRP Disposition is subject to South African competition review approval and is expected to close in the first half of 2021. Under the MineRP Disposition, the estimated consideration for DPM's fully diluted 70% equity interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $40 million in cash, subject to a working capital adjustment following closing and (ii) potential additional proceeds in the form of an earn-out of up to $28.7 million, which are payable on the achievement of certain revenue targets by MineRP in 2021 and 2022.
- As a result of the MineRP Disposition, the assets and liabilities of MineRP have been presented as held for sale in the consolidated statement of financial position as at December 31, 2020 and the operating results and cash flows of MineRP have been presented as discontinued operations in the consolidated statements of earnings and cash flows for the years ended December 31, 2020 and 2019. As a consequence, certain comparative figures in the consolidated statements of earnings (loss) and cash flows have been reclassified to conform with current year presentation.

1) Refer to the "Non-GAAP Financial Measures" section contained in this MD&A for reconciliations to IFRS measures.

REVIEW OF FINANCIAL AND OPERATIONAL CONSOLIDATED RESULTS

The following tables summarize the Company's selected financial and operational results:

$ thousands, unless otherwise indicated	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Financial Results				
Revenue[1]	**151,751**	135,436	**609,558**	404,392
Cost of sales[1]	**81,117**	95,223	**330,857**	294,533
Depreciation and amortization[1]	**23,984**	30,910	**100,211**	80,952
General and administrative expenses[1]	**9,378**	9,551	**30,604**	28,191
Exploration and evaluation expenses	**6,339**	4,782	**19,072**	14,356
Finance cost[1]	**1,481**	2,689	**7,022**	10,164
Impairment charges	**-**	107,000	**-**	107,000
Other (income) expense[1]	**(1,479)**	232	**(491)**	915
Earnings (loss) before income taxes[1]	**52,588**	(85,624)	**217,923**	(53,582)
Income tax expense	**2,422**	4,782	**18,891**	12,956
Net earnings (loss) attributable to common shareholders from continuing operations	**50,176**	(90,396)	**199,074**	(66,621)
Net earnings (loss) attributable to common shareholders	**50,265**	(92,684)	**196,002**	(70,902)
Basic earnings (loss) per share from continuing operations	**0.28**	(0.51)	**1.10**	(0.38)
Basic earnings (loss) per share	**0.28**	(0.52)	**1.08**	(0.40)
Adjusted EBITDA[1],[2]	**74,842**	54,476	**319,322**	140,392
Adjusted net earnings[1],[2]	**47,052**	16,153	**193,434**	36,508
Adjusted basic earnings per share[1],[2]	**0.26**	0.09	**1.07**	0.20
Cash provided from operating activities[1]	**70,536**	50,749	**196,965**	96,878
Free cash flow[1],[2]	**39,297**	11,678	**211,427**	69,601
Capital expenditures incurred[1]:				
Growth[2]	**3,389**	1,465	**8,505**	36,454
Sustaining[2]	**12,323**	18,613	**40,792**	37,272
Total capital expenditures	**15,712**	20,078	**49,297**	73,726
Operational Highlights				
Metals contained in concentrate produced:				
Gold *(ounces)*	**64,117**	69,491	**298,289**	230,592
Copper *('000s pounds)*	**7,659**	10,031	**35,642**	37,250
Payable metals in concentrate sold:				
Gold *(ounces)*[7]	**62,568**	79,109	**270,834**	198,240
Copper *('000s pounds)*	**7,766**	11,060	**33,389**	34,131
Cash cost per ounce of gold sold, net of by-product credits[2],[3]	**425**	477	**478**	546
All-in sustaining cost per ounce of gold[2],[4]	**651**	679	**654**	725
Complex concentrate smelted at Tsumeb *(mt)*	**52,484**	48,614	**231,890**	215,289
Cash cost per tonne of complex concentrate smelted at Tsumeb[2],[5]	**406**	465	**377**	421

As at,	**December 31, 2020**	December 31, 2019
Financial Position and Available Liquidity		
Cash	**149,532**	23,440
Investments at fair value	**106,595**	59,362
Total assets	**974,860**	784,710
Long-term debt	**-**	10,000
Equity	**805,284**	592,894
Number of common shares outstanding *('000s)*	**181,400**	180,537
Share price (Cdn$ per share)	**9.15**	5.58
Available liquidity[6]	**299,532**	188,440

1) *Information relates to continuing operations.*
2) *Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"); adjusted net earnings; adjusted basic earnings per share; free cash flow; growth and sustaining capital expenditures; 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 at Tsumeb are not defined measures under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations to IFRS measures.*
3) *Cash cost per ounce of gold sold, net of by-product credits, represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs less by-product copper and silver revenues, divided by the payable gold in concentrate sold.*
4) *All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs, cash outlays for sustaining capital expenditures and leases, rehabilitation related accretion expenses and an allocated portion of the Company's general and administrative expenses and corporate social responsibility expenses, less by-product revenues in respect of copper and silver, divided by the payable gold in concentrate sold.*
5) *Cash cost per tonne of complex concentrate smelted at Tsumeb represents cost of sales less depreciation and amortization and net of revenue related to the sale of acid, divided by the volumes of complex concentrate smelted.*
6) *Available liquidity is defined as undrawn capacity under DPM's revolving credit facility (the "RCF") plus cash at the end of each reporting period.*
7) *Payable gold in concentrate sold in 2019 excludes 424 ounces, which were sold prior to Ada Tepe achieving commercial production in June 2019, and, as a result, net revenue and associated cost of sales from these sales were recorded in mine properties in 2019.*

Commodity prices and foreign exchange rates

Commodity prices are one of the principal determinants of the Company's results of operations and financial condition. In addition, as an entity reporting in U.S. dollars with operations in several countries, fluctuations in foreign exchange rates between the U.S. dollar and the Bulgarian lev, which is pegged to the Euro, the Namibian dollar, which is pegged to the South African rand ("ZAR") on a 1:1 basis, and the Canadian dollar ("Cdn$") can also impact the Company's results of operations and financial condition.

The following table summarizes the average trading price for gold, copper and silver based on the London Bullion Market Association ("LBMA") for gold and silver and the London Metal Exchange ("LME") for copper (Grade A) for the three and twelve months ended December 31, 2020 and 2019 and highlights the overall year over year change in commodity prices.

Metal Market Prices (Average)	**Three Months**			**Twelve months**		
Ended December 31,	**2020**	2019	**Change**	**2020**	2019	**Change**
LBMA gold *($/ounce)*	**1,874**	1,481	**27%**	**1,770**	1,392	**27%**
LME settlement copper *($/pound)*	**3.25**	2.67	**22%**	**2.80**	2.72	**3%**
LBMA spot silver *($/ounce)*	**24.39**	17.31	**41%**	**20.51**	16.20	**27%**

The average realized gold price for the fourth quarter and twelve months of 2020 of $1,816 per ounce and $1,709 per ounce, respectively, was 23% and 21% higher than the corresponding periods in 2019. The average realized copper price for the fourth quarter of 2020 of $3.26 per pound was 21% higher than the corresponding period in 2019. The average realized copper price in 2020 of $2.74 per pound was comparable to 2019. Average realized gold and copper prices are not defined measures under IFRS. For more information, including reconciliations to IFRS, refer to the "Non-GAAP Financial Measures" section contained in this MD&A. Realized gold prices in 2020 were lower than the average gold market prices due to a portion of the gold sold being at a fixed price under the prepaid forward gold sales arrangement, which was fully settled at December 31, 2020.

The following table sets out the average foreign exchange rates for the principal currencies impacting the Company and highlights the overall year-over-year strength (weakness) of the U.S. dollar relative to these currencies.

Average Foreign Exchange Rates	**Three Months**			**Twelve months**		
Ended December 31,	**2020**	2019	**Change**	**2020**	2019	**Change**
US$/Cdn$	**1.3029**	1.3200	**(1%)**	**1.3412**	1.3268	**1%**
Euro/US$	**1.1927**	1.1073	**(8%)**	**1.1409**	1.1196	**(2%)**
US$/ZAR	**15.6114**	14.6855	**6%**	**16.4508**	14.4316	**14%**

As at December 31, 2020, approximately 80% of projected Namibian dollar operating expenses for 2021 have been hedged with option contracts providing a weighted average floor price of 15.77 and a weighted average ceiling price of 18.58.

Metals production

Gold contained in concentrate produced in the fourth quarter of 2020 decreased by 8% to 64,117 ounces, relative to the corresponding period in 2019 due primarily to lower gold production at Chelopech as a result of lower gold grades and recoveries. Copper production in the fourth quarter of 2020 decreased by 24% to 7.6 million pounds, relative to the corresponding period in 2019, due primarily to lower copper grades, in line with the mine plan, and lower recoveries.

Gold contained in concentrate produced in 2020 increased by 29% to 298,289 ounces, relative to the corresponding period in 2019, due primarily to additional production from Ada Tepe following the achievement of commercial production in June 2019 and ramp-up to full design capacity in the third quarter of 2019 and higher gold grades at Chelopech. Copper production in 2020 decreased by 4% to 35.6 million pounds, relative to the corresponding period in 2019, due primarily to lower copper recoveries.

Metals sold

Payable gold in concentrate sold in the fourth quarter of 2020 decreased by 21% to 62,568 ounces, relative to the corresponding period in 2019, due primarily to the timing of concentrate deliveries from Ada Tepe and Chelopech in the fourth quarter of 2019. Payable copper in concentrate sold in the fourth quarter of 2020 of 7.8 million pounds was 30% lower than the corresponding period in 2019 due primarily to the timing of gold-copper concentrate deliveries.

Payable gold in concentrate sold in 2020 increased by 37% to 270,834 ounces, relative to 2019, due primarily to additional production and deliveries from Ada Tepe. Payable copper in concentrate sold in 2020 of 33.4 million pounds was comparable to 2019.

Complex concentrate smelted

Complex concentrate smelted during the fourth quarter of 2020 of 52,484 tonnes was 8% higher than the corresponding period in 2019 due primarily to a 30-day maintenance shutdown that took place in the fourth quarter of 2019 compared to a 4-day interruption due to a fatality in the fourth quarter of 2020, partially offset by operational challenges with the offgas system and reduced converter campaign life in the period. Complex concentrate smelted in 2020 of 231,890 tonnes was 8% higher than 2019 due primarily to a 30-day maintenance shutdown in 2019 and steadier operations in 2020. As a result of COVID-19, throughput in 2020 was impacted by a 30-day curtailment in April in response to a government directive aimed at limiting staffing levels.

Revenue from continuing operations

Revenue in the fourth quarter of 2020 of $151.8 million was $16.4 million higher than the corresponding period in 2019 due primarily to higher realized gold and copper prices, and higher estimated metal recoveries and volumes of complex concentrate smelted at Tsumeb, partially offset by lower volumes of payable gold and copper in concentrate sold as a result of the timing of deliveries in 2019.

Revenue in 2020 of $609.6 million was $205.2 million higher than the corresponding period in 2019 due primarily to the 37% increase in volumes of payable gold in concentrate sold following the start of commercial production at Ada Tepe in June 2019, higher realized gold prices and higher volumes of complex concentrate smelted at Tsumeb.

Cost of sales from continuing operations

Cost of sales in the fourth quarter of 2020 of $81.1 million was $14.1 million lower than the corresponding period in 2019 due primarily to lower deliveries of concentrate and lower depreciation at Tsumeb as a result of an impairment charge taken in the fourth quarter of 2019.

Cost of sales in 2020 of $330.9 million was $36.4 million higher than 2019 due primarily to increased deliveries of concentrate from Ada Tepe following the start of commercial production in June 2019. This was partially offset by the impact of a stronger U.S. dollar relative to the ZAR and lower depreciation at Tsumeb.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold in the fourth quarter of 2020 of $651 was 4% lower than the corresponding period in 2019 due primarily to lower treatment charges for Chelopech, partially offset by lower by-product credits and a higher cost per ounce of gold as a result of lower gold grades.

All-in sustaining cost per ounce of gold in 2020 of $654 was 10% lower than 2019 due primarily to low cost production from Ada Tepe, partially offset by higher general and administrative expenses as a result of higher share-based compensation reflecting strong share price performance, and higher cash outflows for sustaining capital expenditures, reflecting a full year of operation as well as the work related to grade control drilling at Ada Tepe.

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

Cash cost per tonne of complex concentrate smelted in the fourth quarter and twelve months of 2020 of $406 and $377, respectively, was 13% and 10% lower than the corresponding periods in 2019 due primarily to higher volumes of complex concentrate smelted, the impact of a weaker ZAR relative to the U.S. dollar and higher acid deliveries, partially offset by lower acid prices.

General and administrative expenses from continuing operations

General and administrative expenses in the fourth quarter of 2020 of $9.4 million was comparable to the corresponding period in 2019.

General and administrative expenses in 2020 of $30.6 million was $2.4 million higher than 2019 due primarily to higher share-based compensation related to increases in DPM's share price, partially offset by lower operating costs, due in part to the impact of COVID-19.

Exploration and evaluation expenses

Exploration and evaluation expenses in the fourth quarter and twelve months of 2020 were $6.3 million and $19.1 million, respectively, compared to $4.8 million and $14.4 million in the corresponding periods in 2019 due primarily to the evaluation work related to the Timok gold project.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section contained in this MD&A. For a more detailed discussion on the Timok gold project, refer to the "Development and Other Major Projects" section contained in this MD&A.

Finance costs from continuing operations

Finance costs are comprised of interest and other deemed financing costs in respect of the Company's debt, prepaid forward gold sales arrangement, lease obligations and rehabilitation provisions.

Finance costs were $1.5 million and $7.0 million in the fourth quarter and twelve months of 2020, respectively, compared to $2.7 million and $10.2 million in the corresponding periods in 2019. The year-over-year decrease was due primarily to the repayment of all drawdowns under the Company's RCF and a reduction in commitment fees following the cancellation of tranches A and C of the RCF in 2019.

Tsumeb 2019 impairment charge

As at December 31, 2019, the Company assessed the recoverable amount of Tsumeb, triggered by the timing of the anticipated expansion project being delayed and the ability to optimize the mix of feed being processed by the smelter. As at December 31, 2019, the carrying value of Tsumeb exceeded its estimated recoverable amount resulting in an impairment charge of $107.0 million. This charge was primarily attributable to the opportunity to process additional volumes of third party complex concentrate at Tsumeb by capitalizing on, from time to time, market demand to process Chelopech concentrate, which has more available outlets than other complex third party concentrate processed by Tsumeb. While this has the potential to generate additional overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech rather than higher throughput and higher margins at Tsumeb.

Other (income) expense from continuing operations

Other (income) expense is primarily comprised of unrealized gains or losses on Sabina special warrants, foreign exchange translation gains or losses and research costs associated with assessing alternate arsenic stabilization and disposal methods at Tsumeb.

The following table summarizes the items making up other (income) expense:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Net gains on Sabina special warrants[1]	**(3,124)**	(451)	**(5,640)**	(3,871)
Net foreign exchange losses[2]	**2,442**	1,049	**4,376**	4,988
Interest income	**(87)**	(48)	**(194)**	(271)
Other (income) expense, net[3]	**(710)**	(318)	**967**	69
Total other (income) expense	**(1,479)**	232	**(491)**	915

1) Refer to the "Financial Instruments" section contained in this MD&A for more details.
2) Primarily related to the revaluation of foreign denominated monetary assets and liabilities.
3) Includes $0.1 million (2019 - $0.6 million) and $1.6 million (2019 - $2.1 million) in the fourth quarter and twelve months of 2020, respectively, in respect of testwork being done to treat arsenic using an arsenic vitrification pilot plant.

Income tax expense from continuing operations

The effective tax rate of the Company can vary significantly from one period to the next based on a number of factors. For the three and twelve months ended December 31, 2020 and 2019, the Company's effective tax rate was impacted primarily by the Company's overall earnings, mix of foreign earnings or losses, which are subject to lower tax rates in certain jurisdictions, and unrecognized tax benefits relating to corporate operating, exploration and evaluation costs.

$ thousands, unless otherwise indicated	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Earnings (loss) before income taxes from continuing operations	**52,588**	(85,624)	**217,923**	(53,582)
Combined Canadian federal and provincial statutory income tax rates	**26.5%**	26.5%	**26.5%**	26.5%
Expected income tax expense (recovery)	**13,936**	(22,690)	**57,750**	(14,199)
Lower rates on foreign (earnings) losses	**(8,831)**	25,182	**(39,256)**	15,022
Unrecognized tax benefit relating to losses	**(1,255)**	3,684	**2,906**	11,677
Non-deductible portion of capital (gains) losses	**(1,921)**	(892)	**(3,663)**	89
Non-deductible share-based compensation expense	**66**	70	**246**	280
Other, net	**427**	(572)	**908**	87
Income tax expense from continuing operations	**2,422**	4,782	**18,891**	12,956
Effective income tax rates	**4.6%**	(5.6%)	**8.7%**	(24.2%)

In December 2020, the Namibian Ministry of Finance announced that tax incentives under the Export Processing Zones ("EPZ") Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The EPZ regime is expected to be replaced by a new Special Economic Zone ("SEZ"), the details of which are expected to be released in the first half of 2021.

Net earnings (loss) attributable to common shareholders from continuing operations and adjusted net earnings

Net earnings attributable to common shareholders from continuing operations in the fourth quarter and twelve months of 2020 were $50.2 million ($0.28 per share) and $199.1 million ($1.10 per share), respectively, compared to a net loss attributable to common shareholders from continuing operations of $90.4 million ($0.51 per share) and $66.6 million ($0.38 per share) in the corresponding periods in 2019, which was impacted by a $107.0 million impairment charge at Tsumeb taken in the fourth quarter of 2019.

Adjusted net earnings in the fourth quarter of 2020 were $47.0 million ($0.26 per share) compared to $16.2 million ($0.09 per share). This increase was due primarily to higher realized gold and copper prices, higher estimated metal recoveries and volumes of complex concentrate smelted at Tsumeb, and lower treatment charges for Chelopech, partially offset by the timing of concentrate deliveries at Ada Tepe and Chelopech in the fourth quarter of 2019.

Adjusted net earnings in 2020 were $193.4 million ($1.07 per share) compared to $36.5 million ($0.20 per share) in 2020. This increase was due primarily to higher volumes of gold sold as a result of a full year of production at Ada Tepe, higher realized gold prices, higher volumes of complex concentrate smelted at Tsumeb and the impact of a stronger U.S. dollar relative to the ZAR.

Adjusted net earnings in the fourth quarter and twelve months of 2020 excluded after-tax gains of $3.2 million (2019 – net after-tax losses of $106.6 million) and $5.7 million (2019 – net after-tax losses of $103.1 million), respectively, related to unrealized gains on Sabina special warrants and the impairment charge in respect of Tsumeb taken in the fourth quarter of 2019, which are not reflective of the Company's underlying operating performance. For more details on these adjustments, refer to the "Non-GAAP Financial Measures" section contained in this MD&A.

The following table summarizes adjusted net earnings (loss) by segment from continuing operations:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Chelopech	**38,288**	21,015	**132,829**	71,569
Ada Tepe	**17,482**	21,870	**90,799**	22,167
Tsumeb	**6,414**	(9,646)	**18,843**	(7,111)
Corporate & Other	**(15,132)**	(17,086)	**(49,037)**	(50,117)
Total adjusted net earnings	**47,052**	16,153	**193,434**	36,508

Adjusted EBITDA from continuing operations

Adjusted EBITDA in the fourth quarter and twelve months of 2020 was $74.8 million and $319.3 million, respectively, compared to $54.5 million and $140.4 million in the corresponding periods in 2019, reflecting the same factors that affected adjusted net earnings, except for depreciation, interest and income taxes, which are excluded from adjusted EBITDA.

The following table summarizes adjusted EBITDA by segment:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Chelopech	**50,057**	30,815	**177,223**	110,927
Ada Tepe	**32,304**	41,502	**156,205**	49,301
Tsumeb	**9,847**	(2,164)	**36,682**	23,181
Corporate & Other	**(17,366)**	(15,677)	**(50,788)**	(43,017)
Total adjusted EBITDA	**74,842**	54,476	**319,322**	140,392

The "Corporate & Other" segment in the adjusted net earnings and EBITDA tables above includes corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment. For a more detailed discussion of Chelopech, Ada Tepe, Tsumeb and Corporate & Other results, refer to the “Review of Operating Results by Segment” section contained in this MD&A.

Cash provided from operating activities from continuing operations

Cash provided from operating activities in the fourth quarter of 2020 of $70.5 million was $19.8 million higher than the corresponding period in 2019 due primarily to higher realized gold and copper prices, which was partially offset by lower volumes of payable metals in concentrate sold as a result of the timing of concentrate deliveries in the fourth quarter of 2019.

Cash provided from operating activities in 2020 was $197.0 million compared to $96.9 million in 2019 and does not fully reflect the significant increase in earnings in 2020 as a result of an increase in non-cash working capital of $51.6 million due primarily to longer settlement terms on Ada Tepe sales, increased deliveries and higher gold prices.

In addition, during the fourth quarter and twelve months of 2020, Ada Tepe delivered 6,993 ounces and 34,087 ounces of gold, respectively, pursuant to a prepaid forward gold sales arrangement resulting in $9.6 million and $46.7 million of deferred revenue being recognized in revenue during the fourth quarter and twelve months of 2020, respectively, with no corresponding impact on cash as these deliveries were in partial satisfaction of the $50.0 million of upfront proceeds received in 2016. In December 2020, the Company completed its final delivery of gold under this arrangement.

For a detailed discussion on the factors affecting cash provided from operating activities, refer to the “Liquidity and Capital Resources” section contained in this MD&A.

Free cash flow from continuing operations

Free cash flow in the fourth quarter of 2020 was $39.3 million compared to $11.7 million in the corresponding period in 2019. This increase was due primarily to higher realized gold and copper prices, the impact of a stronger U.S. dollar relative to the ZAR and lower cash outlays for sustaining capital expenditures, partially offset by lower volumes of payable metals in concentrate sold as a result of the timing of deliveries in the fourth quarter of 2019.

Free cash flow in 2020 was $211.4 million compared to $69.6 million in 2019. This significant increase was due primarily to higher realized gold prices, additional deliveries from Ada Tepe reflecting a full year of production, the impact of a stronger U.S. dollar relative to the ZAR and lower cash outlays for sustaining capital expenditures, partially offset by the impact of the prepaid forward gold sales arrangement, the final delivery for which was completed in December 2020.

Capital expenditures from continuing operations

Capital expenditures incurred during the fourth quarter and twelve months of 2020 were $15.7 million and $49.3 million, respectively, compared to $20.1 million and $73.7 million in the corresponding periods in 2019.

Growth capital expenditures incurred during the fourth quarter and twelve months of 2020 were $3.4 million and $8.5 million, respectively, compared to $1.5 million and $36.5 million in the corresponding periods in 2019. The year-over-year decrease was related principally to the construction of the Ada Tepe gold mine, which was completed in 2019.

Sustaining capital expenditures incurred during the fourth quarter and twelve months of 2020 were $12.3 million and $40.8 million, respectively, compared to $18.6 million and $37.2 million in the corresponding periods in 2019. The quarter-over-quarter decrease was due primarily to spending related to the 30-day maintenance shutdown at Tsumeb in the fourth quarter of 2019. The year-over-year increase was due primarily to a full year of operation at Ada Tepe as well as the acceleration of the grade control drilling program, partially offset by reduced spending at Tsumeb with no extended maintenance shutdown in 2020.

2020 ACTUAL RESULTS COMPARISON TO 2020 GUIDANCE

The following table provides a comparison of the Company's results to its 2020 original guidance and its updated guidance.

$ millions, unless otherwise indicated	**Original Consolidated Guidance[(7)]**	**Updated Consolidated Guidance[(8)]**	**2020 Consolidated Results**
Ore processed *('000s tonnes)*	2,855 - 3,092	2,855 - 3,092	3,092
Cash cost per tonne of ore processed[(1),(2)]			
Chelopech	38 - 40	38 - 40	38
Ada Tepe	50 - 60	44 - 50	40
Metals contained in concentrate produced[(3),(4)]			
Gold *('000s ounces)*	257 - 299	257 - 299	298
Copper *(million pounds)*	35 - 40	35 - 40	36
Payable metals in concentrate sold[(3)]			
Gold *('000s ounces)*	229 - 267	229 - 267	271
Copper *(million pounds)*	33 - 38	33 - 38	33
All-in sustaining cost per ounce of gold[(1),(2)]	700 - 780	650 - 720	654
Complex concentrate smelted *('000s tonnes)*	230 – 265	230 - 265	232
Cash cost per tonne of complex concentrate smelted[(1)]	370 – 450	370 - 450	377
Corporate general and administrative expenses[(5)]	18 - 22	18 - 22	22
Exploration expenses	13 - 15	13 - 15	11
Evaluation expenses[(6)]	2 - 8	7 - 10	8
Sustaining capital expenditures[(1)]	43 - 54	43 - 54	41
Growth capital expenditures[(1)]	5 - 10	5 - 10	8

1) *Cash cost per tonne of ore processed, all-in sustaining cost per ounce of gold and cash cost per tonne of complex concentrate smelted, net of by-product credits, and sustaining and growth capital expenditures have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information.*
2) *Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold.*
3) *Includes gold in pyrite concentrate produced of 55,502 ounces compared to guidance of 47,000 to 53,000 ounces and payable gold in pyrite concentrate sold of 36,111 ounces compared to guidance of 29,000 ounces to 33,000 ounces.*
4) *Metals contained in concentrate produced are prior to deductions associated with smelter terms.*
5) *Excludes mark-to-market related adjustments on share based compensation of $9.1 million.*
6) *The guidance for evaluation expenses was increased on July 30, 2020 from a range of $2.0 million to $8.0 million to a range of $7.0 million to $10.0 million to reflect the advancement of the PFS and related drilling for the Timok gold project.*
7) *As disclosed in the MD&A issued on February 13, 2020.*
8) *As disclosed in the MD&A issued on November 12, 2020.*

DPM achieved the upper end of its 2020 production and delivery guidance as a result of continued strong operating performance, with Chelopech at the high end and Ada Tepe exceeding guidance. Cash cost per tonne of ore processed at Ada Tepe of $40 was below its original guidance of $50 to $60 due primarily to initiating an accelerated grade control drilling program resulting in the capitalization of these costs, which resulted in a decrease in operating expenses, and lower consumption and costs for certain direct materials.

Complex concentrate smelted at Tsumeb was in line with guidance, despite the curtailment of operations during the month of April in response to a government directive to the natural resources sector aimed at limiting staffing levels. Cash cost per tonne of concentrate smelted in 2020 was at the lower end of 2020 guidance due primarily to a weaker ZAR relative to the U.S. dollar and lower operating expenses.

All-in sustaining cost per ounce of gold in 2020 of $654 was below the original guidance of $700 to $780 due primarily to lower treatment charges for Chelopech resulting from a greater proportion of concentrate deliveries to third party smelters in the fourth quarter and higher deliveries in line with strong gold production at Chelopech and Ada Tepe as a result of higher than anticipated gold grades.

THREE-YEAR OUTLOOK

DPM continues to focus on increasing the profitability of its business by optimizing existing operating assets, which are expected to maintain higher levels of gold production and declining all-in sustaining costs as highlighted in the 2021 to 2023 outlook and supplemental detailed 2021 guidance below.

2021 to 2023 Outlook

The outlook is based on historical performance and experience at DPM's operations and is consistent with the production schedules outlined in the technical report for Chelopech entitled "NI 43-101 Technical Report - Mineral Resource and Reserve Update, Chelopech Mine, Chelopech, Bulgaria" dated March 30, 2020 (the "Chelopech Technical Report"), and the technical report for Ada Tepe entitled "NI 43-101 Technical Report – Mineral Reserve and Mineral Resource Update for the Ada Tepe Mine, Krumovgrad, Bulgaria" dated November 23, 2020 (the "Ada Tepe Technical Report"). For 2022 and 2023, all production and cost estimates do not yet incorporate any cost savings, operating performance improvements in respect of mine and smelter throughput and potential improvements to mine grades and recoveries. The Chelopech Technical Report and the Ada Tepe Technical Report have been filed on SEDAR (www.sedar.com) and are available on the Company's website (www.dundeeprecious.com).

Highlights of three-year outlook include:

- **Continued solid gold production**: Over the next three years, gold production is expected to average approximately 280,000 ounces per year. Gold production in 2021 is expected to range between 271,000 ounces and 317,000 ounces, which is higher than the previously provided 2021 outlook of 250,000 ounces to 295,000 ounces. Based on current mine plans, gold production is expected to range between 240,000 ounces and 280,000 ounces in 2022 and between 265,000 ounces and 310,000 ounces in 2023. The positive change in production profile in 2021 and 2022 relative to the previously provided outlook is consistent with the updated mine plan as per the Chelopech Technical Report and the Ada Tepe Technical Report.

- **Stable copper production**: Copper production between 2021 and 2023 is expected to be approximately 35 million pounds per year, which is in line with 2020 production.

- **Attractive all-in sustaining cost:** 2021 all-in sustaining cost guidance has decreased to a range of $625 to $695 per ounce from the previously provided outlook of $670 to $750 due primarily to lower treatment charges and higher by-product prices, partially offset by higher sustaining capital expenditures. For 2022, all-in sustaining cost is expected to range between $730 to $810, which is higher than the previously provided outlook of $670 and $750 as a result of variations in gold grades, consistent with the current mine plan. All-in sustaining cost in 2023 is expected to decrease to between $630 and $710 due to higher gold production and lower sustaining capital expenditures.

- **Stable smelter performance:** Annual estimates for complex concentrate smelted vary due to the timing of scheduled furnace maintenance shutdowns, with the next shutdown occurring in the first quarter of 2021. Based on an expected 18-month operating cycle, complex concentrate smelted is expected to remain unchanged in 2022 and to increase in 2023. Cash cost per tonne of concentrate smelted is expected to increase in 2021 and 2022 as a result of planned furnace maintenance shutdowns and forecast weaker acid prices. In 2023, cash cost per tonne of concentrate smelted is expected to decrease as a result of increased throughput.

- **Sustaining capital expenditures trending lower:** Sustaining capital expenditures for 2021 are expected to range between $56 million and $72 million, up from $40 million in 2020 as a result of initiating an accelerated life of mine grade control drilling program at Ada Tepe, which was originally planned to occur over several years and was previously classified as an operating cost, as well as investments to upgrade Chelopech's tailings management facility following completion of the work to extend its life in 2019 and 2020, and the furnace maintenance shutdown at Tsumeb. Following 2021, sustaining capital expenditures are expected to trend lower, with 2022 sustaining capital expenditures expected to range between $38 million and $50 million, with a further reduction to a range of $33 million to $44 million expected in 2023.

The Company's three-year outlook is set out in the following table:

$ millions, unless otherwise indicated	**2020 Results**	**2021 Guidance**	**2022 Outlook**	**2023 Outlook**
Gold contained in concentrate produced *('000s ounces)*[(1),(2)]				
Chelopech	179	156 – 176	145 – 165	150 – 170
Ada Tepe	119	115 – 141	95 – 115	115 – 140
Total	298	271 – 317	240 – 280	265 – 310
Copper contained in concentrate produced *(million pounds)*				
Chelopech	36	34 – 39	32 – 39	32 – 39
All-in sustaining cost per ounce of gold[(3),(4)]	654	625 – 695	730 – 810	630 – 710
Complex concentrate smelted *('000s tonnes)*	232	220 – 250	220 – 250	230 – 265
Cash cost per tonne of complex concentrate smelted[(3),(4)]	377	450 – 520	450 – 520	420 – 490
Sustaining capital expenditures *($millions)*[(3),(4)]				
Chelopech	17	20 – 25	14 – 18	9 – 12
Ada Tepe	13	16 – 21	6 – 8	6 – 8
Tsumeb	8	16 – 20	16 – 20	16 – 20
Corporate digital initiatives	3	4 – 6	2 – 4	2 – 4
Consolidated	41	56 – 72	38 – 50	33 – 44

1) Gold produced includes gold in pyrite concentrate produced of 50,000 to 56,000 ounces for 2021, and 46,000 to 52,000 ounces in each of 2022 and 2023.
2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
3) All costs and capital expenditures are based on, where applicable, a Euro/US$ exchange rate of 1.18, a US$/ZAR exchange rate of 16.00, a copper price of $3.32 per pound in 2021 and $3.00 per pound in each of 2022 and 2023, and an average acid price of $45 per tonne, and have not been adjusted for inflation.
4) All-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted and sustaining capital expenditures are Non-GAAP measures and have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information.

The Company's detailed guidance for 2021 is set out in the following table:

$ millions, unless otherwise indicated	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Consolidated Guidance**
Ore processed *('000s tonnes)*	2,090 - 2,200	835 - 925	-	2,925 – 3,125
Cash cost per tonne of ore processed[(3),(4)]	42 - 45	46 - 50	-	-
Metals contained in concentrate produced[(1),(2)]				
Gold *('000s ounces)*	156 - 176	115 - 141	-	271 - 317
Copper *(million pounds)*	34 - 39	-	-	34 - 39
Payable metals in concentrate sold[(1)]				
Gold *('000s ounces)*	130 - 147	113 - 138	-	243 - 285
Copper *(million pounds)*	31 - 36	-	-	31 - 36
All-in sustaining cost per ounce of gold[(3),(4)]	685 - 755	560 - 630	-	625 - 695
Complex concentrate smelted *('000s tonnes)*	-	-	220 - 250	220 - 250
Cash cost per tonne of complex concentrate smelted[(3),(4)]	-	-	450 - 520	450 - 520
Corporate general and administrative expenses[(3),(5)]	-	-	-	19 - 23
Exploration expenses[(3)]	-	-	-	13 - 15
Evaluation expenses	-	-	-	2 - 3
Sustaining capital expenditures[(3),(4),(6)]	20 - 25	16 - 21	16 - 20	56 - 72
Growth capital expenditures[(3),(4),(7)]	2 - 4	-	3 - 4	16 - 21

1) Gold produced includes gold in pyrite concentrate produced of 50,000 to 56,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 31,000 to 35,000 ounces.
2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
3) Based on a Euro/US$ exchange rate of 1.18, a US$/ZAR exchange rate of 16.00, a copper price of $3.32 per pound and an average acid price of $45 per tonne, where applicable.
4) Cash cost per tonne of ore processed, all-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted at Tsumeb and sustaining and growth capital expenditures are Non-GAAP measures and have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information.
5) Excludes mark-to-market adjustments on share-based compensation.
6) Consolidated sustaining capital expenditures include approximately $5 million related to corporate digital initiatives.
7) Consolidated growth capital expenditures include the estimated costs related to the potential feasibility study ("FS") for the Timok gold project.

The foregoing three-year outlook and supplemental detailed 2021 guidance are not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced, payable metals in concentrate sold 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, including the Tsumeb furnace maintenance shutdown scheduled to occur in the first quarter of 2021. 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.

Additional detail on the Company's three-year outlook is set out below:

Chelopech

Gold contained in concentrate produced in 2021 is expected to range between 156,000 ounces and 176,000 ounces, which has improved relative to the previous 2021 outlook of 145,000 ounces to 165,000 ounces as a result of higher recoveries. Gold contained in concentrate produced in 2022 is expected to be between 145,000 ounces and 165,000 ounces and between 150,000 ounces and 170,000 ounces in 2023.

Copper contained in concentrate produced in 2021 is expected to be between 34 million pounds and 39 million pounds, which is comparable to 2020, and is expected to be between 32 million pounds and 39 million pounds in each of 2022 and 2023.

Sustaining capital expenditures in 2021 are expected to be between $20 million and $25 million, including approximately $5 million for the work associated with the next phase of work to upgrade Chelopech's tailings management facility. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be between $2 million and $4 million in 2021. Sustaining capital expenditures are expected to trend lower starting in 2022, ranging between $14 million and $18 million, including approximately $3 million to complete the upgrade of the tailings management facility. In 2023, sustaining capital expenditures are expected to decline to between $9 million and $12 million.

Ada Tepe

Gold contained in concentrate produced in 2021 is expected to be between 115,000 ounces and 141,000 ounces, which is 8% higher than 2020 based on the mid-point of 2021 guidance and an improvement from the previous 2021 outlook of 105,000 ounces to 130,000 ounces. This increase is due primarily to higher gold grades and is consistent with the updated life of mine plan. Gold contained in concentrate produced in 2022 is expected to be between 95,000 ounces and 115,000 ounces and between 115,000 ounces and 140,000 ounces in 2023.

Sustaining capital expenditures in 2021 are expected to be between $16 million and $21 million, reflecting an acceleration of the grade control drilling program in order to provide representative and high quality samples for better grade control and mine planning over the life of mine. Sustaining capital expenditures are expected to decline to between $6 million and $8 million in 2022 and remain at this level in 2023.

Tsumeb

Complex concentrate smelted in 2021 is expected to range between 220,000 tonnes and 250,000 tonnes, consistent with the previously provided outlook, reflecting the previously announced furnace maintenance shutdown, which is scheduled to occur in the first quarter of 2021. Based on an expected 18-month operating cycle, complex concentrate smelted in 2022 is expected to range between 220,000 tonnes and 250,000 tonnes, a decrease relative to the previously provided outlook of 240,000 tonnes to 265,000 tonnes, reflecting a slight shift in the timing of the furnace maintenance shutdown. In 2023, complex concentrate smelted is expected to range between 230,000 tonnes and 265,000 tonnes as a result of no furnace maintenance shutdown expected in that year. Concentrate feed is currently contracted through to June 2023 with additional feed thereafter expected to be contracted in the normal course.

Cash cost per tonne of complex concentrate smelted is expected to increase to between $450 and $520 in 2021, as a result of the planned furnace maintenance shutdown and a weaker acid market and is expected to remain at this level in 2022. In 2023, cash cost per tonne of concentrate smelted is expected to decrease to between $420 and $490 as a result of increased throughput.

Sustaining capital expenditures in 2021 are expected to be between $16 million and $20 million, which is higher than 2020 as a result of the maintenance shutdown. Sustaining capital is expected to be between $16 million and $20 million in each of 2022 and 2023, reflecting the estimated capital cost to increase hazardous waste disposal capacity.

All-in sustaining cost

2021 all-in sustaining cost guidance has decreased to a range of $625 to $695 per ounce of gold from the previously provided outlook of $670 to $750 due primarily to lower treatment charges and higher by-product credits, partially offset by higher sustaining capital expenditures. Approximately 40% of Chelopech gold-copper concentrate in 2021 is expected to be delivered to third party smelters resulting in an expected reduction in treatment charges.

All-in sustaining cost is expected to be between $730 and $810 in 2022 and between $630 and $710 in 2023. The year-over-year variations in all-in sustaining cost reflect expected gold grades in concentrate produced and the volumes of gold-copper concentrate delivered to third party smelters.

Timok gold project

The estimated costs associated with moving forward with a potential FS, subject to the results of the PFS, are expected to be between $11 million and $13 million in 2021. These have been included in growth capital expenditures in the above detailed 2021 guidance table.

Exploration and evaluation expenditures

Expenditures related to exploration in 2021 are expected to be between $13.0 million and $15.0 million and will be directed toward a 60,000 metre brownfield drilling program on mine concessions and exploration licenses at or around the Chelopech and Ada Tepe mines in Bulgaria and a further 12,000 metres of drilling, which is planned at the Timok gold project in Serbia.

At Chelopech, exploration efforts will concentrate on near mine exploration drilling related to the Sveta Petka commercial discovery process, which includes West Shaft and Wedge targets, and on drilling more conceptual targets on the Brevene exploration license, including Bridge and Vozdol.

At Ada Tepe, a significant portion of the exploration budget is dedicated to near mine target delineation drilling on the mining concession area, including Surnak, Synap and Kuklitsa, while additional drilling is expected to commence later in the year on other exploration licenses in the Krumovgrad district.

Drilling at Timok will continue with shallow oxide resource delineation at the Chocolate target, proximal to Bigar Hill, as well with target delineation drilling on Coka Rakita and other under explored sulphide targets. Later during the year, the drilling will concentrate on target delineation surface work and scout drilling on other Serbia regional licenses.

Evaluation expenditures in 2021 are expected to be between $2 million and $3 million and are primarily related to the estimated costs to complete the PFS, which is expected to be released in the first quarter of 2021.

COVID-19

To date, with the proactive measures taken by each of the Company's operations, the COVID-19 pandemic has had minimal impact on DPM's production. DPM is closely monitoring the COVID-19 situation and has put measures in place to safeguard the health of its workforce and support the continuity of its operations. Given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's future operating and financial results. As a result, the three-year outlook provided is predicated on the COVID-19 pandemic continuing to be effectively managed with minimal impact on DPM's operations. For additional details on COVID-19, including the related risks faced by the Company, refer to the "Overview – Operational and Financial Highlights" and "Risk and Uncertainties" sections contained in this MD&A.

REVIEW OF OPERATING RESULTS BY SEGMENT

Chelopech – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Operational Highlights				
Ore mined *(mt)*	**538,457**	535,720	**2,182,844**	2,211,067
Ore processed *(mt)*	**541,066**	547,834	**2,201,220**	2,203,242
Gold recoveries:				
Gold-copper concentrate (%)	**47.8**	47.4	**50.1**	50.5
Pyrite concentrate (%)	**17.5**	22.6	**22.4**	22.5
Head grade / recoveries:				
Gold *(g/mt)* / combined recoveries (*%)*	**3.35 / 65.3**	3.48 / 70.0	**3.50 / 72.5**	3.35 / 73.0
Copper *(%)* / %	**0.85 / 75.7**	1.02 / 81.6	**0.93 / 78.6**	0.93 / 82.1
Silver *(g/mt)* / %	**7.46 / 30.6**	7.74 / 35.0	**6.56 / 35.4**	6.29 / 35.4
Gold-copper concentrate produced *(mt)*	**22,800**	28,730	**105,765**	105,741
Pyrite concentrate produced *(mt)*	**51,438**	64,282	**262,283**	252,582
Metals contained in concentrate produced:				
Gold in gold-copper concentrate *(ounces)*	**27,852**	29,101	**124,060**	119,928
Gold in pyrite concentrate *(ounces)*	**10,168**	13,862	**55,502**	53,471
Total gold production	**38,020**	42,963	**179,562**	173,399
Copper *(pounds)*	**7,659,384**	10,031,111	**35,642,083**	37,250,240
Silver *(ounces)*	**39,732**	47,673	**164,235**	157,851
Cash cost per tonne of ore processed(1),(2),(9)	**41.78**	39.88	**38.42**	36.30
Cash cost per ounce of gold in gold-copper concentrate produced(1),(2),(3)	**526**	449	**451**	402
Cash cost per pound of copper in gold-copper concentrate produced(1),(2),(3)	**0.91**	0.79	**0.71**	0.78
Gold-copper concentrate delivered *(mt)*	**24,652**	35,473	**106,026**	106,895
Pyrite concentrate delivered *(mt)*	**75,102**	64,152	**267,897**	256,937
Payable metals in concentrate sold:				
Gold in gold-copper concentrate *(ounces)*(5)	**28,065**	30,843	**114,653**	112,660
Gold in pyrite concentrate *(ounces)*(5)	**9,334**	9,325	**36,111**	36,545
Total payable gold in concentrate sold	**37,399**	40,168	**150,764**	149,205
Copper *(pounds)*(5)	**7,765,680**	11,060,418	**33,388,783**	34,130,933
Silver *(ounces)*(5)	**38,680**	50,357	**149,831**	138,305
Cash cost per ounce of gold sold, net of by-product credits (2),(4),(6)	**456**	602	**587**	585
All-in sustaining cost per ounce of gold(2),(4),(6)	**704**	859	**762**	767
Cost per tonne of gold-copper concentrate sold(7)	**1,253**	963	**1,070**	1,051
Financial Highlights				
Revenue(8)	**74,380**	56,890	**264,855**	193,989
Cost of sales(10)	**30,898**	34,152	**113,481**	112,367
Earnings before income taxes	**42,110**	22,963	**146,758**	79,462
Adjusted EBITDA(2)	**50,057**	30,815	**177,223**	110,927
Net earnings/Adjusted net earnings(2)	**38,288**	21,015	**132,829**	71,569
Capital expenditures incurred:				
Growth(2)	**1,075**	913	**4,147**	3,879
Sustaining(2)	**5,202**	5,805	**16,911**	16,124
Total capital expenditures	**6,277**	6,718	**21,058**	20,003

1) *Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.*
2) *Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.*
3) *Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver sales revenue.*
4) *Includes payable gold in pyrite concentrate sold, and the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $6.8 million (2019 – $6.4 million) and $24.7 million (2019 – $25.5 million) in the fourth quarter and twelve months of 2020, respectively.*

5) Represents payable metals in gold-copper and pyrite concentrate sold based on provisional invoices.
6) Cash cost per ounce of gold sold, net of by-product credits, represents cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs, less by-product copper and silver revenues, divided by the payable gold in gold-copper and pyrite concentrate sold.
7) Represents cost of sales divided by the volumes of gold-copper concentrate delivered.
8) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net unfavourable settlements of $2.5 million (2019 – $4.7 million) and favourable settlements of $2.2 million (2019 – unfavourable settlements of $7.5 million) were recognized in the fourth quarter and twelve months of 2020, respectively. Deductions during the fourth quarter and twelve months of 2020 were $20.2 million (2019 – $28.3 million) and $99.6 million (2019 – $100.7 million), respectively.
9) Cash cost per tonne of ore processed represents production expenses, including mining, processing, services, royalties and general and administrative expenses, divided by tonnes of ore processed.
10) Cost of sales includes depreciation of $7.8 million (2019 – $7.7 million) and $29.8 million (2019 – $30.7 million) in the fourth quarter and twelve months of 2020, respectively.

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the fourth quarter of 2020 of 22,800 tonnes was 21% lower than the corresponding period in 2019 due primarily to lower copper grades and recoveries. Gold-copper concentrate produced during 2020 of 105,765 tonnes was comparable to 2019.

Pyrite concentrate produced during the fourth quarter of 2020 of 51,438 tonnes was 20% lower than the corresponding period in 2019 due primarily to lower gold grades and recoveries. Pyrite concentrate produced during 2020 of 262,283 tonnes was 4% higher than 2019 due primarily to higher gold grades.

Gold contained in gold-copper and pyrite concentrate produced in the fourth quarter and twelve months of 2020 was 38,020 ounces and 179,562 ounces, respectively, compared to 42,963 ounces and 173,399 ounces in the corresponding periods in 2019.

Gold contained in gold-copper concentrate produced in the fourth quarter of 2020 decreased by 4% to 27,852 ounces and gold contained in pyrite concentrate produced decreased by 27% to 10,168 ounces, in each case relative to the corresponding period in 2019, due primarily to lower gold grades and recoveries. Gold contained in gold-copper concentrate produced in 2020 increased by 3% to 124,060 ounces and gold contained in pyrite concentrate produced increased by 4% to 55,502 ounces, in each case relative to 2019, due primarily to higher gold grades.

Copper production in the fourth quarter of 2020 of 7.6 million pounds was 24% lower than the corresponding period in 2019 due primarily to lower copper grades, in line with the mine plan, and lower recoveries. Copper production in 2020 of 35.6 million pounds was 4% lower than 2019 due primarily to lower copper recoveries.

Silver production in the fourth quarter of 2020 of 39,732 ounces was 17% lower than the corresponding period in 2019 due primarily to lower silver grades and recoveries. Silver production in 2020 of 164,235 ounces was 4% higher than 2019 due primarily to higher silver grades.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate during the fourth quarter of 2020 of 24,652 tonnes were 31% lower than the corresponding period in 2019 due primarily to the timing of deliveries. Deliveries of gold-copper concentrate in the fourth quarter of 2020 were in line production, whereas, in the fourth quarter of 2019, there was an inventory drawdown of 6,743 tonnes. Deliveries of gold-copper concentrate during 2020 of 106,026 tonnes were comparable to 2019.

Deliveries of pyrite concentrate during the fourth quarter of 2020 of 75,102 tonnes were 17% higher than the corresponding period in 2019 due primarily to the timing of deliveries. Deliveries of pyrite concentrate during 2020 of 267,897 tonnes were 4% higher than 2019, consistent with increased production.

In the fourth quarter of 2020, payable gold in gold-copper concentrate sold decreased by 9% to 28,065 ounces, payable copper decreased by 30% to 7.8 million pounds and payable silver decreased by 23% to 38,680 ounces, in each case, relative to the corresponding period in 2019. The decrease in gold sold was due primarily to the timing of 2019 gold-copper concentrate deliveries, partially offset by higher gold grades in gold-copper concentrate sold. The decrease in copper sold was consistent with the decrease in gold-copper concentrate deliveries due to the timing of deliveries in the fourth quarter of 2019. Payable gold in pyrite concentrate sold in the fourth quarter of 2020 of 9,334 ounces was comparable to the corresponding period in 2019.

In 2020, payable gold in gold-copper concentrate sold increased by 2% to 114,653 ounces, payable copper decreased by 2% to 33.4 million pounds and payable silver increased by 8% to 149,831 ounces, in each case, relative to 2019. The increase in gold sold was due primarily to higher gold grades in gold-copper concentrate sold. Payable gold in pyrite concentrate sold in 2020 of 36,111 ounces was comparable to 2019.

Inventory

Gold-copper concentrate inventory totaled 5,283 tonnes as at December 31, 2020, down from 5,544 tonnes as at December 31, 2019 due primarily to the timing of gold-copper concentrate deliveries.

Cash cost measures

Cash cost per tonne of ore processed in the fourth quarter of 2020 of $41.78 was 5% higher than the corresponding period in 2019 due the impact of a stronger Euro relative to the U.S. dollar, higher royalties as a result of higher gold prices and higher labour costs as a result of annual pay increases, partially offset by lower electricity and diesel rates and lower input costs for certain consumables.

Cash cost per tonne of ore processed in 2020 of $38.42 was 6% higher than the corresponding period in 2019 due primarily to higher royalties as a result of higher gold prices and quantities of contained metal in ore mined, the impact of a stronger Euro relative to the U.S. dollar, increased maintenance costs and higher labour costs as a result of annual pay increases, partially offset by lower electricity and diesel rates.

Cash cost per ounce of gold sold, net of by-product credits, during the fourth quarter of 2020 of $456 was $146 lower than the corresponding period in 2019 due primarily to lower treatment charges as a result of a greater proportion of gold-copper concentrate deliveries to third party smelters with lower treatment charge than Tsumeb, partially offset by lower by-product credits. Cash cost per ounce of gold sold, net of by-product credits, during 2020 of $587 was comparable to 2019.

All-in sustaining cost in the fourth quarter and twelve months of 2020 was $704 and $762, respectively, compared to $859 and $767 in the corresponding periods in 2019. The decrease in the fourth quarter of 2020 relative to the corresponding period in 2019 was due primarily to lower treatment charges, partially offset by lower by-product credits.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the fourth quarter of 2020 of $38.3 million were $17.3 million higher than the corresponding period in 2019 due primarily to higher realized gold and copper prices and lower treatment charges, partially offset by lower volumes of metals sold as a result of the timing of gold-copper concentrate deliveries in 2019 and the impact of a stronger Euro relative to the U.S. dollar. Gold-copper concentrate deliveries in the fourth quarter of 2020 were in line with production, whereas, in the fourth quarter of 2019, there was an inventory drawdown of 6,743 tonnes.

Net earnings and adjusted net earnings in 2020 of $132.8 million were $61.3 million higher than 2019 due primarily to higher realized gold prices, lower treatment charges and higher volumes of payable gold in concentrate sold as a result of higher gold grades, partially offset by the impact of a stronger Euro relative to the U.S. dollar and lower volumes of payable copper in concentrate sold.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

$ millions **Ended December 31,**	**Three Months**	**Twelve Months**
Adjusted net earnings - 2019	**21.0**	**71.5**
Higher realized metal prices	20.5	59.8
Lower treatment charges and freight(2)	9.1	6.6
Higher (lower) metals sold	(6.3)	2.8
Lower (higher) cost per tonne concentrate sold(1)	(0.6)	2.3
Stronger Euro	(1.7)	(1.7)
Income taxes & other	(3.7)	(8.5)
Adjusted net earnings - 2020	**38.3**	**132.8**

1) *Excludes impact of depreciation and foreign exchange.*
2) *The fourth quarter decrease in treatment charges was due primarily to a lower proportion of gold-copper concentrate deliveries to Tsumeb compared to the corresponding period in 2019.*

Capital expenditures

Capital expenditures during the fourth quarter and twelve months of 2020 were $6.3 million and $21.1 million, respectively, compared to $6.7 million and $20.0 million in the corresponding periods in 2019, in line with 2020 guidance, and elevated relative to Chelopech's normal rate of spending as a result of the costs incurred to upgrade and further extend the life of its tailing management facility.

Ada Tepe – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Operational Highlights				
Ore mined *(mt)*	**256,928**	182,558	**1,029,309**	430,384
Ore processed *(mt)*	**213,428**	217,489	**890,738**	470,545
Head grade / recoveries in gold concentrate(1)				
Gold *(g/mt) / %*	**4.54 / 83.7**	4.44 / 84.6	**4.92 / 84.3**	4.56 / 83.3
Silver *(g/mt) / %*	**2.32 / 52.5**	2.53 / 56.8	**2.48 / 56.9**	2.62 / 57.2
Gold concentrate produced *(mt)*	**1,515**	1,410	**5,926**	2,700
Metals contained in concentrate produced:				
Gold *(ounces)*	**26,097**	26,528	**118,727**	57,193
Silver *(ounces)*	**8,366**	10,110	**40,422**	22,519
Cash cost per tonne of ore processed(2),(3),(10)	**42.17**	49.04	**40.07**	49.29
Cash cost per ounce of gold in concentrate produced(2),(3),(4)	**337**	395	**294**	399
Gold concentrate delivered *(mt)(9)*	**1,505**	1,804	**6,138**	2,397
Payable metals in concentrate sold:				
Gold *(ounces)*(5),(9)	**25,169**	38,941	**120,070**	49,459
Silver *(ounces)*(5),(9)	**6,862**	13,855	**36,225**	17,854
Cash cost per ounce of gold sold, net of by-product credits(3),(6)	**378**	349	**341**	425
All-in sustaining cost per ounce of gold(3),(6)	**573**	493	**518**	596
Cost per tonne of gold concentrate sold(11)	**1,462**	1,607	**1,506**	1,732
Financial Highlights				
Revenue(7)	**42,552**	54,924	**197,573**	69,710
Cost of sales(8)	**22,006**	28,993	**92,450**	41,515
Earnings before income taxes	**19,000**	24,304	**100,237**	25,334
Adjusted EBITDA(3)	**32,304**	41,502	**156,205**	49,301
Net earnings/Adjusted net earnings(3)	**17,482**	21,870	**90,799**	22,167
Capital expenditures incurred:				
Growth(3)	**2,126**	553	**2,373**	32,438
Sustaining(3)	**2,482**	2,212	**13,150**	3,978
Total capital expenditures	**4,608**	2,765	**15,523**	36,416

1) *Recoveries are after the flotation circuit but before filtration.*
2) *Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.*
3) *Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.*
4) *Total cash costs are net of by-product silver sales.*
5) *Represents payable metals in gold concentrate sold based on provisional invoices.*
6) *Cash cost per ounce of gold sold, net of by-product credits, represents cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs, less by-product silver revenues, divided by the payable gold in concentrate sold.*
7) *Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales.*
8) *Cost of sales includes depreciation of $13.1 million (2019 – $16.3 million) and $54.3 million (2019 – $21.9 million) in the fourth quarter and twelve months of 2020, respectively.*
9) *Gold concentrate deliveries and payable gold in concentrate sold in 2019 included 41 tonnes and 424 ounces, respectively, which were sold prior to achieving commercial production in June 2019, and as a result, net revenue and associated cost of sales from these concentrate sales were recorded in mine properties in 2019.*
10) *Cash cost per tonne of ore processed represents production expenses, including mining, processing, services, royalties and general and administrative expenses, divided by tonnes of ore processed.*
11) *Represents cost of sales divided by the volumes of gold concentrate delivered.*

Review of Ada Tepe Results

Gold production

Gold contained in concentrate produced in the fourth quarter of 2020 of 26,097 ounces was comparable to the corresponding period in 2019. Gold contained in concentrate produced in 2020 was 118,727 ounces up from 57,193 ounces in 2019 as a result of Ada Tepe achieving commercial production in June 2019 and ramp-up to full design capacity in the third quarter of 2019.

Gold sold

Payable gold in concentrate sold in the fourth quarter of 2020 decreased by 35% to 25,169 ounces relative to the corresponding period in 2019 due primarily to the timing of 2019 concentrate deliveries and higher grades in the fourth quarter of 2019. In the fourth quarter of 2020, payable gold in concentrate sold was consistent with production, whereas, in the fourth quarter of 2019, payable gold in concentrate sold was significantly higher than gold production due to the timing of finalization of concentrate sales agreements following the start of commercial production in June 2019.

Payable gold in concentrate sold in 2020 was 120,070 ounces compared to 49,459 ounces in 2019, reflecting a full year of production in 2020.

Inventory

Gold concentrate inventory totaled 91 tonnes as at December 31, 2020, down from 303 tonnes as at December 31, 2019.

Cash cost measures

Cash cost per tonne of ore processed in the fourth quarter of 2020 of $42.17 was 14% lower than the corresponding period in 2019 due primarily to higher volumes of ore mined and lower rates for electricity and certain consumables, partially offset by higher royalties, higher employments costs as a result of annual pay increases and the impact of a stronger Euro relative to the U.S. dollar.

Cash cost per tonne of ore processed in 2020 of $40.07 was 19% lower than 2019 due primarily to higher volumes of ore mined and processed, partially offset by higher royalties, higher employment costs as a result of annual salary increase, increased maintenance activities and the impact of a stronger Euro relative to the U.S. dollar.

Cash cost per ounce of gold sold, net of by-product credits, in the fourth quarter of 2020 of $378 was $29 higher than the corresponding period in 2019 due primarily to a higher cost per ounce of gold sold as a result of lower gold grades in concentrate sold. Cash cost per ounce of gold sold, net of by-product credits, in 2020 of $341 was $84 lower than 2019 due primarily to a lower cost per ounce of gold sold as a result of higher gold grades.

All-in sustaining cost in the fourth quarter of 2020 of $573 was $80 higher than the corresponding period in 2019 due primarily to the impact of lower gold grades in concentrate sold in the period. All-in sustaining cost in 2020 of $518 was $78 lower than 2019 due primarily to a lower cost per ounce of gold sold as a result of higher gold grades, partially offset by higher cash outlays for sustaining capital expenditures and higher allocated general and administrative expenses.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the fourth quarter of 2020 were $17.5 million compared to $21.9 million in the corresponding period in 2019 due primarily to lower volumes of payable gold in concentrate sold as a result of the timing of deliveries in 2019 and lower gold grades in concentrate sold, partially offset by higher realized gold prices.

Net earnings and adjusted net earnings in 2020 were $90.8 million compared to $22.2 million in 2019 due primarily to additional concentrate deliveries reflecting a full year of production, higher realized gold prices and a lower cost per tonne.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

$ millions **Ended December 31,**	**Three Months**	**Twelve Months**
Adjusted net earnings - 2019	**21.9**	**22.2**
Higher (lower) gold sold	(15.4)	81.0
Higher realized gold prices	7.2	17.0
(Higher) lower cost per tonne concentrate sold[(1)]	(0.7)	10.7
Income taxes & other	1.2	(7.7)
Lower (higher) depreciation related to volumes sold	3.3	(32.4)
Adjusted net earnings - 2020	**17.5**	**90.8**

1) *Excludes impact of depreciation and foreign exchange.*

Capital expenditures

Capital expenditures during the fourth quarter of 2020 of $4.6 million were $1.8 million higher than the corresponding period in 2019 due primarily to spending on margin improvement projects. Capital expenditures in 2020 of $15.5 million were $20.9 million lower than 2019 due primarily to the completion of construction in the second quarter of 2019, partially offset by increased spending on sustaining capital expenditures reflecting a full year of production and costs related to a life of mine grade control drilling program initiated in 2020. Capital expenditures in 2020 exceeded guidance due primarily to the acceleration of the grade control drilling program.

Prepaid forward gold sales arrangement

In September 2016, the Company entered into a prepaid forward gold sales arrangement with several of DPM's existing lenders whereby the Company would deliver 45,982 ounces of gold on specified dates over a 21-month period commencing in May 2019 in exchange for an upfront cash prepayment of $50.0 million. In March 2019, the Company amended its prepaid forward gold sales arrangement whereby gold deliveries for the first six months originally scheduled to commence in May 2019 were delivered during the period from October 2019 to March 2020 in addition to the existing quantities due during this period. As a result, total quantities of gold to be delivered increased by 228 ounces to 46,210 ounces. Deliveries of this gold were in the form of unallocated gold credits sourced from any of the Company's own mines and occurred over a 15-month period from October 2019 to December 2020 in satisfaction of the upfront cash prepayment of $50.0 million that was received in September 2016.

The cash prepayment of $50.0 million was recorded as deferred revenue in the consolidated statements of financial position, and subsequently recognized, together with a deemed financing cost, as revenue when deliveries were made under the prepaid forward gold sales arrangement.

During the fourth quarter and twelve months of 2020, 6,993 ounces and 34,087 ounces of gold, respectively, were delivered pursuant to the prepaid forward gold sales arrangement and as a result, $9.6 million and $46.7 million was transferred from deferred revenue to revenue during the fourth quarter and twelve months of 2020, respectively. In December 2020, the Company completed its final delivery of gold under this arrangement.

Tsumeb – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Operational Highlights				
Complex concentrate smelted *(mt):*				
Chelopech	**19,469**	15,799	**85,883**	79,233
Third parties	**33,015**	32,815	**146,007**	136,056
Total complex concentrate smelted	**52,484**	48,614	**231,890**	215,289
Cash cost per tonne of complex concentrate smelted(1),(2)	**406**	465	**377**	421
Acid production *(mt)*	**53,803**	52,539	**249,235**	223,009
Acid deliveries *(mt)*	**52,776**	23,363	**259,798**	199,205
Financial Highlights				
Toll revenue(3)	**30,716**	20,940	**125,201**	118,467
Acid revenue	**4,102**	2,683	**21,929**	22,226
Total revenue	**34,818**	23,623	**147,130**	140,693
Cost of sales(4)	**28,213**	32,078	**124,926**	140,651
Impairment charge	**-**	107,000	**-**	107,000
Earnings (loss) before income taxes	**6,414**	(116,646)	**18,843**	(114,111)
Adjusted earnings (loss) before interest, taxes, depreciation and amortization (2)	**9,847**	(2,164)	**36,682**	23,181
Net earnings (loss)	**6,414**	(116,646)	**18,843**	(114,111)
Adjusted net earnings (loss)(2)	**6,414**	(9,646)	**18,843**	(7,111)
Capital expenditures incurred:				
Growth(2)	**187**	-	**1,985**	136
Sustaining(2)	**4,578**	10,478	**7,546**	16,006
Total capital expenditures	**4,765**	10,478	**9,531**	16,142

1) Cash cost per tonne of complex concentrate smelted represents cost of sales less depreciation and amortization and net of revenue related to the sale of acid, divided by the volumes of complex concentrate smelted.
2) Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.
3) Includes deductions for stockpile interest and favourable or unfavourable estimated metal recoveries.
4) Cost of sales includes depreciation of $2.8 million (2019 – $6.7 million) and $15.1 million (2019 – $27.3 million) in the fourth quarter and twelve months of 2020, respectively.

Review of Tsumeb Results

Health and Safety

Despite continually improving safety statistics and a constant focus on health and safety, DPM suffered a fatality as a result of an incident on November 19, 2020 at the Tsumeb smelter which occurred while an employee was conducting maintenance activities in the waste processing plant. Despite the Company's best efforts to respond to the situation, the employee tragically succumbed to his injuries. A full investigation, led by an external expert, has been conducted to identify the root cause and the contributing factors for the incident. Recommendations from the investigation have been and are continuing to be implemented.

Production & acid deliveries

Complex concentrate smelted during the fourth quarter of 2020 of 52,484 tonnes was 8% higher than the corresponding period in 2019 due primarily to a 30-day maintenance shutdown that took place in the fourth quarter of 2019 compared to a 4-day interruption due to a fatality in the fourth quarter of 2020, partially offset by operational challenges with the offgas system and reduced converter campaign life in the period. Complex concentrate smelted in 2020 of 231,890 tonnes was 8% higher than 2019 due primarily to the 30-day maintenance shutdown taken in 2019 and a steadier state of operations in 2020, partially offset by a 30-day COVID-19 related curtailment in April 2020 in response to a government directive aimed at limiting staffing levels.

Acid production in the fourth quarter and twelve months of 2020 of 53,803 tonnes and 249,235 tonnes, respectively, was 2% and 12% higher than the corresponding periods in 2019 as a result of increased concentrate throughput. Acid production in the fourth quarter of 2020 was also impacted by lower sulfur in concentrate smelted.

Acid deliveries in the fourth quarter and twelve months of 2020 of 52,776 tonnes and 259,798 tonnes, respectively, were 126% and 30% higher than the corresponding periods in 2019 due primarily to the 30-day maintenance shutdown and a temporary disruption of acid deliveries to accommodate customer requirements, in each case during the fourth quarter of 2019.

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

Cash cost per tonne of complex concentrate smelted in the fourth quarter and twelve months of 2020 of $406 and $377, respectively, was 13% and 10% lower than the corresponding periods in 2019 due primarily to higher volumes of complex concentrate smelted, the impact of a weaker ZAR relative to the U.S. dollar and higher acid deliveries, partially offset by lower acid prices.

Net earnings (loss) / Adjusted net earnings (loss)

Net earnings in the fourth quarter and twelve months of 2020 of $6.4 million and $18.8 million compared to a net loss of $116.6 million and $114.1 million in the corresponding periods in 2019, which included a fourth quarter impairment charge of $107.0 million.

Adjusted net earnings, which exclude the 2019 impairment charge, in the fourth quarter and twelve months of 2020 were $6.4 million and $18.8 million, respectively, compared to an adjusted net loss of $9.6 million and $7.1 million in the corresponding periods in 2019. The improvement in adjusted net earnings period over period was also due to lower depreciation as a result of the impairment charge, higher volumes of complex concentrate smelted, a weaker ZAR relative to the U.S. dollar, higher acid deliveries and higher estimated metal recoveries, partially offset by lower acid prices and lower toll rates.

The following table summarizes the key drivers affecting the change in adjusted net earnings (loss):

$ millions **Ended December 31,**	**Three Months**	**Twelve Months**
Adjusted net loss – 2019	**(9.6)**	**(7.1)**
Lower depreciation	3.9	12.2
Higher volumes of complex concentrate smelted	3.4	8.7
Weaker ZAR(1)	1.2	8.6
Other	1.0	3.9
Lower deductions for stockpile interest	1.3	2.8
Higher estimated metal recoveries	9.4	0.6
Customer mix & lower acid prices	(1.0)	(2.7)
Lower (higher) operating expenses(2)	1.1	(2.8)
Lower toll rates	(4.3)	(5.4)
Adjusted net earnings – 2020	**6.4**	**18.8**

1) Includes realized losses on foreign exchange option contracts of $0.1 million and $3.5 million in the fourth quarter and twelve months of 2020, respectively, compared to realized gains on foreign exchange option contracts of $nil and $0.7 million in the corresponding periods in 2019.
2) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the fourth quarter and twelve months of 2020 of $4.8 million and $9.5 million, respectively, were $5.7 million and $6.6 million lower than the corresponding periods in 2019, which were impacted by the maintenance shutdown in the fourth quarter of 2019. 2020 capital expenditures were below guidance due to delays in starting certain projects as a result of COVID-19 and the impact of a weaker ZAR.

REVIEW OF CORPORATE & OTHER SEGMENT RESULTS FROM CONTINUING OPERATIONS

The Corporate & Other segment results include corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

The following table summarizes the Company's selected Corporate & Other segment results:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Financial Highlights				
General and administrative expenses	**9,378**	9,551	**30,604**	28,191
Exploration and evaluation expenses[(1)]	**4,491**	3,548	**13,262**	10,734
Loss before income taxes	**(14,937)**	(16,245)	**(47,915)**	(44,267)
Adjusted loss before interest, taxes, depreciation and amortization	**(17,366)**	(15,677)	**(50,788)**	(43,017)
Net loss attributable to common shareholders from continuing operations	**(12,008)**	(16,635)	**(43,397)**	(46,246)
Adjusted net loss from continuing operations[(2)]	**(15,132)**	(17,086)	**(49,037)**	(50,117)

1) *Includes evaluation expenses related to the Timok gold project of $4.0 million (2019 - $1.7 million) and $8.1 million (2019 – $3.2 million) in the fourth quarter and twelve months of 2020, respectively.*
2) *Excludes net gains on Sabina special warrants.*

General and administrative expenses

General and administrative expenses in the fourth quarter of 2020 of $9.4 million was comparable to the corresponding period in 2019. General and administrative expenses in 2020 of $30.6 million was $2.4 million higher than 2019 due primarily to higher share-based compensation related to increases in DPM's share price, partially offset by lower operating costs, due in part to the impact of COVID-19.

Exploration and evaluation expenses

Exploration and evaluation expenses in the fourth quarter and twelve months of 2020 were $4.5 million and $13.3 million, respectively, up from $3.5 million and $10.7 million in the corresponding periods in 2019 due primarily to the evaluation work related to the Timok gold project.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section contained in this MD&A. For a more detailed discussion on the Timok gold project, refer to the "Development and Other Major Projects" section contained in this MD&A.

REVIEW OF DISCONTINUED OPERATIONS

MineRP Disposition

On December 22, 2020, the Company entered into a definitive agreement with Epiroc for the sale of its interest in MineRP. The MineRP Disposition is subject to South African competition review approval and is expected to close in the first half of 2021. Under the MineRP Disposition, the estimated consideration for DPM's fully diluted 70% equity interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $40 million in cash on closing from the buyer subject to a working capital adjustment following closing and (ii) potential additional proceeds from an earn-out of up to $28.7 million, which are payable on the achievement of certain revenue targets by MineRP in 2021 and 2022.

Financial highlights

Revenue in the fourth quarter and twelve months of 2020 of $2.6 million and $11.5 million, respectively, was $1.6 million and $3.2 million lower than the corresponding periods in 2019 due primarily to COVID-19 related delays that impacted starting up new projects and converting a growing pipeline of new business.

Net loss from discontinued operations attributable to common shareholders in 2020 was $3.1 million compared to a loss of $4.3 million in 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2020, the Company had cash of $149.5 million, investments valued at $106.6 million primarily related to its 9.4% interest in Sabina, 19.4% interest in INV and 9.9% interest in Velocity, and $150.0 million of undrawn capacity under its RCF.

The Company's liquidity is impacted by several factors which include, but are not limited to, gold, copper and acid market prices, production levels, capital expenditures, operating cash costs, interest rates and foreign exchange rates. These factors are monitored by the Company on a regular basis.

As at December 31, 2020, the Company's cash resources and available lines of credit under its RCF continue to provide sufficient liquidity and cash resources to meet its current operating and capital expenditure requirements, all contractual commitments, as well as a number of margin improvement and growth opportunities. The Company may, from time to time, raise additional capital to ensure it maintains its financial strength and has sufficient liquidity to support its discretionary growth capital projects and the overall needs of the business.

As part of the Company's assessment of the potential implications associated with the COVID-19 pandemic, the Company assessed its financial resources as at December 31, 2020 and concluded that it has sufficient available cash resources to manage the potential impacts that could reasonably be expected to arise.

Capital allocation and declaration of dividend

As part of its strategy, the Company adheres to a disciplined capital allocation framework that is based on three fundamental considerations – balance sheet strength, reinvestment in the business, and the return of capital to shareholders. Maintaining a strong balance sheet includes ensuring adequate liquidity, managing within prudent financial metrics, and building a strong cash position to support accretive growth. Reinvestment in the business includes investing in its operating assets to sustain and optimize performance; investing in resource development to extend the life of its mines and to identify new gold resources; further advancing existing resources towards production; as well as investing in new projects to grow beyond its existing asset base. Returning capital to shareholders includes dividends, and under certain circumstances, opportunistic share repurchases. These alternatives are not mutually exclusive and are assessed in a balanced manner with a view to maximizing total shareholder returns over the long-term.

With Ade Tepe contributing its first full year of production since its successful commissioning and ramp-up in 2019, 2020 marked the beginning of a period of significant free cash flow generation, which will be used to further strengthen DPM's balance sheet, reinvest in the business, and return cash to shareholders by way of dividends.

On February 13, 2020, May 6, 2020, July 30, 2020 and November 12, 2020, the Company declared a quarterly dividend of $0.02 per common share payable to shareholders of record on March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020. On December 8, 2020, the Company announced a 50% increase to its quarterly dividend, which commenced with its fourth quarter dividend previously announced on November 12, 2020, resulting in aggregate dividends of $0.09 per common share being declared in 2020 and $16.3 million being deducted from retained earnings in the consolidated statements of changes in shareholders' equity for the year ended December 31, 2020. The Company paid $10.9 million of these dividends, which was included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2020 and recognized a dividend payable of $5.4 million in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2020.

On February 11, 2021, the Company declared a quarterly dividend of $0.03 per common share payable on April 15, 2021 to shareholders of record on March 31, 2021.

The Company's dividend has been set at a level that is considered to be sustainable based on the Company's free cash flow outlook and is expected to allow the Company to build additional balance sheet strength to support further growth, a key element of DPM's strategy. The declaration, amount and timing of any future dividend are at the sole discretion of the Board of Directors and will be assessed based on the Company's capital allocation framework, having regard for the Company's financial position, overall market conditions, and its outlook for sustainable free cash flow, capital requirements, and other factors considered relevant by the Board of Directors.

Cash flow from Continuing Operations

The following table summarizes the Company's cash flow activities of continuing operations:

$ thousands	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Cash provided from operating activities, before changes in non-cash working capital	**50,124**	33,120	**248,605**	112,613
Changes in non-cash working capital	**20,412**	17,629	**(51,640)**	(15,735)
Cash provided from operating activities	**70,536**	50,749	**196,965**	96,878
Cash used in investing activities	**(16,828)**	(28,088)	**(42,551)**	(69,550)
Cash used in financing activities	**(5,049)**	(16,678)	**(26,165)**	(23,004)
Increase in cash	**48,659**	5,983	**128,249**	4,324
Cash at beginning of period	**100,873**	15,300	**21,283**	16,959
Cash at end of period	**149,532**	21,283	**149,532**	21,283

The primary factors impacting period-over-period cash flow movements are summarized below.

Operating Activities of Continuing Operations

Cash provided from operating activities in the fourth quarter of 2020 of $70.5 million was $19.8 million higher than the corresponding period in 2019 due primarily to higher realized gold and copper prices, partially offset by lower volumes of payable metals in concentrate sold as a result of the timing of concentrate deliveries.

Cash provided from operating activities in 2020 was $197.0 million compared to $96.9 million in 2019 and does not fully reflect the significant increase in earnings in 2020 as a result of an increase in non-cash working capital of $51.6 million due primarily to longer settlement terms on Ada Tepe sales, increased deliveries and higher gold prices.

In addition, during the fourth quarter and twelve months of 2020, Ada Tepe delivered 6,993 ounces and 34,087 ounces of gold, respectively, pursuant to the prepaid forward gold sales arrangement resulting in $9.6 million and $46.7 million of deferred revenue being recognized in revenue during the fourth quarter and twelve months of 2020, respectively, with no corresponding impact on cash as these deliveries were in partial satisfaction of the $50.0 million of upfront proceeds received in 2016. In December 2020, the Company completed its final delivery of gold under this arrangement.

Cash provided from operating activities, before changes in non-cash working capital, during the fourth quarter and twelve months of 2020 was $50.1 million and $248.6 million, respectively, compared to $33.1 million and $112.6 million in the corresponding periods in 2019. These increases are consistent with the underlying improvement in the Company's financial performance during the period as well as the same factors affecting cash flow from operating activities, with the exception of changes in non-cash working capital.

Investing Activities of Continuing Operations

Cash used in investing activities in the fourth quarter and twelve months of 2020 was $16.8 million and $42.6 million, respectively, compared to $28.1 million and $69.6 million in the corresponding periods in 2019.

The following table provides a summary of the Company's cash outlays for capital expenditures of continuing operations:

$ thousands	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Chelopech	**5,270**	5,309	**15,955**	16,181
Tsumeb	**3,475**	12,217	**6,943**	18,224
Ada Tepe	**2,905**	1,878	**11,661**	32,466
Other	**61**	568	**2,997**	2,016
Total cash capital expenditures	**11,711**	19,972	**37,556**	68,887

Cash outlays for capital expenditures in the fourth quarter and twelve months of 2020 of $11.7 million and $37.6 million, respectively, were $8.3 million and $31.3 million lower than the corresponding periods in 2019. The year-over-year decrease was due primarily to completion of construction at Ada Tepe in the second quarter of 2019 and the maintenance shutdown at Tsumeb in the fourth quarter of 2019.

During the fourth quarter of 2020, DPM acquired a 9.9% equity interest in Velocity for a total cost of $5.1 million.

Financing Activities of Continuing Operations

Cash used in financing activities in the fourth quarter and twelve months of 2020 was $5.1 million and $26.2 million, respectively, compared to $16.7 million and $23.0 million in the corresponding periods in 2019.

The primary factors impacting the movement in financing activities are summarized below:

- Net repayments under the RCF in the fourth quarter and twelve months of 2020 were $nil and $10.0 million, respectively, compared to $17.0 million and $19.0 million in the corresponding periods in 2019; and
- Dividends paid in the fourth quarter and twelve months of 2020 were $3.6 million and $10.9 million, respectively, compared to $nil in the corresponding periods in 2019.

Financial Position

$ thousands **As at**	**December 31, 2020**	December 31, 2019	**Increase/ (Decrease)**
Cash	**149,532**	23,440	**126,092**
Accounts receivable, inventories and other current assets	**138,787**	81,586	**57,201**
Assets held for sale	**30,713**	-	**30,713**
Investments at fair value	**106,595**	59,362	**47,233**
Non-current assets, excluding investments at fair value	**549,233**	620,322	**(71,089)**
Total assets	**974,860**	784,710	**190,150**
Current liabilities	**79,073**	109,583	**(30,510)**
Liabilities held for sale	**6,003**	-	**6,003**
Non-current liabilities	**84,500**	82,233	**2,267**
Equity attributable to common shareholders	**798,669**	586,616	**212,053**
Non-controlling interests	**6,615**	6,278	**337**

Cash increased by $126.1 million to $149.5 million during 2020 due primarily to strong operating performance in 2020 combined with higher gold prices. Accounts receivable, inventories and other current assets increased by $57.2 million to $138.8 million due primarily to an increase in accounts receivable as a result of longer settlement terms on Ada Tepe sales, increased deliveries and higher gold prices. Non-current assets, excluding investments at fair value, decreased by $71.1 million to $549.2 million due primarily to depreciation and depletion and reclassification of MineRP non-current assets to assets held for sale, partially offset by capital expenditures.

Current liabilities decreased by $30.5 million to $79.1 million during 2020 due primarily to the decrease in deferred revenue related to the settlement of the prepaid forward gold sales arrangement, with the final delivery made in December 2020. Non-current liabilities increased by $2.3 million to $84.5 million due primarily to an increase in share-based compensation as a result of the increase in DPM's share price in 2020 and an increase in rehabilitation provisions, partially offset by repayments under the RCF. Equity attributable to common shareholders increased by $212.1 million to $798.7 million reflecting 2020 net earnings generated, partially offset by declared dividends.

Contractual Obligations, Commitments and Contingencies

The Company had the following minimum contractual obligations and commitments as at December 31, 2020:

$ thousands	**up to 1 year**	**1 – 5 years**	**over 5 years**	**Total**
Lease obligations	5,350	14,000	871	**20,221**
Capital commitments	4,923	-	-	**4,923**
Purchase commitments	13,655	16,924	1,176	**31,755**
Other obligations	648	510	58	**1,216**
Total contractual obligations and commitments	**24,576**	**31,434**	**2,105**	**58,115**

As at December 31, 2020, Tsumeb had approximately $76.9 million (December 31, 2019 – $62.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. ("IXM") pursuant to a tolling agreement (the "Tolling Agreement").

In December 2019, the Company and IXM agreed to amend the existing Tolling Agreement to provide for lower stockpile interest on excess secondary materials, the establishment of the December 31, 2019 excess secondary balances as the new targeted levels above which secondary materials would be required to be purchased by the Company, an extension of the date by which the Company must eliminate excess secondary materials to March 31, 2021, and an extension of the Tolling Agreement by one year to December 31, 2023. During 2020, the Company purchased $2.5 million of secondary materials, of which $1.0 million was included in inventories and $1.5 million in other long-term assets in the consolidated statements of financial condition. As at December 31, 2020, the value of excess secondary materials was approximately $45.4 million, which was approximately $29.2 million above the targeted levels under the Tolling Agreement. As at December 31, 2020, IXM agreed to suspend the quarterly requirement to purchase secondary materials above targeted levels until April 30, 2021.

Debt

As at December 31, 2020, the Company's total outstanding debt was $nil (December 31, 2019 – $10.0 million) and the Company was in compliance with all of its debt covenants.

As at December 31, 2020, the Company's total debt, net of cash, as a percentage of total capital, was negative 23% (December 31, 2019 – negative 2%).

DPM RCF

DPM has a committed RCF with a consortium of banks. In June 2020, the Company amended the RCF by reducing the tranche B of the facility from $175.0 million to $150.0 million and extending its maturity date from February 2022 to February 2023. In early February 2021, DPM's RCF lenders approved the RCF being extended by one year to February 2024, subject to the execution of formal documentation. The Company's borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company's funded net debt to adjusted EBITDA ("Debt Leverage Ratio"), as defined in the RCF agreement. The RCF is secured by pledges of the Company's investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth of $500.0 million plus (minus) 50% of ongoing annual net earnings (loss).

As at December 31, 2020, $nil (December 31, 2019 – $10.0 million) was drawn under the RCF.

Tsumeb Overdraft Facility

In April 2020, Tsumeb increased its demand overdraft facility from Namibian $50.0 million ($3.4 million) to Namibian $100.0 million ($6.8 million). This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at December 31, 2020 and December 31, 2019, $nil was drawn from this facility.

Credit Agreements and Guarantees

Chelopech and Ada Tepe have a $16.0 million multi-purpose credit facility that matures on November 30, 2022. This credit facility is guaranteed by DPM. As at December 31, 2020, $6.1 million (December 31, 2019 – $5.7 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

Chelopech and Ada Tepe also have a Euro 21.0 million ($25.8 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2020, $25.8 million (December 31, 2019 – $23.6 million) had been utilized against this credit facility in the form of letters of guarantee, which were posted with the Bulgarian Ministry of Energy.

Ada Tepe has a $5.3 million multi-purpose credit facility that matures on November 30, 2022. This credit facility is guaranteed by DPM. As at December 31, 2020, $0.2 million (December 31, 2019 – $0.1 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

Advances under these facilities bear interest at a rate equal to the one month U.S. Dollar LIBOR plus 2.5%. The letters of credit and guarantee bear a fee of 0.6% based on the amounts issued.

Outstanding Share Data

DPM's common shares are traded on the TSX under the symbol DPM. As at February 11, 2021, 181,510,125 common shares were issued and outstanding.

DPM also has 2,806,087 stock options outstanding as at February 11, 2021 with exercise prices ranging from Cdn$2.21 to Cdn$8.50 per share (weighted average exercise price – Cdn$3.56 per share).

Normal Course Issuer Bid

Effective February 21, 2020, DPM renewed its normal course issuer bid (the "Bid") to repurchase certain of its common shares ("Shares") through the facility of the TSX.

The number of Shares that can be purchased during the period of the Bid, which commenced February 28, 2020 and terminates on February 27, 2021, will not exceed 9,000,000 Shares, being approximately 5% of the outstanding Shares as of February 18, 2020. Pursuant to the terms of the Bid, the Company will not acquire on any given trading day more than 134,336 Shares, representing 25% of the average daily volume of Shares for the six months ended January 31, 2020. The price that the Company will pay for Shares in open market transactions will be the market price at the time of purchase and any Shares that are purchased under the Bid will be cancelled. The actual timing and number of Shares that may be purchased pursuant to the Bid will be subject to DPM's ongoing capital requirements and management's view that, from time to time, DPM's Shares may trade at prices well below the underlying value of the Company and during these periods the repurchase of Shares represents an excellent opportunity to enhance shareholder value. No purchases of Shares have been made under the Bid as at the date of this MD&A.

The Board of Directors has approved the renewal of the Bid (the "New Bid"), however, the renewal is subject to acceptance by the TSX. If accepted, the New Bid will be made in accordance with the applicable rules and policies of the TSX and applicable Canadian securities laws. Pursuant to the New Bid, it is expected that the Company will be able to purchase up to 9,000,000 common shares, representing approximately 5% of the total issued and outstanding common shares as of February 8, 2021, over a period of twelve months commencing after TSX approval.

A copy of the TSX Form 12 for the Bid and the New Bid (once filed) can be obtained, without charge, by contacting the Company at info@dundeeprecious.com.

Other

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. It is not expected that any material liability will arise from current legal proceedings or have a material adverse effect on the Company's future business, operations or financial condition.

FINANCIAL INSTRUMENTS

Investments at fair value

As at December 31, 2020, the Company's investments at fair value were $106.6 million (December 31, 2019 - $59.4 million), the vast majority of which related to the value of its investment in Sabina common shares and special warrants and its investment in INV and Velocity's common shares.

As at December 31, 2020, DPM held: (i) 30,537,746 common shares of Sabina or 9.4% of the outstanding common shares and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the Sabina special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at December 31, 2020. For the three and twelve months ended December 31, 2020, the Company recognized unrealized gains on the Sabina special warrants of $3.2 million (2019 – $0.4 million) and $5.7 million (2019 – $3.9 million), respectively, in other (income) expense in the consolidated statements of earnings (loss).

During the fourth quarter of 2020, DPM acquired a 9.9% equity interest in Velocity for a total cost of $5.1 million.

For the three and twelve months ended December 31, 2020, the Company recognized unrealized gains on publicly traded securities, which are primarily comprised of Sabina, INV and Velocity's common shares, of $22.8 million (2019 – $5.8 million) and $36.5 million (2019 – $16.6 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

Commodity swap contracts

The Company enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average metal prices for fixed metal prices to eliminate or substantially reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales ("QP Hedges").

As at December 31, 2020, the Company's outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	50,265 ounces	$1,882.13/ounce
Payable copper	13,062,374 pounds	$3.13/pound

The Company also enters into production hedges ("Production Hedges"), from time to time, using cash settled commodity swap contracts to reduce its future metal price exposures. Commodity swap contracts are entered to swap future contracted monthly average prices for fixed prices. Commodity option contracts are entered to provide price protection below a specified "floor" price and price participation up to a specified "ceiling" price. These option contracts are comprised of a series of call options and put options (which when combined create a price "collar") that are generally structured so as to provide for a zero upfront cash cost.

As at December 31, 2020, the Company had outstanding commodity swap contracts in place in respect of its projected copper production as summarized in the table below:

Year of projected production	Volume of copper hedged (pounds)	Average fixed price ($/pound)
2021	6,195,886	3.53

As at December 31, 2020, approximately 18% of projected payable copper to be sold in 2021 has been hedged.

The Company designates the spot component of commodity swap contracts and the intrinsic value of the commodity option contracts in respect of Production Hedges as cash flow hedges and the spot component of commodity swap contracts in respect of QP Hedges as fair value hedges.

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding LME forward copper prices and New York Commodity Exchange forward gold and silver prices, as applicable. As at December 31, 2020, the net fair value loss on all outstanding commodity swap contracts was $5.7 million (December 31, 2019 – $1.4 million), of which $0.1 million (December 31, 2019 – $nil) was included in other current assets and $5.8 million (December 31, 2019 – $1.4 million) in accounts payable and accrued liabilities.

The Company recognized net losses of $5.5 million (2019 – $1.9 million) and $11.1 million (2019 – $2.7 million) for the three and twelve months ended December 31, 2020, respectively, in revenue on these commodity swap contracts.

Foreign exchange forward and option contracts

The Company enters into foreign exchange forward and option contracts from time to time to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies.

Foreign exchange forward contracts are entered to fix foreign exchange rates on future operating expenses and capital expenditures. Foreign exchange option contracts are entered to provide price protection below a specified "floor" rate and participation up to a specified "ceiling" rate. The option contracts entered are comprised of a series of call options and put options (which when combined create a price "collar") that are structured so as to provide for a zero upfront cash cost.

As at December 31, 2020, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected Namibian dollar denominated operating expenses, which is linked to the ZAR, as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR	Call options sold weighted average ceiling rate US$/ZAR	Put options purchased weighted average floor rate US$/ZAR
2021	1,426,200,000	18.58	15.77

Approximately 80% of projected Namibian dollar operating expenses for 2021 have been hedged.

The Company designates the spot component of the foreign exchange forward contracts and the intrinsic value of option contracts as cash flow hedges. The time value component of foreign exchange forward and option contracts is treated as a separate cost of hedging.

The fair value gain or loss on these outstanding contracts is calculated based on foreign exchange forward rates quoted in the market. As at December 31, 2020, the net fair value gain on all outstanding foreign exchange option contracts was $6.4 million (December 31, 2019 – $3.9 million), of which was included in other current assets.

For the three and twelve months ended December 31, 2020, the Company recognized unrealized gains of $6.4 million (2019 – $1.4 million) and $3.4 million (2019 – $1.1 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized realized losses of $0.1 million (2019 – realized gains of nil) and $3.5 million (2019 – realized gains of $0.7 million), respectively, for the three and twelve months ended December 31, 2020 in cost of sales on the spot component of settled contracts in respect of foreign denominated operating expenses.

For the three and twelve months ended December 31, 2020, the Company recognized unrealized gains of $2.5 million (2019 – $4.4 million) and unrealized losses of $0.9 million (2019 – unrealized gains of $3.5 million), respectively, on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

The Company is also exposed to credit and liquidity risks in the event of non-performance by counterparties in connection with its commodity swap contracts, and foreign exchange forward and option contracts. These risks, which are monitored on a regular basis, are mitigated, in part, by entering into transactions with financially sound counterparties and, where possible, ensuring contracts are governed by legally enforceable master agreements.

EXPLORATION

Chelopech Mine

In 2020, a total of 45,441 metres of resource development diamond drilling was completed, which comprised of:

- 19,686 metres of grade control and drilling aimed to better define the shape and volume of existing ore bodies;
- 25,487 metres of extensional drilling, designed to explore for new mineralization along modeled trends; and
- 268 metres of exploration drilling which completed the testing of targets within the South East breccia pipe zone (SEBPZ).

Resource development diamond drilling was concentrated on targets in upper levels of Chelopech deposit. During the year block Blocks 5, 7, 19, 17, 10 and 25 were drilled in Central area of the Mine whilst Blocks 151, 149, 147 and 103 were drill tested in the Western area. In 2020, two new ore bodies were added to the Mineral Resource inventory, Blocks 146 and 700. A review of the drilling program results is discussed below.

<u>*Central Area*</u>

Blocks 5, 17 and 25

During the year, Blocks 5, 17 and 25, which are located in the Central area of the Chelopech deposit, were explored. From three separate locations, a total of 909 metres of grade control drilling and 4,202 metres of extensional drilling was completed. Drilling was designed to verify the continuity of mineralization along strike on the upper levels of the blocks. From this program, several drill holes on the western flank of Block 25 between level 410 and 280 mRL returned narrow, structurally controlled ore bodies. Significant intercepts from this program are presented in the table below from drill holes EXT149_360_07 and EXT25_405_12.

During the first quarter of 2020, six drill holes from level 405 were completed, testing the southern boundary of Block 17 for possible extensions. A new area of mineralization was defined within the silica envelope of Block 17, south of the main body. This zone was intersected in drill holes EXT17_405_06 & EXT17_405_07 (significant drill intercepts are shown in the table below). Other extensional holes from this program failed to return economic mineralization. The new extension still is open in south-east direction. Additional drilling is required to define the final shape and size.

North of Block 10

During 2020, 6,639 metres of diamond drilling were completed in the north-east flank of the Chelopech deposit. The target is a section of the mine to the north of Block 10, which is ranked favorably based on structural trends, geochemical vectoring and the presence of numerous historic records of advanced argillic alteration in drilling and underground development, occasionally with ore grade intervals. Drilling was designed to explore for breccia hosted, high sulphidation style copper-gold mineralization.

The results of this program outlined a wide advanced-argillic alteration envelope to the north of Block 10, dipping in a south – southeast direction. A single significant intersection from hole EXT10_555_37 is presented in the table below. Other drill holes from this program returned weak mineralization, below the reporting criteria. This area is still open in numerous directions and will require further drilling to support the development of geology and Mineral Resource models.

Block 19

In the second quarter of 2020, a total of 1,371 metres of underground diamond drilling was completed on the western margin of Block 19, between 460 mRL and 360 mRL. Drill holes, designed in a north-northwest direction, intersected volcanoclastic and coherent subvolcanic intrusives with sericitic to argillic alteration. Assay results returned low-continuity, erratic mineralization with grades below the reporting criteria.

Block 7

Block 7 is a narrow, steeply dipping zone of mineralization located situated between 400 mRL and 700 mRL, to the north of Block 8 and about 200 metres east of Block 18. The mineralization is a typical high-sulfidation mineral assemblage presented as a stockwork bearing pyrite, enargite and tennantite.

During 2020, seven holes were undertaken to test the upper levels of Block 7 and the area to the west. Two of the holes expanded the existing high-grade zones near to the boundary of overlying post mineral sandstones and host rocks of the Chelopech formation. Significant intercepts within holes EXT7_680_01 and EXT7_680_03 are presented in the table below. The remaining holes drilled to the west of Block 7 failed to intersect significant mineralization.

Block 700

Block 700 is located in central mining area, approximately 150 metres above Block 17. Mineralization follows a well-defined NW – SE structural trend. Drilling in this area started in 2019 from surface and then subsequently from underground drilling platforms. Block 700 mineralization is comprised of sulphides, predominantly pyrite, hosted within a quartz-barite vein coincident within a wide silica alteration zone. The drilling program in 2020 was designed to follow up on high grade mineralization delineated during 2019, in order to generate larger and more coherent ore body volumes.

A total of 5,298.1 metres were drilled from underground drill cuddies ND-730-440-BP3 and ND-730-440-BP10 to clarify the continuity of this mineralization and to look for extensions. Drill hole EXT700_505_01 returned positive results returning high-grade gold intersections from barite rich stockwork located within a sericitic alteration zone. Such a mineralization style is atypical for the Chelopech deposit and will be a subject for further investigation.

Drill hole EXT700_680_11, (interval shown in the table below) intersected ore mineralization on the contact with post-mineral sandstones. This contact demarcates the boundary of the upper extents of Block 700.

The increased drill hole density in this area enhanced geological confidence, allowing Block 700 to be included within the Mineral Resources inventories. Significant intersections from Block 700 are presented in table below (EXT700_680_05, EXT700_680_07, EXT700_680_10 and EXT700_680_13). Drill holes EXT700_680_06 and EXT700_680_09 designed to check for possible extension towards south failed to return economic mineralization.

Block 700 mineralization is relatively rich in Auriferous pyrite but devoid of copper sulphide minerals. Metallurgical testwork in the fourth quarter of 2020 showed that samples from Block 700 could be concentrated into a salable pyrite concentrate at a relatively higher gold grade compared to other ore types within the Chelopech deposit.

<u>*Western Area*</u>

Blocks 146, 147 and 149

During Q2 of 2020, an extensional drilling program commenced to test the area surrounding Blocks 147 and 149 for new ore bodies. As result of this program a new zone of mineralization, termed Block 146, was defined. Block 146 is located 50 metres north of Block 149. Mineralization is located between level 130 mRL and 180 mRL, presented as massive to semi-massive sulfides, hosted predominantly by a volcanoclastic breccia surrounded by a series of coherent subvolcanic intrusions. The final shape and size this new zone will be subject to future work and remains open in northwest direction.

A total of 870 metres was drilled from a different position located south of Block 146, designed to follow up on mineralization discovered during earlier drilling programs. The intersected mineralization from Block 146 comprised of disseminated pyrite-tennantite and minor chalcopyrite. Significant intercepts from holes EXT146_210_03 and EXT146_210_04 are reported in the table below.

The upper levels of Block 147 were verified by a single drill hole, EXT149_220_02 which returned a significant intercept, presented in the table below. The results indicate an upward extension of the 147 ore body between 240 mRL and 270 mRL. Drill testing to further delineate the continuation of mineralization above the current known extents of ore body in Block 147 will be planned.

Using a different drill cuddy 150-360-EXP, a subsequent drilling program was undertaken to test for upward extensions of Block 149. Results from this drilling phase returned weak mineralization with grades under the reporting criteria. Furthermore, the Block 149 grade control drilling program was conducted during the year, from three cuddies on different elevations. As a result of this drilling, the contours of the high-grade zone of Block 149 were expanded between 220 mRL and 130 mRL.

Block 151 & 103

Block 151 and 103 are located on the western flank of the Chelopech deposit, with both zones trending in an SE-NW trend with a steep plunge to the NE. Two extensional drill holes were undertaken from the 405 level. They were designed in a south, south-westerly direction from Block 151 to explore a poorly tested area between 490 mRL and 400 mRL. These extensional holes confirmed that this area is peripheral to the productive system, demonstrating relatively lower-temperature hydrothermal alteration that has very low potential to host mineralization. At the beginning of the holes, the alteration style transitions from argillic to sericitic style, associated with the alteration enveloping Block 151, entering into the propylitic and hematitic at the end.

Drilling in 2020 was focused on grade control drilling, designed to infill and to extend mineralization discovered during earlier drilling programs. By means of grade control drilling, there was a significant extension to the existing Block 151 contour along the western boundary between 410 mRL and 370 mRL. Grade control drilling was also the focus in Block 103, to better define the orebody geometry in west part of the block. As a result, the block contours on the eastern part of the ore body were extended between levels 400 mRL and 370 mRL.

Mineralized intercepts (gold equivalent (“AuEq”) cut-off grade of 3 g/t) received during 2020:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EXT10_555_37	6634	30076	558	329.9	-70	154.5	168	10	4.48	3.04	18.17	0.70
EXT146_210_03	5470	29802	210	335.4	-13.3	111	126	12	6.92	1.15	8.36	2.80
EXT146_210_04	5470	29802	210	330.6	-24.1	91.5	118.5	24.5	5.78	4.04	14.43	0.84
EXT149_220_02	5579	29738	224	338.6	9.3	241.5	252	10	9.54	6.12	81.16	1.66
EXT149_360_07	5576	29585	364	12.6	13.5	126	169.5	32	7.84	4.97	8.63	1.39
EXT17_405_06	5775	29500	412	28.3	-15.9	105	136.5	30.5	5.3	2.87	3.72	1.18
EXT17_405_07	5775	29500	412	17.3	-2.5	99	142.5	43.5	5.94	3.02	17.4	1.42
EXT25_405_12	5773	29500	413	340.5	11	237	247.5	10	9.48	7.8	295.14	0.81
EXT700_680_05	6258	29745	687	242	-19	154.5	165	10	4.75	4.5	183.44	0.12
EXT700_680_07	6258	29746	688	249.6	5.8	193.6	206.1	12	4.5	4.46	236.73	0.02
EXT700_505_01	6410	29627	501	267.6	-10	156	168	11	3.14	3.06	58.05	0.04
EXT700_680_10	6258	29745	687	250.3	-2.5	127.5	144	15	3.99	3.82	164.36	0.08
EXT700_680_10	6258	29745	687	250.3	-2.5	209.2	256.5	21	7.36	7.34	52.39	0.01
EXT700_680_11	6258	29745	688	250.3	-2.2	159	187.5	22	3.85	3.8	133.87	0.02
EXT700_680_13	6258	29744	688	258	15.2	150	187	20	6.21	6.14	369.06	0.03
EXT7_680_01	6263	29748	686	21.7	-34	133.5	148.5	11	4.88	4	50.83	0.42
EXT7_680_03	6262	29748	686	22.1	-45.5	148.5	165	14.3	6.67	4.9	29.93	0.86

1) *Mineralized intercepts are located within the Chelopech Mine Concession and proximal to the mine workings.*
2) *AuEq calculation is based on the following formula: Au g/t + 2.06 x Cu %.*
3) *Minimum downhole width reported is 10 metres with a maximum internal dilution of 4.5 metres.*
4) *All holes are drilled with NQ diamond core.*
5) *Coordinates are in mine-grid.*
6) *No factors of material effect have hindered the accuracy and reliability of the data presented above.*
7) *No upper cuts applied.*

Outlook

In the first quarter of 2021, the Mineral Resource development strategy for Chelopech will be focused on:

- Additional drilling of the lower extents of Block 700 based on results from 2020, to define the down-plunge extents of mineralization.
- Continued resource development drilling in the areas North and North-west from Block 147, as well as in Blocks 17 and 149.
- Ongoing flexible planning of grade control drilling to support production requirements.

Sampling Analysis, Quality Assurance and Quality Control (“QAQC”) and Data Verification of Chelopech Mine drill core

All drill cores are sampled in intervals up to a maximum of three metres, with 1.5 metres sample intervals being the common length within mineralized zones. The dimensions of the mineralized zones far exceed the standard sample length. All holes are drilled with NQ diamond core. NQ core is cut by diamond saw, where one half of the core sample is submitted for assaying and the remaining half is retained in steel core trays. All drill cores are photographed prior to cutting and/or sampling.

Following DPM exploration standard procedures and internationally accredited standards, a full suite of certified reference materials, blanks and field duplicates are submitted to the laboratory with each batch of samples. The overall quality control sample insertion rate is approximately 5% for reference materials, 2% for blanks, and 5% for field duplicates.

Sample tickets are entered into the bags with a numbering system, which reconciles sample and assayed results in the acQuire database. The average core recovery within the modeled resource constraints is 99.6% and the various phases of drill data show no issues with regards to recoveries. No relationship was evident between core recoveries and the copper assay data, or the gold assay data. The weight of a core sample varies between three and seven kilograms.

Diamond drill core is prepared and assayed at the SGS managed laboratory at Chelopech in Bulgaria, which is independent of the Company. Samples are routinely assayed for copper, gold, silver, sulphur and arsenic.

The Company's Qualified Persons have verified that all results reported in this disclosure have passed QAQC protocols. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

Chelopech Brownfield Exploration

During 2020, the brownfield exploration program at Chelopech was focused on the surface drilling of copper gold targets at the Krasta, Wedge and West Shaft prospects within the Sveta Petka exploration license. Drilling aimed to increase the level of geological understanding and to delineate additional mineral resources to support registration of a Geological Discovery with the Bulgarian state authorities. A total of 35 drill holes (21,391 metres), as well as electromagnetic survey and geophysical modelling, were completed. At the surrounding Brevene exploration license, geological mapping, rock sampling and modelling of historical drill results in preparation for targeting and drilling at the Vozdol prospect were mainly carried out.

West Shaft Prospect

An intensive drilling program is in progress at the West Shaft target, a newly discovered extension of the Chelopech magmatic and hydrothermal system that is located approximately one kilometre southwest of the Chelopech mine. A total of 8,135 metres have been drilled to date (9 holes completed and 1 ongoing targeting a wide zone of phyllic altered phreatomagmatic breccia that hosts 30 to 50 metres of intense advanced argillic alteration characterized by semi-massive, vein and stockwork styles of mineralization.

Due to the limitation of only two drill pads being available, and both being situated south of the target, the follow-up involved directional drilling at about 80 to 120 metres spaced drill-stepouts towards the southwest, northeast and at depth. The drilling to date confirmed the presence of extensive phyllic alteration and narrower mineralized intervals along a steeply-dipping NE-SW and E-W trending mineralization zone that has now been tested to a depth of more than 1,000 metres below surface. Additional drilling is ongoing from a newly commissioned pad on the northern flank that will test the extension of mineralized zone at shallower levels. Further to this, drilling will explore for an extension to the south where an additional zone of gold-copper mineralization was identified within advanced argillic altered phreatomagmatic breccias, approximately 250 metres southeast from the main mineralized zone.

Wedge Prospect

Drilling continues at the Wedge Target, situated on the northern edge of Chelopech mine, with a total of 9 holes (7,221 metres) completed in 2020. This total includes four closer-spaced follow up daughter holes completed via directional drilling techniques aiming to extend the modelled NW-SE interpreted mineralized zones and test the concept that these zones could represent extensions to Blocks 147 and 149 into the Sveta Petka exploration license.

Additionally, one steep diamond hole has been completed and a follow up directional daughter hole is ongoing, aiming to test a poorly explored area between the West Shaft and Wedge prospects that sits below a 750 metre thick post-mineral sedimentary sequence. This drilling is aiming to intersect west and northwest trending feeders interpreted from magnetic and magneto-telluric geophysical anomalies.

Krasta Prospect

Diamond drilling at the Krasta Prospect, located approximately two kilometres northeast of the Chelopech orebodies continued during the first half of 2020. Seventeen diamond drill holes (holes EX_KR_23 to 39) totaling 6,035 metres were completed as part of the program. The aim was to extend existing higher-grade intervals vertically and laterally. Early stage economic evaluation and geo-metallurgical domaining of Krasta mineralization is underway and will be followed by drilling to extend mineralization into the Chelopech Mine Concession, along with additional metallurgical testing and optimization.

Exploration activities for the first quarter of 2021 will be focused on the follow up drilling at the West Shaft and Wedge Prospects within Sveta Petka exploration license aiming to delineate and extend the mineralization, in preparation for formal declaration and registration of these prospect areas as a Commercial Discovery with the Bulgarian state authorities.

Mineralized intercepts above gold equivalent ("AuEq") cut-off grade of 1g/t (Krasta) and 3g/t received from surface brownfield exploration drilling in 2020 at Chelopech:

HOLE ID	EAST	NORTH	RL	AZ	DIP	From	To	Length (m)	True width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
Krasta Prospect													
EX_KR_26	7195	30965	811	320	-40	171	177	6	5	1.55	1.23	1.52	0.15
and						190	211	21	19	1.58	1.17	0.96	0.20
EX_KR_28	7111	30823	821	320	-40	272.3	292	19.7	18	2.18	0.96	1.56	0.59
including:						287	292	5	4.5	3.49	1.29	1.55	1.07
EX_KR_30	7265	30937	787	325	-45	218.8	234	15.2	14	1.65	1.38	1.39	0.13
EX_KR_32	7135	30719	782	315	-65	350	355	5	5	1.01	0.62	0.42	0.19
EX_KR_33	7103	30956	854	325	-45	74	95	21	18	1.54	0.86	1.66	0.33
EX_KR_39	7111	30822	822	307	-32	260	270	10	9.5	2.33	1.15	1.98	0.58
including:						265	270	5	4.8	3.25	1.48	2.91	0.86
Wedge Prospect													
EX_WZ_05	5388	30374	1053	229	-56	837.8	850	12.2	9	3.86	3.23	4.91	0.30
EX_WZ_07	5388	30374	1053	199	-27	969	974	5	4.7	3.26	0.33	36.00	1.42
West Shaft Prospect													
EX_WS_01	4581	28641	754	15	-50	589	608.7	19.7	ND	3.04	2.28	11.16	0.37
EX_WS_02	5086	28670	737	316	-52	793	805	12	ND	3.35	2.60	8.49	0.37

1) Significant drill intercepts are located within the Sveta Petka Exploration license, except for intervals EX_KR_28, EX_KR_39 and EX_WZ_07 which are located within the Chelopech Mine Concession.
2) Coordinates are in Chelopech mine-grid.
3) AuEq calculation is based on the following formula: Au g/t + 2.06 x Cu %.
4) For Krasta Prospect a cut-off grade of 1 g/t AuEq, 5 metres minimum length, 5 metres maximum internal dilution was used.
5) For West Shaft and Wedge Prospects a cut-off grade of 3 g/t AuEq, 5 metres minimum length, 5 metres maximum internal dilution was used.
6) EX_WZ_04 to EX_WZ_10 holes were completed with directional drilling using a Navi-Drill technique. The azimuth and dip values in the table are the measurement at the end of Navi-Drilled interval.
7) True widths not reported at this stage for the West Shaft Prospect as additional data is required in order to define the geometry of the mineralization (ND – not determined).

Ada Tepe Grade Control Drilling

During 2020, reverse circulation drilling was conducted in the all four pushbacks of the pit to ensure that grade control drilling remains at least one year ahead of mining. In total, 82,303 metres were completed mainly at a 5 by 5 metre spacing with three drill rigs. In particular the areas of pushback one from level 430 to the metamorphic basement (19,385 metres), pushback two area from level 420 to the base of the pit (9,288 metres) and pushback three from surface to level 420 (50,835 metres).

Subsequently, reverse circulation infill drilling continued in the pushback four area to improve the data coverage and support the geology model. A total of 2,795 metres was drilled as part of this campaign.

All results from pushback one drilling has now been received and updates to the geologic models has commenced to support grade control model and mining activities. Analytical results are pending for pushbacks two, three and four.

During the first quarter of 2021, 55,000 metres of grade control drilling are planned with four rigs. The focus will be mainly in pushbacks two, three and four. Drilling will target infilling volumes that are scheduled to be mined later in the mine life.

Ada Tepe Brownfield Exploration

Khan Krum Concession Area

Drilling commenced in the fourth quarter of 2020 at Surnak and Synap prospects, with a total of 9 drill holes (2,465 metres) completed at the Surnak prospect and 2 drill holes (467 metres) completed at the Synap prospect. The drilling program targeted under-explored northwestern part of the Surnak prospect and the western part of the Synap prospect and was supported by a new conceptual structural and geological model. Drilling will continue in the first quarter of 2021, targeting shallow extensions of mineralization at Surnak. At Synap, the drilling confirmed the presence of gold mineralization in a relatively wide zone of hydrothermal alteration close to the sediment-basement contact. Additional drilling is ongoing to test the extent and grade tenor of the mineralization.

Mineralized intercepts above gold cut-off grade of 0.6 g/t Au from 2020 campaign at Surnak and Synap prospects:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)	Ag (g/t)
Surnak Prospect										
SUDD065	384020	4587736	469	91	-52	80	84.9	4.9	1.56	7.93
and						114	119.7	5.7	0.90	9.25
SUDD069	384055	4587705	475	245	-45	1	11	10	0.88	0.93
SUDD073	383945	4587748	483	260	-45	17	22.9	5.9	0.91	1.23
Synap Prospect										
SYDD008	386456	4586974	349	225	-54	46	66.5	20.5	0.72	1.81
SYDD010	386502	4586936	340	225	-45	54	77	23.0	1.01	0.89

1) *Coordinates are in UTM grid.*
2) *Cut-off grade of 0.6 g/t Au, 5.0m min length, 4.0m max internal dilution.*
3) *For Synap prospect the true widths are 80-85% of downhole interval widths.*
4) *For Surnak, the true width has not been reported due of the disseminate style of mineralization.*

Chiirite EL

During the fourth quarter of 2020, significant mapping, rock sampling and trenching took place with a total 28 trenches (925 metres) completed and sampled at the Chatal Kaya and Golden Creek prospects. Significant results were returned from CKTR051 with 45.5 g/t Au and 249 g/t Ag (SE part of Chatal Kaya prospect) and ZDTR004 with 15.7 g/t Au and 25 g/t Ag of Golden Creek prospect. A total of 34 drill holes with 6,666 metres were drilled at the Chatal kaya prospect during 2020 aiming to define the footprint of the hydrothermal system along its strike and down-dip extents. Additionally, a gradient array survey and several IP lines were undertaken during the year.

During 2021, additional trenching and scout drilling is planned at the Golden Creek prospect, a newly discovered target located several hundred metres to the west of Chatal Kaya prospect expressed on surface as narrow zones of hydrothermal breccias and quartz-sulfide veining. An internal economic assessment of the of the Chatal Kaya prospect will be undertaken in 2021.

Timok gold project

A series of shallow drilling programs was conducted during 2020 on the Chocolate, Bigar West and Korkan North targets with 75 holes totaling 5,807 metres completed to date. The programs were designed to target shallow oxide-gold mineralization in order to support the growth of Mineral Resource inventories at the Timok gold project. Multiple drill holes from the Chocolate target program intercepted high grade oxide, transitional and sulfide mineralization and infill and extensional drilling continued during the last quarter of 2020.

Drilling commenced at the Coka Rakita prospect in the fourth quarter of 2020, aiming to test the footprint of shallow disseminated gold mineralization intersected during historic exploration programs. Whilst at deeper levels, drilling will test the potential for gold-rich skarn mineralization within the contact zone of a carbonaceous sedimentary package and a monzonite pluton. Three holes, totaling 2,298 metres, were completed during 2020 and further holes are in progress.

For 2021, a total of 12,000 metres of infill drilling is planned at the Chocolate target, Coka Rakita and for the Frasen Zone, a new target on the corridor between Coka Rakita and Chocolate, interpreted to have potential for polymetallic skarn mineralization.

Significant drill intercepts from the Chocolate prospect during 2020:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)
BHDD134	569721	4898596	644	0	-85	4	9	5	0.73
and						17	31	14	0.48
BHDD138	569861	4898224	703	0	-85	0	6	6	1.52
BIDD108	570918	4897850	763	0	-85	2	11	9	1.56
BIDD111	570846	4897698	788	0	-85	1	10	9	0.39
BIDD114	571349	4897859	756	0	-85	60	69	9	2.83
BIDD117	571300	4897645	794	0	-85	19	34	15	0.69
BIDD118	571033	4897735	754	0	-85	1	26	25	0.74
and						32	37.2	5.2	0.34
BIDD120	571396	4897747	780	0	-85	27	58	31	0.73
BIDD122	571196	4897834	745	0	-85	0	26	26	0.82
and						35	56	21	1.04
BIDD123	571245	4897836	755	0	-85	13	37	24	0.55
and						56	74	18	0.58
BIDD125	571594	4897207	884	270	-60	1.5	42	40.5	2.83
BIDD126	571218	4897782	750	0	-85	0	11	11	0.66
BIDD127	571397	4897658	801	0	-85	21.1	33	11.9	0.51
BIDD131	571209	4897740	743	0	-85	26	40	14	0.61
BIDD132	571543	4896852	847	270	-60	12	24	12	0.25
and						41	66	25	0.62
BIDD134	571496	4897680	788	270	-60	29	66	37	0.82

BIDD135	571428	4897816	762	270	-60	7	17	10	0.62
BIDD136	571306	4897844	759	270	-60	29	61	32	0.53
and						85	90	5	1.88
BIDD137	571215	4897869	748	210	-70	106	113	7	1.22
BIDD140	571024	4897784	752	270	-60	0	17	17	0.44
BIDD141	571460	4897732	777	270	-65	24	45	21	1.04
BIDD142	571067	4897783	746	270	-60	2	8.5	6.5	1.57
and						28	47	19	0.36
BIDD146	571000	4897883	754	180	-60	5	13	8	2.96
and						25	31	6	0.23
and						43	58	15	0.27
BIDD151	570903	4897849	755	180	-60	23.5	33	9.5	1.02
BIDD154	571277	4897653	787	270	-60	1	10	9	0.25
BIDD156	570737	4897797	790	270	-60	53	59	6	0.32
BIDD157	571321	4897734	782	270	-50	1	30	29	0.60

1) Coordinates are in UTM 34 North.
2) Intervals are reported at a cut-off grade of 0.2 g/t Au using 5 metres minimum length and 5 metres maximum internal dilution.

Tulare Copper-Gold Project

During 2020, a deep drilling and infill drilling program was completed at the Kiseljak and Yellow Creek copper-gold porphyry prospects to support the application for a Serbian Mineral Resource and Mineral Reserve certificate.

Malartic Project, Quebec

In accordance with an order issued by the Government of Quebec to close non-essential business due to COVID-19, the proposed drilling program for 2020 was curtailed and a total of 2,423 metres was drilled in three holes. Anomalous gold values intercepted had no economic values. Additional drilling targets were canceled due to the lack of access during the summer and fall seasons.

In June 2020, the Company completed the acquisition of its 51% interest in the Malartic project by making a cash payment of Cdn$180,000 and issuing an additional 25,000 Shares to Pershimex pursuant to the terms of the Phase 1 option under the option agreement. In December 2020, the Company decided not to proceed with the Phase 2 option to acquire a further 20% interest by incurring Cdn$3.5 million in exploration expenditures over the next three years.

Sampling, Analysis and QAQC of Exploration Core and Channel Samples

Most exploration diamond drill holes are collared with PQ size, continued with HQ, and are sometimes finished with NQ. Triple tube core barrels are used whenever possible to improve recovery. All drill core is cut lengthwise into two halves using a diamond saw; one half is sampled for assaying and the other half is retained in core trays. All drill core is sampled in intervals ranging up to three metres, however, the common length for sample intervals within mineralized zones is one metre. Weights of drill core samples range from three to eight kilograms, depending on the size of core, rock type, and recovery. A numbered tag is placed into each sample bag, and the samples are grouped into batches for laboratory submissions.

Core and channel samples from exploration programs at Chelopech, Ada Tepe and the Timok gold project are shipped to the Company's own exploration laboratory in Bor, Serbia, which is managed by SGS Minerals.

Quality control samples, comprising certified reference materials, blanks and field duplicates, are inserted into each batch of samples and locations for crushed duplicates are specified. All drill core and quality control samples are tabulated on sample submission forms that specify sample preparation procedures and codes for analytical methods. For internal quality control, the laboratory includes its own quality control samples comprising certified reference materials, blanks and pulp duplicates. All QAQC monitoring data are reviewed and signed off by an independent QAQC geologist. Chain of custody records are maintained from sample shipments to the laboratory until analyses are completed and remaining sample materials are returned to the Company. The chain of custody is transferred from the Company to SGS at the laboratory door.

Drill core samples submitted to the laboratory are dried at 105°C for a minimum of 12 hours, and then jaw crushed to about 80% passing 4 millimetres. Sample preparation duplicates are created by riffle splitting crushed samples on a 1 in 20 basis. Larger samples are riffle split prior to pulverizing, whereas smaller samples are pulverized entirely. Pulverizing specifications are 90% passing 70 microns.

Gold analyses are done using a conventional 50-gram fire assay and AAS finish. Multi-element analyses for 49 elements, including Ag, Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10 ppm for Ag and 1% for Cu, Pb and Zn are re-analyzed using high grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace. Gold equivalent (AuEq) calculations at the Chelopech project are calculated using the following formula: Au g/t + 2.06 x Cu %.

The Company's Qualified Person has verified that all results reported in this disclosure have passed QAQC protocols. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

DEVELOPMENT AND OTHER MAJOR PROJECTS

Timok Gold Project, Serbia

The Timok gold project is a sediment hosted gold deposit located in the central-eastern region of the Republic of Serbia.

A scoping study, based on Mineral Resource Estimates released in 2018, commenced in the same year.

On July 15, 2019, DPM announced the results of the preliminary economic assessment ("PEA") on the Timok gold project. The PEA was based on the updated Mineral Resource Estimate completed in September 2018 and provided a base case, considering primarily oxide and transitional material types.

Highlights of the PEA include:

- After-tax $NPV_{5\%}$ of $105 million and after-tax IRR of 18.6% assuming a gold price of $1,250 per ounce;
- Cash cost of $618 per ounce;
- All-in sustaining cost of $717 per ounce;
- Peak annual gold production of approximately 132,000 ounces;
- Initial capital costs of $136 million; and
- Mine life of 9 years.

The PEA was prepared by CSA Global Consultants Canada Limited and is dated April 30, 2019. The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Unlike Mineral Reserves, Mineral Resources do not have demonstrated economic viability. There is no certainty that the PEA results will be realized. On August 29, 2019, the Company filed a NI 43-101 Technical Report entitled "NI 43-101 Technical Report, Updated Preliminary Economic Assessment for the Timok Gold Project, Serbia" effective April 30, 2019 (the "Timok Technical Report"), which supports the PEA on the Timok gold project and is available on DPM's website and filed on SEDAR at www.sedar.com. Refer to the Timok Technical Report for the key assumptions, parameters and risks associated with the PEA discussed herein.

The Company advanced the PFS for the Timok Gold Project in the fourth quarter of 2020 and expects to release the results in the first quarter of 2021. As previously announced, the PFS will focus on the oxide portion of the Mineral Resource. Additional potential upside from the sulphide portion of the Mineral Resource will require additional variability testwork and will be considered as part of a potential feasibility study.

Tsumeb Rotary Holding Furnace

The Company continues to assess opportunities to further optimize the inherent value of the Tsumeb smelter operation, including the installation of a rotary holding furnace. The estimated upfront cost is expected to range between $47 million and $55 million, up from the prior estimate of $39 million due primarily to a change in scope and updated cost estimates. This furnace is expected to provide surge capacity between the Ausmelt furnace and the converters, increase smelter recoveries as well as potentially bring in additional third party feed and increase the proportion of third party volumes. These opportunities have the potential to generate additional value, with the rotary furnace installation being a potentially high return project that is expected to debottleneck and increase the annual throughput of complex concentrate by over 50% up to 370,000 tonnes and, in turn, generate significant incremental margins, given the fixed cost nature of the facility. As a result, the Company continues to take steps to support moving forward with this project, and in particular, securing adequate long-term supply of complex concentrate on acceptable terms.

Until such supply is secured, DPM will seek to process additional volumes of third party complex concentrates at Tsumeb, in lieu of Chelopech concentrate, when third party concentrates are available on acceptable terms and the Company can, in turn, capitalize on market demand for the Chelopech concentrate. While this has the potential to generate a net overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech offset partially by lower revenue at Tsumeb. This could, in turn, result in the proposed expansion of the smelter being further delayed and possibly deferred indefinitely if an acceptable long term contract cannot be secured to support the expansion.

On December 13, 2019, the Government of Namibia issued an Environmental Clearance Certificate to Tsumeb, approving its proposed expansion to 370,000 tonnes per year, which remains valid until 2022 with an option to renew.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SELECTED QUARTERLY AND ANNUAL INFORMATION

Selected financial results for the last eight quarters, which have been prepared in accordance with IFRS, are shown in the table below:

$ millions	**2020**				2019			
except per share amounts	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**151.8**	156.0	154.0	147.8	135.4	88.3	97.3	83.4
Net earnings (loss)	**50.1**	53.3	49.0	42.5	(93.3)	7.5	15.6	(1.8)
Net earnings (loss) attributable to:								
• Non-controlling interests	**(0.2)**	(0.4)	0.2	(0.7)	(0.6)	0.2	(0.4)	(0.3)
• Discontinued operations	**0.1**	(1.5)	0.8	(2.5)	(2.3)	0.8	(1.5)	(1.3)
• Continuing operations	**50.2**	55.2	48.0	45.7	(90.4)	6.5	17.5	(0.2)
Net earnings (loss) per share:	**0.28**	0.30	0.27	0.24	(0.52)	0.04	0.09	(0.01)
• Discontinued operations	**-**	(0.01)	-	(0.01)	(0.01)	-	(0.01)	(0.01)
• Continuing operations	**0.28**	0.31	0.27	0.25	(0.51)	0.04	0.10	-
Net earnings (loss) diluted per share:	**0.27**	0.29	0.27	0.24	(0.52)	0.04	0.09	(0.01)
• Discontinued operations	**-**	(0.01)	-	(0.01)	(0.01)	-	(0.01)	(0.01)
• Continuing operations	**0.27**	0.30	0.27	0.25	(0.51)	0.04	0.10	-
Adjusted net earnings (loss) from continuing operations	**47.0**	52.7	45.0	48.7	16.1	3.4	17.3	(0.3)
Adjusted basic earnings (loss) per share from continuing operations	**0.26**	0.29	0.25	0.27	0.09	0.02	0.09	-

The variations in the Company's quarterly results were driven largely by fluctuations in gold and copper grades and recoveries, volumes of complex concentrate smelted, gold, copper and acid prices, foreign exchange rates, smelter toll rates, smelter metal recoveries, depreciation, gains and losses related to Sabina special warrants, realized gains and losses on commodity swap contracts related to hedging the Company's metal price exposures, realized gains or losses on foreign exchange option contracts related to hedging the Company's foreign denominated operating expenditures, impairment charges and Ada Tepe achieving commercial production in June 2019, with first concentrate deliveries commencing in the third quarter of 2019.

The following table summarizes the quarterly average trading price for gold, copper and silver based on the LBMA for gold and silver and the LME for copper (Grade A) and highlights the quarter over quarter variability.

	2020				2019			
Average	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
LBMA gold *($/oz)*	**1,874**	1,912	1,710	1,584	1,481	1,474	1,310	1,304
LME settlement copper *($/lb)*	**3.25**	2.96	2.42	2.56	2.67	2.63	2.77	2.82
LBMA spot silver *($/oz)*	**24.39**	24.39	16.33	16.94	17.31	17.02	14.89	15.57

The following is a summary of selected annual information for the Company's last three fiscal years:

$ thousands, except per share amounts **At December 31,**	**2020**	2019[(1)]	2018[(1)]
Revenue from continuing operations	**609,558**	404,392	365,998
Impairment charges	**-**	107,000	-
Net earnings (loss) attributable to common shareholders from continuing operations	**199,074**	(66,621)	41,273
Net loss attributable to common shareholders from discontinued operations	**(3,072)**	(4,281)	(3,160)
Net earnings (loss)	**194,863**	(72,042)	37,172
Adjusted net earnings from continuing operations	**193,434**	36,508	32,186
Basic earnings (loss) per share from continuing operations	**1.10**	(0.38)	0.23
Basic loss per share from discontinued operations	**(0.02)**	(0.02)	(0.02)
Basic earnings (loss) per share	**1.08**	(0.40)	0.21
Diluted earnings (loss) per share	**1.07**	(0.40)	0.21
Dividend declared per share	**0.09**	-	-
Adjusted net earnings per share from continuing operations	**1.07**	0.20	0.18
Total assets	**974,860**	784,710	859,585
Non-current liabilities	**84,500**	82,233	127,958

1) 2019 and 2018 results have been restated to reflect MineRP as discontinued operations.

Key items impacting the Company's financial results over the period from 2018 to 2020 include:

(i) Commencement of production and gold concentrate deliveries at Ada Tepe following the achievement of commercial production in June 2019 and full design capacity in the third quarter of 2019;
(ii) Declining gold grades at Chelopech in 2019 relative to 2018, in line with its mine plan;
(iii) Increasing gold prices in 2020 relative to 2019 and 2018;
(iv) Higher volumes of complex concentrate smelted at Tsumeb in 2020 and lower volumes of complex concentrate smelted at Tsumeb in 2019 relative to 2018 as a result of unplanned downtime in 2019;
(v) A weaker ZAR relative to the U.S. dollar in 2020, and a stronger U.S. dollar in 2019 and 2018 relative to the local currencies in which the Company's operating costs are denominated;
(vi) Growth capital expenditures for the construction of the Ada Tepe incurred in 2019 and 2018;
(vii) Dividend paid in 2020 totaled $10.9 million; and
(viii) An impairment charge of $107.0 million at Tsumeb in 2019.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts of assets, liabilities and contingent liabilities on the date of the consolidated financial statements and the amounts of revenues and expenses during the periods reported. Estimates and assumptions are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the consolidated financial statements include, but are not limited to:

(i) Mineral exploration and evaluation expenditures

Exploration and evaluation activities involve the search for Mineral Resources and Mineral Reserves, the assessment of technical and operational feasibility and the determination of an identified Mineral Resource or Mineral Reserve's commercial viability. Once the legal right to explore has been acquired, exploration and evaluation expenditures are expensed as incurred until economic production is probable. Exploration expenditures in areas where there is a reasonable expectation to convert existing estimated Mineral Resources to estimated Mineral Reserves or to add additional Mineral Resources with additional drilling and evaluations in areas near existing Mineral Resources or Mineral Reserves and existing or planned production facilities, are capitalized.

Exploration properties that contain Proven and Probable Mineral Reserves, but for which a development decision has not yet been made, are subject to periodic review for impairment when events or changes in circumstances indicate the project's carrying value may not be recoverable.

Exploration and evaluation assets are reclassified to "Mine Properties – Mines under construction" when the technical feasibility and commercial viability of extracting the Mineral Resources or Mineral Reserves are demonstrable and construction has commenced or a decision to construct has been made. Exploration and evaluation assets are assessed for impairment before reclassification to "Mines under construction", and the impairment charge, if any, is recognized through net earnings (loss).

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits will be generated from the exploitation of an exploration and evaluation asset when activities have not yet reached a stage where a reasonable assessment of the existence of Mineral Reserves can be determined. The estimation of Mineral Resources is a complex process and requires significant assumptions and estimates regarding economic and geological data and these assumptions and estimates impact the decision to either expense or capitalize exploration and evaluation expenditures. Management is required to make certain estimates and assumptions about future events and circumstances in order to determine if an economically viable extraction operation can be established. Any revision to any of these assumptions and estimates could result in the impairment of the capitalized exploration and evaluation costs. If new information becomes available after expenditures have been capitalized that the recovery of these expenditures is no longer probable, the expenditures capitalized are written down to the recoverable amount and charged to net earnings (loss) in the period the new information becomes available.

(ii) Mine properties

Mine Properties – Mines under construction

All expenditures undertaken in the development, construction, installation and/or completion of mine production facilities are capitalized and initially classified as "Mines under construction". All expenditures related to the construction of mine declines and orebody access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. Expenses incurred after reaching the orebody are regarded as operating development costs and are included in the cost of ore hoisted.

Upon the commencement of commercial production, all related assets included in "Mines under construction" are reclassified to "Mine Properties - Producing mines" or "Property, plant and equipment". Determination of commencement of commercial production is a complex process and requires significant assumptions and estimates. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and
- Required production levels, grades and recoveries have been achieved.

Mine Properties – Producing mines

All assets reclassified from “Mines under construction” to “Producing mines” are stated at cost less accumulated depletion and accumulated impairment charges. Costs incurred for the acquisition of land are stated at cost.

The initial cost of a producing mine comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset.

When a mine construction project moves into production, the capitalization of certain mine construction costs ceases, and from that point on, costs are either regarded as inventory costs or expensed as cost of sales, except for costs related to mine additions or improvements, mine development or mineable reserve development, which qualify for capitalization.

Depletion

The depletion of a producing mine asset is based on the unit-of-production method over the estimated economic life of the related deposit.

Mineral Resource and Mineral Reserve estimates

The estimation of Mineral Resources and Mineral Reserves, as defined under NI 43-101 is a complex process and requires significant assumptions and estimates. The Company prepares its Mineral Resource and Mineral Reserve estimates based on information related to the geological data on the size, depth and shape of the orebody which is compiled by appropriately qualified persons. Mineral Resource and Mineral Reserve estimates are based upon factors such as metal prices, capital requirements, production costs, foreign exchange rates, geotechnical and geological assumptions and judgments made in estimating the size and grade of the orebody. Mineral Resource and Mineral Reserve estimates, together with forecast production, determine the life of mine estimates and therefore changes in the Mineral Resource or Mineral Reserve estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, depletion and depreciation charges, rehabilitation provisions and deferred income tax assets.

(iii) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment charges.

The initial cost of property, plant and equipment comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset. Where an item of property, plant and equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. The capitalized value of a lease is also included in property, plant and equipment.

Depreciation

The depreciation of property, plant and equipment related to a mine is based on the unit-of-production method over the estimated economic life of the related deposit, except in the case of an asset whose estimated useful life is less than the life of the deposit, in which case the asset is depreciated over its estimated useful life based on the straight-line method. For all other property, plant and equipment, depreciation is based on the estimated useful life of the asset on a straight-line basis. Depreciation of property, plant and equipment used in a capitalized exploration or development project is capitalized to the project.

Depreciation of property, plant and equipment, which are depreciated on a straight-line basis over their estimated useful lives, is as follows:

Asset Category	**Estimated useful life (Years)**
Buildings	15 - 20
Machinery and Equipment	3 - 20
Vehicles	5
Computer Hardware	3
Office Equipment	3 - 6

Construction work-in-progress includes property, plant and equipment in the course of construction and is carried at cost less any recognized impairment charge. These assets are reclassified to the appropriate category of property, plant and equipment and depreciation of these assets commences when they are completed and ready for their intended use.

An item of property, plant and equipment, including any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of all assets are reviewed at each financial year end and are adjusted prospectively, if appropriate. Significant judgment is involved in the determination of estimated residual values and useful lives. The actual residual values and useful lives may differ from current estimates.

Depreciation of mine specific assets is based on the unit-of-production method. The life of these assets is assessed annually with regard to both their anticipated useful life and the present assessments of the economically recoverable reserves and resources of the mine property where these assets are located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and resources. Any changes to these calculations based on new information are accounted for prospectively.

Rates of depreciation and, in turn, the annual depreciation expense could therefore be materially affected by changes in underlying estimates. Changes in estimates can be the result of differences in actual production or changes in forecast future production, changes in Mineral Resources or Mineral Reserves through exploration activities, differences between estimated and actual costs of mining and differences in metal prices used in the estimation of Mineral Reserves.

Exploration and evaluation assets, mine properties, property, plant and equipment and intangible assets balances could be materially impacted if other assumptions and estimates had been used. In addition, future operating results could be impacted if different assumptions and estimates are applied in future periods.

(iv) Impairment of non-financial assets

The carrying values of mine properties, intangible assets and property, plant and equipment are assessed for impairment whenever indicators of potential impairment exist. If any indication of potential impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the FVLCD and its value in use based on discounted cash flows. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a Cash Generating Unit ("CGU") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or groups of assets. Management has assessed the Company's CGUs as being an individual operating site.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount with the corresponding impairment being charged to earnings (loss) in the period of impairment. Impairment charges are recognized in the consolidated statements of earnings (loss) in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any change in events or circumstances relating to a previously recognized impairment. If a change has occurred, the Company makes an estimate of the recoverable amount for the previously impaired asset or CGU. A previously recognized impairment charge, other than a charge in respect of goodwill, is reversed only if there has been a change in the estimates used to determine the asset or CGU's recoverable amount since the last impairment charge was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment charge been recognized for the asset or CGU in prior years.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill is allocated to the CGU that is expected to benefit from the business combination in which the goodwill arose. Any impairment in goodwill is recognized immediately and cannot be subsequently reversed.

The assessment of impairment is based on a number of external and internal factors, some of which are outside of the Company's control, and requires the use of estimates and assumptions related to these factors for each CGU. External factors include considerations such as commodity prices, toll rates, discount rates, foreign exchange rates, and changes in market, economic and regulatory requirements. Internal factors include considerations such as production volume, ability to convert resources into reserves, capital and operating expenditures, and future development and expansion plans.

These significant estimates and assumptions, some of which may be subjective, require that management make decisions based on the best available information at each reporting period. It is possible that the actual recoverable amount could be significantly different than those estimates. A significant decline in the asset's market value, reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable reserves, resources and exploration potential, and/or adverse market conditions can result in a write-down of the carrying amounts of the Company's assets. Judgment is also required when considering whether significant changes in any of these items indicate a previous impairment may have reversed.

(v) Rehabilitation provisions

Mining, processing, development and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes a liability for its rehabilitation obligations in the period when a legal and/or constructive obligation is identified. The liability is measured at the present value of the estimated costs required to rehabilitate operating locations based on the risk free nominal discount rates that are specific to the countries in which the operations are located. A corresponding increase to the carrying amount of the related asset is recorded and depreciated in the same manner as the related asset.

The nature of these restoration and rehabilitation activities includes: i) dismantling and removing structures; ii) rehabilitating mines and tailing dams; iii) dismantling operating facilities; iv) closure of plant and waste sites; and v) restoration, reclamation and re-vegetation of affected areas. Other environmental costs incurred at the operating sites, such as environmental monitoring, water management and waste management costs, are charged to profit or loss when incurred.

The liability is accreted over time to its expected future settlement value. The accretion expense is recognized in finance cost in the consolidated statements of earnings (loss).

The Company assesses its rehabilitation provisions at each reporting date. The rehabilitation liability and related assets are adjusted at each reporting date for changes in the discount rates and in the estimated amount, timing and cost of the work to be carried out. Any reduction in the rehabilitation liability and therefore any deduction in the related rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is immediately credited to profit or loss.

Significant estimates and assumptions are made by management in determining the nature and costs associated with the rehabilitation liability. The estimates and assumptions required include estimates of the timing, extent and costs of rehabilitation activities, technology changes, regulatory changes, and changes in the discount and inflation rates. These uncertainties may result in future expenditures being different from the amounts currently provided.

Changes in the underlying assumptions used to estimate the rehabilitation liability as well as changes to environmental laws and regulations could cause material changes in the expected cost and expected future settlement value.

At as December 31, 2020, the undiscounted future cost for estimated mine closure and rehabilitation costs before inflation was estimated to be $84.1 million. The carrying value of the estimated mine closure and rehabilitation cost was $52.5 million at December 31, 2020 and $41.4 million at December 31, 2019.

(vi) Revenue recognition

Revenue from the sale of concentrates containing gold, copper and silver is recognized when control has been transferred, which is considered to occur when products have been delivered and the significant risks of loss have been transferred to the buyer. Revenue is measured based on the consideration specified in the contract.

Revenue from the sale of concentrates is initially recorded based on a provisional value which is a function of prevailing market prices, estimated weights and grades less smelter and other commercial deductions. Under the terms of the concentrate sales contracts, the final metal price ("settlement price") for the payable metal is based on a predetermined quotational period of LME and LBMA daily prices. The price of the concentrate is the sum of the metal payments less the sum of specified deductions, including treatment and refining charges, penalties for deleterious elements, and freight. The terms of these contracts result in embedded derivatives because of the timing difference between the prevailing metal prices for provisional payments and the actual contractual metal prices used for final settlement. These embedded derivatives are adjusted to fair value at the end of each reporting period through to the date of final price determination with any adjustments recognized in revenue.

Any adjustments to the amount receivable for each shipment on the settlement date, caused by final assay results, are adjusted through revenue at the time of determination.

Revenue from processing concentrate is recognized when concentrate has been smelted and is based on the toll rate specified in the toll agreement, which can vary based on the composition of the concentrate processed and prevailing market conditions at the time the agreement was entered. Under each toll agreement, Tsumeb incurs a carrying charge in respect of the concentrate it processes until blister copper is delivered. This charge is recorded as a reduction of revenue.

Revenue from processing concentrate is also adjusted for any over or under recoveries of metals delivered relative to contracted rates under the tolling agreement between Tsumeb and IXM. These adjustments represent metal exposure and are calculated by comparing (i) the copper, gold and silver content in the concentrate received and processed by Tsumeb multiplied by the percentage accountable in the IXM contract to (ii) the accountable copper, gold and silver in the blister delivered to IXM and in the in-circuit material still being processed by Tsumeb. Many aspects of the metal exposure, are subject to estimation, including the amount of metals contained in concentrate received, in circuit material and blister delivered where final assays have not been completed. These significant estimates are based on the Company's process knowledge, joint surveys with IXM and multiple assay results, the final results of which could differ from initial estimates.

Revenue from the sale of sulphuric acid, a by-product from processing concentrate at the Tsumeb smelter, is measured at the price specified in the sales contract and is recognized when the control has been transferred, which is considered to occur when the products have been delivered to the location specified in the sales contract and the risk of loss has been transferred to the buyer.

Revenue from MineRP's software services is recognized over time when the services are rendered. This is measured based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The estimated revenue or extent of progress toward percentage of completion is revised if changes occur or circumstances arise that indicate a revision is warranted. Any resulting increase or decrease in estimated revenue is reflected in the consolidated statements of earnings (loss) in the period in which such determination is made.

Revenue from licenses entered by MineRP containing software and ongoing services elements is recognized based on the estimated fair value of each element. The fair value of each element is determined based on the market price of each element when sold separately. Revenue relating to the software element is recognized when the control has been transferred to the customer, which occurs on delivery. Revenue relating to the service element is recognized over time when the services are rendered.

(vii) Deferred revenue

Deferred revenue is recognized in the consolidated statements of financial position when a cash prepayment is received from one or more customers prior to the sale of product or delivery of service. Revenue is subsequently recognized in the consolidated statements of earnings (loss) when the sale occurs, which generally occurs when control has been transferred or in the case of services, when the services have been rendered.

The Company recognizes the time value of money, where there is a significant financing component and the period between the payment by the customer and the transfer of the contracted goods or services exceeds one year.

(viii) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable loss or income for the period. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the end of the reporting period.

Current income tax assets and current income tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be generated in future periods to utilize these deductible temporary differences.

The following temporary differences do not result in deferred income tax assets or liabilities:

- The initial recognition of assets or liabilities, not arising from a business combination, that does not affect accounting or taxable profit;
- Initial recognition of goodwill, if any; and
- Investments in subsidiaries, associates and jointly controlled entities where the timing of the reversal of temporary differences can be controlled and reversal in the foreseeable future is not probable.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be generated to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will be generated to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred income taxes related to items recognized directly in equity are recognized in equity and not in profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Judgment is required in determining whether deferred income tax assets are recognized on the consolidated statements of financial position. Deferred income tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in order to utilize the deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows from operations or other activities and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded on the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could impact tax deductions in future periods and the value of its deferred income tax assets and liabilities.

NON-GAAP FINANCIAL MEASURES

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as Non-GAAP measures. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are used by management and investors to assist with assessing the Company's performance, including its ability to generate sufficient cash flow to meet its return objectives and support its investing activities and debt service obligations. In addition, the Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP financial measures, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

Non-GAAP Cash Cost and All-in Sustaining Cost Measures

Cash cost per tonne of ore processed, cash cost per pound of copper in gold-copper concentrate produced, cash cost per ounce of gold in gold-copper concentrate produced, cash cost per ounce of gold in gold concentrate produced, 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, capture the important components of the Company's production and related costs. Management and investors utilize these metrics as an important tool to monitor cost performance at the Company's operations. In addition, the Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance.

The following tables provide a reconciliation of the Company's cash cost per tonne of ore processed, cash cost per pound of copper produced, cash cost per ounce of gold produced and cash cost per tonne of complex concentrate smelted, net of by-product credits to its cost of sales:

$ thousands, unless otherwise indicated **For the three months ended December 31, 2020**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed *(mt)*	**541,066**	**213,428**	**-**	
Metals contained in gold-copper concentrate produced[1]:				
Gold *(ounces)*	**27,852**	**26,097**	**-**	
Copper *(pounds)*	**7,659,384**	**-**	**-**	
Complex concentrate smelted *(mt)*	**-**	**-**	**52,484**	
Cost of sales	**30,898**	**22,006**	**28,213**	**81,117**
Add/(deduct):				
Depreciation, amortization & other	**(7,841)**	**(13,132)**	**(2,777)**	
Change in concentrate inventory	**(453)**	**126**	**-**	
Total cash cost before by-product credits	**22,604**	**9,000**	**25,436**	
By-product credits	**(966)**	**(204)**	**(4,102)**	
Total cash cost after by-product credits	**21,638**	**8,796**	**21,334**	
Cash cost per tonne ore processed	**41.78**	**42.17**	**-**	
Cash cost per pound copper produced[2]	**0.91**	**-**	**-**	
Cash cost per ounce gold produced[2]	**526**	**337**	**-**	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**406**	

1) Excludes metals contained in pyrite concentrate produced.
2) Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver revenue.

$ thousands, unless otherwise indicated **For the three months ended December 31, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed (mt)	547,834	217,489	-	
Metals contained in gold-copper concentrate produced[1]:				
Gold (ounces)	29,101	26,528	-	
Copper (pounds)	10,031,111	-	-	
Complex concentrate smelted (mt)	-	-	48,614	
Cost of sales	34,152	28,993	32,078	95,223
Add/(deduct):				
Depreciation, amortization & other	(7,592)	(16,311)	(6,675)	
Change in concentrate inventory	(4,710)	(2,017)	-	
Total cash cost before by-product credits	21,850	10,665	25,403	
By-product credits	(827)	(175)	(2,779)	
Total cash cost after by-product credits	21,023	10,490	22,624	
Cash cost per tonne ore processed	39.88	49.04	-	
Cash cost per pound copper produced[2]	0.79	-	-	
Cash cost per ounce gold produced[2]	449	395	-	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	465	

1) Excludes metals contained in pyrite concentrate produced.
2) Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver revenue.

$ thousands, unless otherwise indicated **For the twelve months ended** **December 31, 2020**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed *(mt)*	**2,201,220**	**890,738**	**-**	
Metals contained in gold-copper concentrate produced[(1)]:				
Gold *(ounces)*	**124,060**	**118,727**	**-**	
Copper *(pounds)*	**35,642,083**	**-**	**-**	
Complex concentrate smelted *(mt)*	**-**	**-**	**231,890**	
Cost of sales	**113,481**	**92,450**	**124,926**	**330,857**
Add/(deduct):				
Depreciation, amortization & other	**(29,926)**	**(54,351)**	**(15,063)**	
Change in concentrate inventory	**1,011**	**(2,410)**	**-**	
Total cash cost before by-product credits	**84,566**	**35,689**	**109,863**	
By-product credits	**(3,331)**	**(818)**	**(22,370)**	
Total cash cost after by-product credits	**81,235**	**34,871**	**87,493**	
Cash cost per tonne ore processed	**38.42**	**40.07**	**-**	
Cash cost per pound copper produced[(2)]	**0.71**	**-**	**-**	
Cash cost per ounce gold produced[(2)]	**451**	**294**	**-**	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**377**	

1) Excludes metals contained in pyrite concentrate produced.
2) Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver revenue.

$ thousands, unless otherwise indicated **For the twelve months ended** **December 31, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed (mt)	2,203,242	470,545	-	
Metals contained in gold-copper concentrate produced[(1)]:				
Gold (ounces)	119,928	57,193	-	
Copper (pounds)	37,250,240	-	-	
Complex concentrate smelted (mt)	-	-	215,289	
Cost of sales	112,367	41,515	140,651	294,533
Add/(deduct):				
Depreciation, amortization & other	(30,628)	(21,909)	(27,286)	
Change in concentrate inventory	(1,763)	3,588	-	
Total cash cost before by-product credits	79,976	23,194	113,365	
By-product credits	(2,591)	(384)	(22,705)	
Total cash cost after by-product credits	77,385	22,810	90,660	
Cash cost per tonne ore processed	36.30	49.29	-	
Cash cost per pound copper produced[(2)]	0.78	-	-	
Cash cost per ounce gold produced[(2)]	402	399	-	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	421	

1) Excludes metals contained in pyrite concentrate produced.
2) Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver revenue.

The following table provides, for the periods indicated, a reconciliation of Chelopech cash cost per ounce of gold sold, net of by-product credits, and all-in sustaining cost per ounce of gold to its cost of sales:

$ thousands, unless otherwise indicated	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Cost of sales	**30,898**	34,152	**113,481**	112,367
Add/(deduct):				
Depreciation, amortization & other	**(7,841)**	(7,592)	**(29,926)**	(30,628)
Other charges, including freight(1)	**20,211**	28,334	**99,604**	100,744
By-product credits	**(26,230)**	(30,712)	**(94,613)**	(95,163)
Cash cost of sales, net of by-product credits	**17,038**	24,182	**88,546**	87,320
Rehabilitation related accretion expenses	**81**	67	**317**	312
General and administrative expenses(2)	**4,732**	4,632	**13,807**	14,264
Cash outlays for sustaining capital	**4,267**	5,482	**11,616**	12,162
Cash outlays for leases	**211**	140	**645**	423
All-in sustaining costs	**26,329**	34,503	**114,931**	114,481
Payable gold in concentrate sold *(ounces)*(3)	**37,399**	40,168	**150,764**	149,205
Cash cost per ounce of gold sold, net of by-product credits	**456**	602	**587**	585
All-in sustaining cost per ounce of gold	**704**	859	**762**	767

1) *Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $6.8 million (2019 – $6.4 million) and $24.7 million (2019 – 25.5 million) in the fourth quarter and twelve months of 2020, respectively.*
2) *Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech proportion of total revenue.*
3) *Includes payable gold in pyrite concentrate sold in the fourth quarter and twelve months of 2020 of 9,334 ounces (2019 – 9,325 ounces) and 36,111 ounces (2019 – 36,545 ounces), respectively.*

The following table provides, for the periods indicated, a reconciliation of Ada Tepe cash cost per ounce of gold sold, net of by-product credits, and all-in sustaining cost per ounce of gold to its cost of sales:

$ thousands, unless otherwise indicated	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Cost of sales	**22,006**	28,993	**92,450**	41,515
Add/(deduct):				
Depreciation, amortization & other	**(13,132)**	(16,311)	**(54,351)**	(21,909)
Other charges, including freight	**819**	1,147	**3,579**	1,555
By-product credits	**(169)**	(246)	**(732)**	(316)
Cash cost of sales, net of by-product credits	**9,524**	13,583	**40,946**	20,845
Rehabilitation related accretion expenses	**38**	26	**121**	55
General and administrative expenses(1)	**2,913**	4,087	**10,300**	5,126
Cash outlays for sustaining capital	**1,559**	1,306	**9,514**	2,701
Cash outlays for leases	**388**	214	**1,290**	509
All-in sustaining costs	**14,422**	19,216	**62,171**	29,236
Payable gold in concentrate sold *(ounces)*	**25,169**	38,941	**120,070**	49,035
Cash cost per ounce of gold sold, net of by-product credits	**378**	349	**341**	425
All-in sustaining cost per ounce of gold	**573**	493	**518**	596

1) *Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Ada Tepe's proportion of total revenue.*

DPM's cash cost per ounce of gold sold, net of by-product credits, and all-in sustaining cost per ounce of gold calculations are set out in the following table:

$ thousands, unless otherwise indicated	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Cash cost of sales, net of by-product credits(1)	**26,562**	37,765	**129,492**	108,165
Rehabilitation related accretion expenses(1)	**119**	93	**438**	367
General and administrative expenses(2)	**7,645**	8,719	**24,107**	19,390
Cash outlays for sustaining capital(1)	**5,826**	6,788	**21,130**	14,863
Cash outlays for leases(1)	**599**	354	**1,935**	932
All-in sustaining costs	**40,751**	53,719	**177,102**	143,717
Payable gold in concentrate sold *(ounces)*	**62,568**	79,109	**270,834**	198,240
Cash cost per ounce of gold sold, net of by-product credits	**425**	477	**478**	546
All-in sustaining cost per ounce of gold	**651**	679	**654**	725

1) Represents the cash cost of sales, net of by-product credits, rehabilitation related accretion expenses, cash outlays for sustaining capital expenditures and leases that are specific to Chelopech and Ada Tepe.
2) Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech and Ada Tepe's proportion of total revenue.

Adjusted net earnings from continuing operations and adjusted basic earnings per share from continuing operations

Adjusted net earnings from continuing operations and adjusted basic earnings per share from continuing operations are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings from continuing operations are defined as net earnings from continuing operations attributable to common shareholders, adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including:

- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value;
- significant tax adjustments not related to current period earnings; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted net earnings to net earnings (loss) attributable to common shareholders from continuing operations:

$ thousands, except per share amounts	Three Months		Twelve months	
Ended December 31,	**2020**	2019	**2020**	2019
Net earnings (loss) attributable to common shareholders	**50,176**	(90,396)	**199,074**	(66,621)
Add/(deduct) after-tax adjustments:				
Net gains related to Sabina special warrants, net of income taxes of $nil for all periods	**(3,124)**	(451)	**(5,640)**	(3,871)
Impairment charge, net of income taxes of $nil	**-**	107,000	**-**	107,000
Adjusted net earnings	**47,052**	16,153	**193,434**	36,508
Basic earnings (loss) per share	**0.28**	(0.51)	**1.10**	(0.38)
Adjusted basic earnings per share	**0.26**	0.09	**1.07**	0.20

Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations is used by management and investors to measure the underlying operating performance of the Company's operating segments. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods. In addition, the Compensation Committee of the Board of Directors uses adjusted EBITDA from continuing operations, together with other measures, to set incentive compensation goals and assess performance.

Adjusted EBITDA from continuing operations excludes the following from earnings before income taxes:

- depreciation and amortization;
- interest income;
- finance cost;
- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted EBITDA from continuing operations to earnings (loss) before income taxes from continuing operations:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Earnings (loss) before income taxes	**52,588**	(85,624)	**217,923**	(53,582)
Add/(deduct):				
Depreciation and amortization	**23,984**	30,910	**100,211**	80,952
Finance cost	**1,481**	2,689	**7,022**	10,164
Interest income	**(87)**	(48)	**(194)**	(271)
Net gains related to Sabina special warrants	**(3,124)**	(451)	**(5,640)**	(3,871)
Impairment charge	**-**	107,000	**-**	107,000
Adjusted EBITDA	**74,842**	54,476	**319,322**	140,392

Free cash flow from continuing operations

Free cash flow from continuing operations is defined as cash provided from operating activities from continuing operations, before changes in non-cash working capital, less cash outlays for sustaining capital of continuing operations, mandatory principal repayments and interest payments related to debt and leases. This measure is used by the Company and investors to measure the cash flow available to fund the Company's growth capital expenditures.

DPM's free cash flow from continuing operations calculation is set out in the following table:

$ thousands	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Cash provided from operating activities	**70,536**	50,749	**196,965**	96,878
Add (deduct) changes in non-cash working capital	**(20,412)**	(17,629)	**51,640**	15,735
Cash provided from operating activities, excluding changes in non-cash working capital	**50,124**	33,120	**248,605**	112,613
Cash outlays for sustaining capital	**(9,180)**	(19,575)	**(30,478)**	(35,016)
Principal repayments related to leases	**(1,076)**	(857)	**(4,008)**	(3,415)
Interest payments	**(571)**	(1,010)	**(2,692)**	(4,581)
Free cash flow	**39,297**	11,678	**211,427**	69,601

Cash provided from operating activities of continuing operations, before changes in non-cash working capital

Cash provided from operating activities of continuing operations, before changes in non-cash working capital, is defined as cash provided from operating activities of continuing operations excluding changes in non-cash working capital as set out in the Company's consolidated statements of cash flows. This measure is used by the Company and investors to measure the cash flow generated by the Company's operating segments prior to any changes in non-cash working capital, which at times can distort performance.

Growth capital expenditures

Growth capital expenditures are generally defined as capital expenditures that expand existing capacity, increase life of assets and/or increase future earnings. This measure is used by management and investors to assess the extent of discretionary capital spending being undertaken by the Company each period.

Sustaining capital expenditures

Sustaining capital expenditures are generally defined as expenditures that support the ongoing operation of the asset or business without any associated increase in capacity, life of assets or future earnings. This measure is used by management and investors to assess the extent of non-discretionary capital spending being incurred by the Company each period.

Average realized price reconciliation

The following table provides a reconciliation of the Company's average realized gold and copper prices to its revenue:

$ thousands, unless otherwise indicated	**Three Months**		**Twelve months**	
Ended December 31,	**2020**	2019	**2020**	2019
Total revenue from continuing operations	**151,751**	135,436	**609,558**	404,392
Add/(deduct):				
Tsumeb revenue	**(34,818)**	(23,623)	**(147,130)**	(140,693)
Treatment charges and other deductions	**21,030**	29,481	**103,183**	102,299
Unfavourable (favourable) final settlements on provisional concentrate sales	**2,066**	6,486	**(7,352)**	8,470
Silver revenue	**(1,103)**	(1,123)	**(3,740)**	(2,560)
Revenue from gold and copper	**138,926**	146,658	**554,519**	371,908
Revenue from gold	**113,629**	116,822	**462,916**	278,988
Payable gold in concentrate sold *(ounces)*	**62,568**	79,109	**270,834**	198,240
Average realized gold price per ounce	**1,816**	1,477	**1,709**	1,407
Revenue from copper	**25,297**	29,836	**91,603**	92,920
Payable copper in concentrate sold *('000s pounds)*	**7,766**	11,060	**33,389**	34,131
Average realized copper price per pound	**3.26**	2.70	**2.74**	2.72

RISKS AND UNCERTAINTIES

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, exploration, development, financing, construction, commissioning and operation of its mine, mill and concentrate processing facilities. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geo-political, environmental, regulatory, health, legal, tax and market risks impacting, among other things, precious metals and copper prices, acid prices, toll rates, foreign exchange rates, inflation, the availability and cost of capital to fund the capital requirements of the business and the supply chain related to the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements contained in this MD&A. The Company endeavors to manage these risks and uncertainties in a balanced manner with a view to mitigating risk while maximizing total shareholder returns. In addition, there are a number of risks associated with the research, development and sales activities of MineRP, a software vendor for the mining industry, as well as uncertainties with the completion and the timing of the pending sale of MineRP, which remains subject to South African competition review and approval, and the potential payments, upside and expected benefits to the Company from the sale. The Company continually strives to identify and to effectively manage the risks of each of its business units. This includes developing appropriate risk management strategies, policies, processes and systems. There can be no assurance that the Company has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful. A description of the more significant business risks and uncertainties affecting the Company are set out below. These risks, along with other potential risks not specifically discussed in this MD&A, should be considered when evaluating the Company and its guidance. Additional risks not identified below may affect the Company.

COVID-19

The current outbreak of COVID-19 and the emergence of multiple COVID-19 variants has had an adverse impact on global economic conditions. Any future emergence and spread of similar or other pathogens could have a similar adverse impact. The COVID-19 pandemic may continue or worsen which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, the demand for and ability to transport the Company's products and its ability to advance its projects and other growth initiatives.

The outbreak and resurgence of COVID-19 continues to significantly impact global economies and the global upheavals have caused significant volatility in commodity prices. The outbreak and its declaration as a global pandemic caused companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. The duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Furthermore, governments in relevant jurisdictions may introduce new, or modify existing, laws, regulations, orders or other measures that could impact the Company's ability to operate or affect the actions of its suppliers, contractors and service providers.

While some restrictions have been lifted in certain of the jurisdictions in which the Company operates, other jurisdictions have reintroduced, re-imposed and/or implemented additional measures to contain the spread of COVID-19. Should the responses of companies and governments be insufficient to contain the spread and impact of COVID-19, this may lead to further economic downturn that may adversely impact the Company's business, financial condition and results of operations. The outbreak and resurgence of COVID-19 may also continue to affect financial markets, may adversely affect the Company's ability to raise capital, and may cause continued interest rate volatility and movements that may make obtaining financing or extending existing credit facilities more challenging or more expensive or unavailable on commercially reasonable terms or at all. In addition, if any number of employees, contractors or consultants of the Company or any key supplier become infected with COVID-19 or similar pathogens and/or the Company is unable to source necessary replacements, consumables or supplies or transport its products, due to government restrictions or otherwise, it could have a material negative impact on the Company's operations and prospects, including the partial or complete shutdown, delays in planned activities, including maintenance, or other disruption of one or more of its operations. Furthermore, an outbreak of COVID-19 at the Company's operations could cause reputational harm and negatively impact the Company's social license to operate. The COVID-19 pandemic has also increased cybersecurity and information technology risks due to the rise in fraudulent activity and increased number of employees working remotely.

Although, the Company has not experienced any material disruptions to its operations to date, as a result of measures it has taken, there is no assurance the Company will remain unaffected by the current COVID-19 pandemic or potential future health crises. The Company will continue to work actively to monitor the situation and implement further measures as required to mitigate and/or deal with any repercussions that may occur as a result of the COVID-19 outbreak.

Metal Prices

The fluctuation of the price of a metal sold by the Company can significantly impact revenues and can significantly impact all-in sustaining cost per ounce of gold and copper and other cost measures that are reported net of by-product credits. Accordingly, the price of gold and copper are major factors influencing the Company's business, results of operations and financial condition, and, in turn, the price for its common shares.

Metal prices can fluctuate widely and are affected by numerous factors beyond the Company's control, including overall global market conditions; the sale or purchase of gold and silver by various central banks, financial institutions and Exchange Traded Funds; interest rates; foreign exchange rates; inflation or deflation; global and regional supply and demand; and the political and economic conditions of major gold, silver and copper producing and consuming countries throughout the world. If gold and/or copper prices were to decline significantly from current levels, there can be no assurance that cash flow from operations, together with cash on hand and available lines of credit under the Company's RCF, will be sufficient to meet the Company's operating and capital requirements, including its contractual commitments and mandatory debt repayments, and the Company could be forced to discontinue production, reassess the feasibility of a particular project, and/or could lose its interest in, or be forced to sell, some of its properties. In addition, a significant commodity price decline could result in significant reductions in Mineral Reserve and Mineral Resource estimates, which could have a material adverse impact on the value of one or more of the Company's cash generating units and result in an impairment of the carrying value of certain assets, including exploration and evaluation assets, mine properties, and property, plant and equipment.

In accordance with established risk management policies, from time to time, the Company enters into cash settled commodity swap contracts to swap future contracted monthly average metal prices for fixed metal prices in order to reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales as well as its by-product metals price exposure on future sales. The Company also selectively enters into commodity option contracts from time to time to reduce its price exposure. These contracts are entered primarily to provide price protection below a specified "floor" price and, to reduce the upfront cost of these contracts, are typically accompanied by option contracts that provide price participation up to a specified "ceiling" price. The Company sells and hedges gold and copper metal contained in concentrates produced at prices that are effectively determined by reference to the traded prices on major commodity exchanges, including the LME and the LBMA. As at December 31, 2020, approximately 18% of the Company's expected payable copper to be sold in 2021 has been hedged at an average price of $3.53 per pound.

Smelter Toll Rates, Sulphuric Acid Prices, Metal Recoveries and Feed

The availability of sufficient volumes of high value complex concentrate, at suitable toll rates, is critical to the profitability of the Tsumeb smelter, given the fixed cost nature of the operation. To facilitate the procurement of complex concentrates, the Company entered into an agreement with IXM that currently matures on December 31, 2023. There is no assurance that this agreement will be renewed with IXM upon its expiry on December 31, 2023.

Under this agreement, the Company typically secures complex concentrate volumes at specified toll rates covering the next 12-24 months. Currently, the Company has contracted sufficient quantities of suitable high value complex concentrate through to mid-2023. There can be no assurance that such concentrate will be available to the smelter in future or that the parties will agree on contracted toll rates that will be sufficient to generate an adequate return. From time to time the Company may increase the amount of third party concentrate and reduce the amount of Chelopech concentrate processed at Tsumeb. To the extent the volume of complex concentrate from Chelopech is reduced at Tsumeb, it will affect the profitability of the Tsumeb smelter. Failure to find sufficient quantities of suitable high value complex concentrate to be processed at acceptable toll rates could have a material adverse impact on the Company's business, financial condition and results of operations.

Under the agreement with IXM, Tsumeb must return specified quantities of copper, gold and silver. Metal over and under recoveries at the smelter are subject to smelter processing capabilities, contracted terms, and various estimates, including the quantities of metal contained in concentrate received, material in-process and blister delivered. These estimates are based on the Company's process knowledge and multiple assay results. Actual metal deliveries could differ materially from initial estimates and could have a material adverse impact on the Company's business, financial condition and results of operations as any over or under recovery of metals is recorded in revenue.

Tsumeb produces sulphuric acid as a by-product of the smelting operation. The majority of this acid is sold to customers in Namibia, with the balance exported to other countries in Africa. The revenue from the sales of sulphuric acid make up a significant portion of Tsumeb's revenue and changes in the market price of and demand for sulphuric acid can have a material impact on Tsumeb's financial results. As of December 31, 2020, approximately 65% of Tsumeb's sulphuric acid production for the next 5 years has been sold under a reference price contract which includes floor and ceiling prices. The remainder of Tsumeb's acid production will be sold at market terms under spot or longer-term agreements.

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The revenue from its mining and smelting operations received by the Company is denominated in U.S. dollars since the prices of the metals that it produces are referenced in U.S. dollars, while the majority of operating and capital expenditures of its mining and smelter operations are denominated in Bulgarian leva, which is pegged to the Euro, the Namibian dollar, which is tied to the South African rand, and the Canadian dollar. Fluctuations in these foreign exchange rates give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's business, financial condition and results of operations. Fluctuations in the U.S. dollar relative to certain currencies can also have an impact on commodity prices quoted in U.S. dollars, such that a stronger U.S. dollar tends to have a negative impact on U.S. quoted prices while a weaker U.S. dollar tends to have a favourable impact. As a result, this relationship is considered in conjunction with the Company's risk assessment.

From time to time, the Company enters into forward and option foreign exchange contracts in order to reduce the foreign exchange exposures associated with projected operating expenses and capital expenditures denominated in foreign currencies. Approximately 80% of projected Namibian dollar operating expenses for 2021 have been hedged with a series of call and put options with a weighted average floor and ceiling rates of 15.77 and 18.58, respectively. Currently, no hedges are in place for the Company's 2021 projected Canadian dollar and Euro denominated operating expenses and capital expenditures.

Counterparty Risk

The Company is exposed to counterparty risk, including market pricing and credit-related risk, in the event any counterparty, whether a customer, debtor or financial intermediary, is unable or unwilling to fulfill their contractual obligations to the Company or where such agreements are otherwise terminated and not replaced with agreements on substantially the same terms.

Under the terms of the Company's existing concentrate sale contracts, the risk to counterparties is mitigated, in part, through required provisional payments that range between 70% and 95% of the provisional value of each lot at the time title of the concentrate transfers. A final adjusting payment, reflecting the actual metal prices for the specified quotation period, is made when final weights and assays are established. During 2020, the Company had contracts with 18 customers in connection with its mining and smelting operations, one of whom accounted for approximately 57% (2019 - 60%) of the Company's revenue. All contractual commitments are subject to force majeure clauses which, if implemented, could have a material adverse impact on the Company's business, financial condition and results of operations.

While there can be no assurance that the Company will not experience a material loss for non-performance by any counterparty with whom it has a commercial relationship, the Company has established policies to manage its credit exposure that include assessing financial strength, limiting aggregate exposure to new and existing counterparties, and using contractual arrangements, including provisional payments and letters of credit. Should any such losses arise, they could have a material adverse impact on the Company's business, financial condition and results of operations.

Operations

Mining operations and related processing and infrastructure facilities are subject to a number of risks, including risks related specifically to the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, disruptions in the supply of critical materials and supplies, disruptions due to pandemic conditions, delays in obtaining work visas or other authorizations, labour disputes, changes in laws, technical difficulties or failures, equipment failure, failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material. Such risks could result in damage to, or destruction of, mines and other processing facilities, damage to life or property, environmental damage, delays in mining and processing, delays in scheduled maintenance, losses and possible legal liability. Any prolonged downtime or shutdowns at the Company's mining and processing facilities could have a material adverse impact on the Company's business, financial condition and results of operations.

Success of the Company's operations also depends on adequate public infrastructure. Reliable roads, bridges, power sources and water supplies are important determinants which affect capital and operating costs. Natural events, such as seismic events and severe climatic conditions, as well as sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company's business, financial condition and results of operations.

Dependence on a Restricted Portfolio of Assets

The Company's operations at the Chelopech mine and Ada Tepe mine accounted for all of the Company's gold, silver and copper production in 2020. Any adverse condition affecting the Chelopech mine or Ada Tepe mine could have an adverse impact on the Company's business, financial condition and results of operations. Until such time as the Company acquires or develops other significant producing assets, the Company will continue to be dependent on its operations at the Chelopech mine and Ada Tepe mine for all of its cash flow provided by mining activities.

Production, Operating and Shipping Costs

The Company prepares estimates of future production, operating costs and other costs for its operations. Despite the Company's best efforts to budget and estimate such costs, many unforeseen factors can impact the Company's future production and total cash costs of production, such as the cost of inputs used in mining and processing operations, including the cost of fuel, energy, consumables, labour and equipment; availability of suitable high value complex concentrates to be processed at the smelter; regulatory factors; adequate offtake arrangements for acid produced; grades and recoveries; royalties and taxes; foreign exchange rates; adverse climatic conditions and natural phenomena; and industrial accidents can impact the accuracy of these projections. As such, there can be no assurance that production and production cost estimates will be achieved. Failure to achieve production or total cash cost estimates could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company contracts for the shipment of its concentrates to its customers on varying terms and conditions, all subject to the prevailing rates, availability and general circumstances surrounding this market. Any material changes to the shipping markets and/or the terms and conditions of shipping contracts could have a material adverse impact on the Company's business, financial condition and results of operations.

Mineral Resources and Mineral Reserves

The Mineral Resources and Mineral Reserves disclosed by the Company are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the Company's control. Such estimation is a subjective process and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold, silver or copper recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuations in gold, silver and copper prices, results of drilling, change in cut-off grades, metallurgical testing, production and the evaluation of mine plans subsequent to the date of any estimates may require revision of such Mineral Resource and Mineral Reserve estimates. The volume and grade of Mineral Reserves mined and processed, and the recovery rates achieved may not be the same as currently anticipated. Any material reduction in the estimated Mineral Resources and Mineral Reserves could have a material adverse impact on the Company's business, financial condition and results of operations. A significant decrease in the Mineral Resource and Mineral Reserve estimates could have a material adverse impact on the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, depletion and depreciation charges, and estimated mine closure and rehabilitation costs, and could result in an impairment of the carrying value.

Inferred Mineral Resources

Inferred Mineral Resources cannot be converted to Mineral Reserves unless they are first converted into Measured and Indicated Resources as a result of continued exploration. Due to the uncertainty which may be attached to Inferred Mineral Resources, there can be no assurance that Inferred Mineral Resources will be upgraded to Measured and Indicated Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Need for Mineral Reserves

As mines have limited lives based on Proven and Probable Mineral Reserves, the Company must continually develop, replace and expand its Mineral Reserves and Mineral Resources as its mines produce gold, copper and silver concentrates. The Company's ability to maintain or increase its annual production of gold, copper and silver and its aggregate Mineral Reserves will be significantly dependent on its ability to expand its Mineral Resource base both at its existing mines and new mines it intends to bring into production in the future.

Exploration

Exploration is speculative and involves many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish Mineral Reserves and to permit and construct mining and processing facilities. While the discovery of mineralization may result in substantial rewards if an orebody is proven, few properties that are explored are ultimately developed into producing mines.

Financing and Liquidity

The Company relies on the cash flows generated from its mining and smelting operations, including provisional payments received from its customers, cash on hand, available lines of credits under its RCF, and its ability to raise debt and equity from the capital markets to fund its operating, investment and liquidity needs. The cyclical nature of the Company's businesses, general economic conditions and the volatility of capital markets are such that conditions could change dramatically, affecting the Company's cash flow generating capability, its ability to maintain, or draw upon, its RCF or the existing terms under its concentrate sales or toll agreements, as well as its liquidity, cost of capital and its ability to access additional capital, which could have a material adverse impact on the Company's earnings and cash flows and, in turn, could affect total shareholder returns. To reduce these risks, the Company: (i) prepares regular cash flow forecasts to monitor its capital requirements, available liquidity and compliance with its debt covenants; (ii) strives to maintain a prudent capital structure that is comprised primarily of equity financing and a long-term committed RCF; and (iii) targets a minimum level of liquidity comprised of surplus cash balances and/or available committed lines of credit to avoid being placed into a situation where it is required to raise additional capital at times when the costs or terms would be regarded as unfavourable.

Furthermore, there can be no assurance that the Company's operations will be profitable or that the Company will be able to raise capital on terms that it considers reasonable. Adverse commodity market, general economic conditions and adverse capital market conditions could result in a delay or the indefinite postponement of development or construction projects and could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

Dividends

The declaration amount and payment of future dividends will be subject to the sole discretion of the Board after taking into account, among other things, the Company's financial position, current and forecast operating results, overall market conditions, its outlook for sustainable free cash flow and capital and any restrictions contained in any debt instrument and/or credit agreement to which the Company may be party to from time to time. Despite the implementation of a regular dividend policy, there is no guarantee of the amount, timing and sustainability of the dividend.

Foreign Country and Political

The majority of the Company's operations and business are outside of Canada, primarily in Eastern Europe and southern Africa, and as such, the Company's operations are exposed to various political and other risks and uncertainties.

These risks and uncertainties vary from country to country and include, but are not limited to, corruption; crime; extreme fluctuations in foreign currency exchange rates; high rates of inflation; labour unrest;

expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; absence of reliable rule of law, regulatory and judiciary processes; illegal mining; environmental policies; extreme weather conditions; changes in taxation or royalty policies; restrictions on foreign exchange and movements of capital; changing political conditions; inappropriate laws and regulations; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction; the risks of war or civil unrest; terrorism; hostage taking or detainment of personnel; and military repression.

Any changes in mining or investment policies or shifts in political attitude in the countries in which the Company conducts its business and operations may have a material adverse impact on the Company's business, financial condition and results of operations. It is difficult to predict the future political, social and economic direction of the countries in which the Company operates, and the impact government decisions could have on its business. Any political or economic instability in the countries in which the Company currently operates could have a material adverse impact on the Company's business, financial condition and results of operations. Furthermore, the consequences of factors such as pandemics and climate change may result in further political or economic instability in the countries in which the Company currently operates as scarce resources may be redistributed.

In addition, authorities and court systems in the countries in which the Company conducts its business and operations may be unpredictable. Challenges to foreign asset ownership, operations and regulatory compliance may be brought by government authorities for reasons that cannot be predicted and that may not be motivated by substantive law. It is also not unusual, in the context of a dispute resolution, for a party in these foreign jurisdictions to use the uncertainty of the legal environment as leverage in its business negotiations.

Failure to comply with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements.

Anti-Bribery and Anti-Corruption

The Company's operations are governed by, and involve interactions with, public officials and many levels of government in numerous countries. The Company's operations take place in jurisdictions ranked unfavourably under Transparency International's Corruption Perception Index. These jurisdictions may be vulnerable to the possibility of bribery, corruption, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions. The Company is required to comply with anti-bribery and anti-corruption laws, including the *Canadian Corruption of Foreign Public Officials Act* ("CFPOA"), as well as similar laws in the countries in which the Company conducts its business (together, the "Anti-Corruption Laws"). In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by third parties, with whom the Company has a business relationship, such as, but not limited to, contractors, suppliers, consultants, agents and customers. Although the Company has adopted a number of steps to mitigate bribery and corruption risks, which include, among other things, developing policies and procedures, establishing a robust third party due diligence process, implementing training programs and performing regular internal monitoring activities and audits, such measures may not always be effective in ensuring the strict compliance with Anti-Corruption Laws by the Company, its employees or third parties. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse impact on the Company's reputation, business, financial condition and results of operations.

Environmental, Health and Safety

Mining and smelting operations, including exploration, development and production of mineral deposits and disposal of tailings and hazardous materials, generally involve a high degree of risk and are subject to conditions and events beyond the Company's control. The Company's operations are subject to all of the hazards and risks normally encountered in the mining and smelting sectors including: adverse environmental conditions; industrial and environmental accidents; metallurgical and other processing problems; unusual or unexpected rock formations; ground or slope failures; structural cave-ins or slides; flooding or fires; seismic activity; rock bursts; equipment failures; failures to contain hazardous materials (including arsenic) within the designated areas, and periodic interruptions due to weather conditions, as well as intentional acts by individuals or groups who intend to harm or disrupt the Company's operations.

These risks could result in the destruction of mines or processing facilities, the failure of tailings management facilities and damage to infrastructure, causing partial or complete shutdowns, personal injury or death, environmental or other damage to the Company's properties or the properties of others, monetary losses and potential legal liability. Although the Company conducts extensive maintenance and monitoring and incur significant costs to maintain the Company's operations, equipment and infrastructure, including tailings management facilities, unanticipated failures or damage may occur that could cause injuries, production loss or environmental pollution resulting in significant legal and/or economic liability.

The Company's mining and smelting operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. These regulations address, among other things, emissions; air and water quality standards; land use; rehabilitation and reclamation; and safety and work environment standards, including human rights. They also set forth limitations on the generation, transportation, storage and disposal of various wastes, including hazardous wastes. Environmental, health and safety legislation continues to evolve and, while the Company takes active steps to monitor this legislation, it could result in stricter standards and enforcement, increased capital and operating costs and burdens to achieve compliance, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Amendments to current laws and regulations governing the Company's mining, processing, development and exploration activities, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition and results of operations, and cause increases in exploration expenses, capital expenditures, production costs or future rehabilitation costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties and/or expansion of existing properties.

Environmental hazards may exist on the properties in which the Company holds interests, which are unknown to the Company at present, and which have been caused by previous or existing owners or operators of the properties. The Company may also acquire properties with known or undiscovered environmental risk. Any indemnifications by the previous owners or others may not be adequate to pay all the fines, penalties and costs incurred related to such properties. Some of the Company's properties have also been used for mining and related operations for many years before the Company acquired them and were acquired "as is" or with assumed environmental liabilities from previous owners or operators. The Company has been required to address contamination at its properties in the past and may need to do so in the future, either for existing environmental conditions or for leaks, discharges or contamination that may arise from its ongoing operations or other contingencies. The cost of addressing environmental conditions or risks, and liabilities associated with environmental damage may be significant, and could have a material adverse impact on the Company's business, financial condition and results of operations. Production at the Company's mines and processing facilities involves the use of various chemicals, including certain chemicals that are designated as hazardous substances. Contamination from hazardous substances, either at the Company's own properties or other locations for which it may be responsible, may subject the Company to liability for the investigation or remediation of contamination, as well as for claims seeking to recover costs for related property damage, personal injury or damage to natural resources. The occurrence of any of these events could have a material adverse impact on the Company's business, financial condition and results of operations.

In 2016, the Company completed a major multi-year capital program at its smelter in Namibia directed at modernizing the environmental equipment being utilized and debottlenecking its processing capacity. This included the completion of a sulphuric acid plant, which has reduced the plant's SO_2 emissions. The Company is committed to making further improvements to the health, safety and environmental performance of the smelter and is continuously assessing the scope of any capital expenditures required to support these further improvements. The Company's environmental and occupational health and safety performance will be subject to continued monitoring by the Namibian authorities and deviation from expected environmental and occupational health and safety outcomes could have a material adverse impact on the Company's future production, business, financial condition and results of operations.

Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company. The Company's primary operations are located in Bulgaria and Namibia, both of which are signatories to the Paris Agreement Under the United Nations Framework Convention on Climate Change (the “Paris Agreement”). Additional requirements from the Paris Agreement or other climate change regulations could lead to increased costs for the Company. For example, the European Green Deal, which is an ambitious set of policy initiatives brought forward by the European Commission with the overarching aim of making Europe climate neutral by 2050, will likely have significant effects which are not yet fully quantifiable.

In addition, the Company’s operations are subject to the physical risks of climate change, which may include increased extreme weather events, rising sea levels and significantly restricted water availability. In the long term, the Company may be required to respond to the physical effects of climate change which could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Management completed a focused climate change assessment during 2020. The report follows the recommendations of the Task Force for Climate-related Financial Disclosure, highlights DPM’s efforts to achieve reductions in energy and water use, emissions and its consumption of raw materials, and outlines the major identified risks and opportunities related to climate change. Based on the results of the assessment, existing management and governance practices will be supplemented to ensure climate change effects are, among other things, minimized, adequately included in the ongoing assessment of the risk and opportunities for the Company, and disclosed based on the requirements of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures recommendations. Based on this assessment and other factors, management does not view climate change as an immediate material risk faced by the Company. However, as time goes on, it may have an impact on how the Company conducts its business.

Reclamation and Mine Closure Costs

Although variable depending on location and the governing authority, land reclamation and mine closure requirements are generally imposed on mining companies in order to minimize long-term effects of land disturbance. The Company is required by governments in the jurisdictions where it operates to provide financial assurances to cover any reclamation and mine closure obligations that it may have at its mine sites. The amount and nature of the Company’s financial assurance obligations depend on a number of factors, including the Company’s financial condition and reclamation and mine closure cost estimates. Reclamation and mine closure cost estimates can escalate because of new regulatory requirements, changes in site conditions, conditions in the receiving environment, or changes in analytical methods or scientific understanding of the impacts of various constituents in the environment. Changes to the form or amount of the Company’s financial assurance obligations in respect of reclamation and mine closure obligations could significantly increase the Company’s costs, making the maintenance and development of existing or new mines less economically feasible. Increases in financial assurance requirements could severely impact the Company’s credit capacity and its ability to raise capital for other projects or acquisitions. The Company may be unable to obtain letters of credit or surety bonds to satisfy these requirements, in which case it may be required to deposit cash as financial assurance. If the Company is unable to satisfy these requirements, it may face loss of permits, fines and other material and negative consequences, which could have a material adverse impact on the Company’s business, financial condition and results of operations.

The Company recognizes a liability for its rehabilitation expenses when a legal and/or constructive obligation is identified. The liability is measured at the present value of estimated costs required to rehabilitate the operating locations based on the risk-free nominal discount rates applicable to the countries in which the operations are located. The carrying value of the rehabilitation provision was $52.5 million and $41.4 million at December 31, 2020 and 2019, respectively. Changes in the underlying assumptions used to estimate the mine closure and rehabilitation costs as well as changes to environmental laws and regulations could cause material changes in the expected cost and the fair value of the estimated mine closure and rehabilitation costs and these changes could have a material adverse impact on the Company’s business, financial condition and results of operations.

MineRP

In December 2020, the Company announced that it had entered into a definitive agreement for the sale of 100% of MineRP to Epiroc Canada Holding Inc., a subsidiary of Epiroc Drills AB. The Company’s closing proceeds are estimated to be approximately $40 million and are comprised of cash proceeds relating to the Company’s 70% fully-diluted equity ownership of MineRP, the repayment of its shareholder loans, and any accrued interest. The Company may receive potential additional proceeds from an earn-out of up to $28.7 million, which are payable upon the achievement of certain revenue targets by MineRP in 2021 and 2022.

The closing of the sale transaction remains subject to certain conditions, including South African competition review and approval. There can be no assurance that the Company will be able to satisfy all closing conditions for the completion of the transaction and realize the benefits inherent to the transaction, nor is there any assurance that the Company will receive any additional targeted payments from the earn-out.

Additionally, there is no assurance that the Company will realize anticipated financial results from MineRP prior to the transaction being completed or thereafter in the event the transaction is not completed. Failure to realize anticipated financial results from MineRP could have an adverse impact on the Company's business, financial condition and results of operations.

MineRP's business as a software vendor is reliant upon the ownership, protection and ongoing development of key intellectual properties. There is no assurance that such ownership rights will not be challenged and that MineRP will successfully maintain its rights in such intellectual properties. Further, there is no assurance that MineRP will be able to develop and market commercially successful intellectual property assets.

Inadequate Controls over Financial Reporting

The Company assessed and tested its internal control procedures in order to satisfy the requirements of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), which require an annual assessment by management of the operating effectiveness of the Company's internal control over financial reporting. The Company's failure to satisfy the requirements of NI 52-109 on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could have a material adverse impact on the Company's business and common share price. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

No evaluation can provide absolute assurance that the Company's internal control over financial reporting will detect or uncover all material information required to be reported. Furthermore, there can be no certainty that the Company's internal control over financial reporting will prevent or detect all errors and fraud. In addition, with ever increasing regulations and changes in the Company's business it is expected that the Company's internal control over financial reporting will continue to evolve and improve over time.

Stakeholder Relations and License to Operate

The Company's relationships with stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining and smelter activities on the environment and on communities impacted by such activities. Non-governmental organizations ("NGOs") and civil society groups, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances and the handling, transportation and storage of various waste, including hazardous waste. Adverse publicity generated by such NGOs and civil society groups or others related to the extractive industries generally, or the Company's operations specifically, could have a material adverse impact on, including but not limited to, the laws under which the Company operates, its ability to secure new permits and its reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, obtain permits and licenses and/or continue its operations, which could have a material adverse impact on the Company's business, results of operations and financial condition.

Development Projects

As part of the Company's growth strategy, it expects to invest in the development, design, construction, operation and optimization of existing and new facilities to enhance operations and increase future production. In developing these new projects, the Company may be required to incur significant preliminary engineering, environmental, permitting and legal-related expenditures prior to determining whether a project is technically feasible and economically viable. The commercial viability of development projects is based on many factors, including: in the case of a mine, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal recoveries, metal prices and, in the case of the smelter, toll rates, each of which are highly cyclical; availability of complex concentrate; government regulations; capital and operating costs of such projects; and foreign currency exchange rates. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits, subsequent appeals of such permits, including favourable EIA decisions, the acquisition of satisfactory surface or other land rights and having adequate funding arrangements in place.

All projects are approved for development on a project-by-project basis after considering strategic fit, inherent risks, and expected financial returns. This approach, which incorporates a gated project governance model, and combined with an experienced management team, staff and contract personnel, mitigates some of the risk associated with development projects. However, there can be no assurance that there will not be delays in obtaining the necessary permits or that the development or construction of any one or more projects will be completed on time, on budget or at all, or that the ultimate operating cost of the operation will not be higher than originally envisaged. In addition, to secure long lead times required for ordering equipment, the Company may place orders for equipment and make deposits thereon or advance projects before obtaining all requisite permits and licenses. Such actions are taken only when the Company reasonably believes such licenses or permits will be forthcoming prior to the requirement to expend the full amount of the purchase price. In the event a project, which was deemed economically viable, is not completed or does not operate at anticipated performance levels, the Company may be unable to fully recover its investment and be required to record a write-down. This, in turn, may have a material adverse impact on the Company's business, financial condition and results of operations.

It is not unusual in the mining industry, especially in jurisdictions like Bulgaria, Serbia and Namibia, for operations to experience construction challenges or delays and unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Given the inherent risks and uncertainties associated with any major capital project, there can be no assurance that construction will proceed in accordance with current expectations or at all, or that construction costs will be consistent with the budget, or that the operation will operate as planned.

Information Technology Systems and Information Technology Systems Security Threats

DPM has entered into agreements with third parties for hardware, software, telecommunications and other technology services/systems in connection with its operations (including information technology, operational technology and digital). The Company's operations depend, in part, on technology services/systems and how well the Company and its suppliers protect networks, equipment, technology systems and software against damage from a number of threats, including, but not limited to, cable cuts; damage to physical plants; natural disasters; terrorism; fire; power loss; hacking; computer viruses; vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, technology systems and software as well as specific cybersecurity systems and governance to mitigate the risk of failures. Any of these and other events could result in data leakage, information loss, system failures, business interruptions and/or increases in capital expenses, which could have a material adverse impact the Company's reputation, business, financial condition and results of operations.

Although to date the Company and its operations have not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that DPM will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, company and personal data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company is or will be subject to privacy and data security regulations in several of the jurisdictions that it operates in, such as Canada, Namibia and the European Union. The European Union's General Data Protection Regulation, or GDPR, took effect in May 2018 and introduced increased regulations relating to personal data security. The GDPR requires companies to satisfy new requirements regarding the handling of personal and sensitive data, including its use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. The Company could incur substantial costs in complying with various national privacy regulations as a result of having to make changes to prior business practices. Such developments may also require the Company to make system changes and develop new processes, further affecting its compliance costs. In addition, violations of privacy-related regulations can result in significant penalties and reputational harm, which in turn could adversely impact the Company's business and results of operations.

Competition

The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing and processing, precious and base metals, as well as the ultimate sale of its production. Many of these companies may have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain cost competitive operations or sell its production or toll complex concentrate on economically acceptable terms, which could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company also faces competition from other smelting companies as well as trading companies, notably those with blending operations, to secure complex feed for its Tsumeb smelter operation. Such competitive forces and supply-demand dynamics could cause terms for complex copper concentrate to fall below levels at which it is economic for the Company to smelt this material and therefore have a material adverse impact on the Company's business, financial condition and results of operations.

MineRP faces competition from other software vendors in the development and sale of its intellectual properties. There can be no assurance that MineRP will be able to successfully develop and market its products.

Impairment

The Company is required to undertake regular assessments to determine whether an impairment is required for any of its assets. The assessment of impairment requires significant judgments over a number of external and internal factors, some of which are outside of the Company's control, and requires the use of estimates and assumptions related to these factors for each CGU. External factors include considerations such as commodity prices, toll rates, discount rates, foreign exchange rates, and changes in market, economic and regulatory requirements. Internal factors include considerations such as production volume, ability to convert resources into reserves, capital and operating expenditures, and future development and expansion plans. There can be no assurance that management's estimate of the future will reflect actual events, further impairment charges may materialize and the timing and amount of such impairment charges are difficult to predict and may have a material adverse impact on the Company's business, financial condition and results of operations.

Enforcement of Legal Rights

The Company's material subsidiaries are organized under the laws of foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

Insurance and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or processing facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining and processing, monetary losses and possible legal liability.

In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance coverage does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance that insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made.

Due to recent dam failures, there has been increased scrutiny by insurance underwriters on tailings management facilities and insurance underwriters' tolerance for writing risk in the pollution liability market has been reduced due to the elevated level of risk. As a result, the Company opted not to acquire pollution liability insurance in 2020 relating to liquefaction results from tailings management facilities failures due to its view that the cost is excessive in relation to the limited risk or risks being covered. Furthermore, material losses that may arise from the COVID-19 outbreak are not covered by the Company's insurance. Losses arising from any events that are not fully insured may cause the Company to incur significant costs that could have a material adverse impact on its business, financial condition and results of operations.

Value of Investment Portfolio

The value of the Company's investment portfolio of securities will vary based on the underlying value of the securities acquired by the Company. The business activities of issuers in the resource industry ("Resource Issuers") are speculative and may be adversely affected by factors outside the control of those issuers. Resource Issuers may not hold or discover commercial quantities of precious metals or minerals, have limited access to capital, and profitability may be affected by adverse fluctuations in commodity prices, demand for commodities, general economic conditions and cycles, unanticipated depletion of reserves or resources, native land claims, liability for environmental damage, competition, imposition of tariffs, duties or other taxes and government regulations, as applicable. Since the Company has and may continue to invest primarily in securities issued by Resource Issuers engaged in the mining industry or related resource businesses (including junior issuers), the value of the Company's investment portfolio of securities may be more volatile than portfolios with a more diversified investment focus. In some cases, the value of securities owned by the Company may also be affected by such factors as investor demand, specified rights or restrictions associated with the security, general market trends or regulatory restrictions. Fluctuations in the market values of such securities may occur for a number of reasons beyond the control of the Company, and there can be no assurance that an adequate liquid market will exist for securities or that quoted market prices at any given time will properly reflect the value at which the Company could monetize these securities.

Laws, Regulations and Permitting

The activities of the Company are subject to various laws and regulations governing prospecting, exploration, development, production, taxes, labour commercial standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, archaeological discovery and other matters. Although the Company currently carries out its operations and business in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be changed or be applied in a manner which could limit or curtail production or development. Furthermore, amendments to current laws and regulations governing operations and activities of mining, milling and processing or more stringent implementation thereof could cause costs and delays that could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company's current and future operations and development activities are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company currently has the required permits for its current operations, there can be no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations or additional permits for planned new operations or changes to existing operations that could have a material adverse impact on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining and processing operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining and processing activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations, including environmental laws.

Labour Relations

While the Company has good relations with both its unionized and non-unionized employees, there can be no assurance that it will be able to maintain positive relationships with its employees or that new collective agreements will be entered into without work interruptions. In addition, relations between the Company and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions that the Company operates. Adverse changes in such legislations or in the relationship between the Company and its employees could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company has entered into a collective agreement with its employees in Bulgaria, for Chelopech and Ada Tepe, and an additional annex executed in July 2020, provides that the agreement is in effect until July 2021. Tsumeb's unionized employees continue to operate under the terms of the collective agreement agreed for 2019, with negotiations for a new agreement expected to commence in the first quarter of 2021.

Income and Other Taxes

The Company operates in Canada and several foreign jurisdictions, through a number of subsidiary intermediary entities. As a result, it is subject to potential changes in tax laws, judicial interpretations in respect thereof, and the administrative and/or assessing practices of tax authorities in each jurisdiction. While these tax risks are proactively managed and monitored by senior management and outside tax experts, there can be no assurance that there will not be changes to these laws or interpretations that could have a material adverse impact on the Company's business, financial condition and results of operations. In December 2020, the Namibian Ministry of Finance announced that tax incentives under the EPZ Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The EPZ regime is expected to be replaced by a new SEZ, the details of which are expected to be released in the first half of 2021.

The Company believes that it is not currently a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes and it does not anticipate becoming a PFIC in the foreseeable future. However, the PFIC rules are complex, and, as a Canadian company publicly listed on the TSX, the Company does not operate its business in a manner specifically intended to avoid being classified as a PFIC. Accordingly, there can be no assurance that the Company will not be considered a PFIC. The Company also has not and does not expect to provide any shareholder with information that will enable a U.S. shareholder to make a qualified electing fund election in respect of the Company. To the extent that the Company is a PFIC in respect of any taxable year, its status as such would have adverse tax consequences for taxable U.S. investors. U.S. investors should consult their own tax advisors regarding the PFIC rules and the potential adverse U.S. Federal income tax consequences to which they may be subject to in respect of an investment in the Company's common shares.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and DPM may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including the particular attributes of the deposit, political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital, future metal prices, foreign currency rates and toll rates, in the case of the smelter. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have a material adverse impact on the Company's business, financial condition and results of operations.

Acquisitions and Integration

From time to time the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Land Title

Although the title to the properties owned by the Company were reviewed by, or on behalf of, the Company, there can be no assurances that there are no title defects affecting such properties or the shares of subsidiaries that hold such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt.

Accordingly, the Company's interest in mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Market Price of Common Shares

The common shares of the Company are listed on the TSX. The price of these and other shares making up the mining sector have historically experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, including those impacting the price of commodities, interest rates, market perceptions concerning equity securities generally and the precious and base metal sectors in particular, and factors that may be specific to the Company, including daily traded volumes of the common shares.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value, which in turn could impact the ability of the Company to raise equity or raise equity on terms considered to be acceptable. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources and have a material adverse impact on the Company's business, financial condition and results of operations.

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share-based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the Company's common shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a negative effect on the price of the Company's common shares.

The Company may need to raise additional financing in the future through the issuance of additional equity securities. If the Company raises additional funding by issuing additional equity securities, such financings may substantially dilute the interests of shareholders of the Company and reduce the value of their investment in the Company's securities.

Reputational Risk

As a result of the increased usage and the speed and the global reach of social media and other web-based applications used to generate, publish and discuss user-generated content and to connect with others, the Company is at a much greater risk of losing control over how it is perceived by the public. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events (for example, with respect to the handling of environmental matters, community relations or litigation), and could include any negative publicity, whether credible, factual, true or not. While the Company places a great emphasis on protecting and nurturing its reputation, it does not ultimately have direct control over how it is perceived by others, including how it is viewed on social media and other web-based applications. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on the Company's business, financial condition and results of operations.

Foreign Subsidiaries

The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among DPM and such entities, could restrict or impact the Company's ability to fund or receive cash from its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse impact on the Company's business, financial condition and results of operations. In addition, the corporate law and other laws governing the Company's foreign subsidiaries differ materially from Canadian corporate and other laws. Challenges to the Company's ownership or title to the shares of such subsidiaries or the subsidiaries' title or ownership of their assets may occur based on alleged formalistic defects or other grounds that are based on form rather than in substance. Any such challenges may cost time and resources for the Company or cause other adverse effects.

Key Executives and Senior Personnel

The Company is dependent on the services of key executives, including its President and CEO and a number of highly skilled and experienced executives and senior personnel. The loss of these persons or the Company's inability to attract and retain additional highly skilled employees could have a material adverse impact on the Company's future operations and business.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development or investment in or provide services to natural resource companies, including Dundee Corporation, and other companies in which the Company has investments, and consequently there exists the possibility for such directors and officers to be in a position of conflict. The Board is aware of these potential conflicts and these individuals recuse themselves from the Board deliberations and voting when necessary. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canadian Business Corporations Act and other applicable laws.

Litigation Risk

Legal proceedings may be brought against the Company, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on its financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result the Company may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings. The Company may also become party to disputes governed by the rules of international arbitration. In the event of a dispute arising at its foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Interest Rate

The Company's exposure to the risk of changes in market interest rates relates primarily to the interest earned on the Company's cash and cash equivalents, and potential interest paid on future drawdowns under its RCF, which is based on a floating reference rate.

Shareholder Activism

In recent years, publicly-traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Company to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company reputation and divert the attention and resources of the Company management and the Company's board of directors, which could have an adverse effect on the Company's business and results of operations. Even if the Company does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of the Company to implement such changes. If shareholder activists seeking to increase short-term shareholder value are elected to the Company's board of directors, this could adversely affect the Company's business and future operations. Additionally, shareholder activism could create uncertainty about the Company's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Company's business, future operations, profitability and ability to attract and retain qualified personnel.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109 based on the Internal Control – Integrated Framework (2013) developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

The CEO and CFO evaluated or caused to be evaluated under their supervision the design and operating effectiveness of the DC&P and ICFR as defined by NI 52-109 as of December 31, 2020. Based on this evaluation, the CEO and CFO concluded that the Company's DC&P and ICFR were designed and operating effectively as of December 31, 2020.

NI 52-109 also requires Canadian public companies to disclose in their MD&A any change in ICFR that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to ICFR in the year ended December 31, 2020. Only reasonable, rather than absolute assurance, that misstatements are prevented or detected on a timely basis by ICFR can be provided due to the inherent limitations of the ICFR system. Such limitations also apply to the effectiveness of ICFR as it is also possible that controls may become inadequate because of changes in conditions or deterioration in compliance with policies and procedures.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements and other information included in this MD&A and our other disclosure documents constitute "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation, which we refer to collectively hereinafter as "Forward Looking Statements".

Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", "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, or the negative of any of these terms or similar expressions. The Forward Looking Statements in this MD&A relate to, among other things: measures the Company is undertaking in response to the COVID-19 outbreak, including its impacts on the Company's global supply chains, the level of and duration of reductions or curtailments in operating levels at any of the Company's operations or in its exploration and development activities; expected cash flows; the price of gold, copper, silver and acid, toll rates, metals exposure and stockpile interest deductions at Tsumeb; the estimation of

Mineral Reserves and Mineral Resources and the realization of such mineral estimates; estimated capital costs, operating costs and other financial metrics, including those set out in the three-year outlook provided by the Company; currency fluctuations; the impact of any impairment charges; the processing of Chelopech concentrate; timing of further optimization work at Tsumeb; potential benefits of any upgrades and/or expansion, including the planned rotary furnace installation, at the Tsumeb smelter; results of economic studies; success of exploration activities; achieving the results set out in the PEA; the completion and results of the PFS for the Timok gold project; the commencement, completion and results of a FS for the Timok gold project (if any); success of permitting activities; permitting timelines; success of investments, including potential acquisitions; requirements for additional capital; government regulation of mining and smelting operations; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; the payment of dividends; the timing and number of common shares of the Company that may be purchased pursuant to the Company's normal course issuer bid (the "NCIB"); and timing and possible outcome of pending litigation, if any.

Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and Qualified Persons (in the case of technical and scientific information), 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. In addition to factors already discussed in this document, such factors include, among others: risks relating to the Company's business generally and the impact of global pandemics, including changes to the Company's supply chain, product shortages, delivery and shipping issues, closure and/or failure of plant, equipment or processes to operate as anticipated, employees and contractors becoming infected, lost work hours and labour force shortages; fluctuations in metal and acid prices, toll rates and foreign exchange rates; possible variations in ore grade and recovery rates; inherent uncertainties in respect of conclusions of economic evaluations and economic studies, including the PEA, the PFS and the FS; changes in project parameters, including schedule and budget, as plans continue to be refined; uncertainties with respect to actual results of current exploration activities; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; 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; limitations on insurance coverage; 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; actual results of current and planned reclamation activities; opposition by social and non-governmental organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; failure to achieve certain cost savings or the potential benefits of any upgrades and/or expansion, including the planned rotary furnace installation, at the Tsumeb smelter; cyber-attacks and other cybersecurity risks; there being no assurance that the Company will purchase additional common shares of the Company under the NCIB; risks related to the implementation, cost and realization of benefits from digital initiatives; there being no assurance that the sale of MineRP will close; uncertainties with respect to obtaining required South African regulatory approvals; discretion of the Company with respect to the use of proceeds from the sale of MineRP; uncertainties with respect to realizing the targeted MineRP earn-outs; uncertainties with respect to realizing the benefits of the sale of MineRP; failure to realize projected financial results from MineRP; risks related to operating a technology business reliant on the ownership, protection and ongoing development of key intellectual properties; as well as those risk factors discussed or referred to in any other documents (including without limitation the Company's most recent 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.

This list is not exhaustive of the factors that may affect any of the Company's Forward Looking Statements. The Forward Looking Statements are based on what the Company's management considers to be reasonable assumptions, beliefs, expectations and opinions based on the information currently available to it. Without limitation to the foregoing, the following section outlines certain specific Forward Looking Statements contained in the "Three-Year Outlook" section of this MD&A, unless otherwise noted, and provides certain material assumptions used to develop such Forward Looking Statements and material risk factors that could cause actual results to differ materially from the Forward Looking Statements (which are provided without limitation to the additional general risk factors discussed herein):

Ore processed: assumes Chelopech and Ada Tepe mines perform at planned levels. Subject to a number of risks, the more significant of which is failure of plant, equipment or processes to operate as anticipated.

Cash cost per tonne of ore processed: assumes Chelopech and Ada Tepe ore mined/milled are in line with the guidance provided; foreign exchange rates remain at or around current levels; and operating expenses at Chelopech and Ada Tepe are at planned levels. Subject to a number of risks, the more significant of which are: lower than anticipated ore mined/milled; a weaker U.S. dollar relative to the Euro; and unexpected increases in labour and other operating costs.

Metals contained in concentrate produced: assumes grades and recoveries are consistent with current estimates of Mineral Resources and Mineral Reserves and DPM's current expectations; and ore mined/milled is consistent with guidance. Subject to a number of risks, the more significant of which are: lower than anticipated ore grades, recovery rates and ore mined/milled.

All-in sustaining costs: assumes that metals contained in concentrate produced and cash cost per tonne of ore processed at Chelopech and Ada Tepe are each in line with the guidance provided; copper and silver prices remain at or around current levels; the timing, destination and commercial terms in respect of concentrate deliveries are consistent with DPM's current expectations; payable metals in concentrate sold are consistent with the guidance provided, and general and administrative expenses, sustaining capital expenditures and leases, are consistent with the guidance provided. Subject to a number of risks, the more significant of which are: lower than anticipated metals contained in concentrate produced, concentrate deliveries and metal prices; a higher than anticipated cash cost per tonne of ore processed; and higher than anticipated sustaining capital expenditures, leases and general and administrative expenses.

Complex concentrate smelted at Tsumeb: assumes no significant disruption in equipment availability, planned maintenance activities or concentrate supply. Subject to a number of risks, the more significant of which are: unanticipated operational issues; delays in maintenance activities; lower than anticipated equipment availability; and disruptions to or changes in the supply of complex concentrate, including changes in the proportion of third party and Chelopech feed.

Cash cost per tonne of complex concentrate smelted: assumes complex concentrate smelted is consistent with the guidance provided; no delays in planned maintenance activities; acid prices are at or around current levels; acid production and operating expenses are at planned levels; and foreign exchange rates remain at or around current levels. Subject to a number of risks, the more significant of which are: complex concentrate smelted and acid production are lower than anticipated; acid prices are lower than anticipated; strengthening of the ZAR relative to the U.S. dollar; and higher than anticipated operating and transportation costs due to a variety of factors, including higher than anticipated inflation, labour and other operating costs.

Sustaining and growth capital expenditures: assumes foreign exchange rates remain at or around current levels, and all capital projects proceed as planned and at a cost that is consistent with the budget established for each project. Subject to a number of risks, the more significant of which are: technical challenges, delays related to securing necessary approvals, equipment deliveries, equipment performance, and the speed with which work is performed; availability of qualified labour; and changes in project parameters and estimated costs, including foreign exchange impacts.

Liquidity (see comments contained in "Liquidity and Capital Resources" section): assumes the operating and cost performance are consistent with current expectations; metal and acid prices, and foreign exchange rates remain at or around current levels; concentrate and acid sales agreements, and smelter toll terms are consistent with current terms and/or forecast levels; progress of capital projects is consistent with current expectations; and DPM's RCF remains in place. Subject to a number of risks, the more significant of which are: lower than anticipated metals production at Chelopech and Ada Tepe, complex concentrate throughput and acid production at Tsumeb, concentrate deliveries and metal prices; lower than anticipated reductions in secondary materials at Tsumeb; weaker U.S. dollar relative to local operating currencies; changes in contractual sales and/or toll terms and acid prices; changes to capital project parameters, schedule and/or costs; and the inability to draw down on DPM's RCF due to a breach or potential breach of one of its covenants.

General: assumes ability to carry on exploration and development activities; ability to operate in a safe, efficient and effective manner; no significant unanticipated operational or technical difficulties; maintenance of good relations with the communities surrounding Chelopech, Ada Tepe and Tsumeb; and no significant events or changes relating to regulatory, environmental, health and safety matters, including that the Company does not experience any negative effects as a result of the COVID-19 pandemic.

The reader is cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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. The Company's Forward Looking Statements reflect current expectations regarding future events and are only as of the date hereof. Other than as it may be required by law, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management's estimates or opinion should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

This MD&A was prepared in accordance with Canadian standards for reporting of mineral resource estimates, which differ in some respects from United States standards. In particular, and without limiting the generality of the foregoing, the terms "inferred mineral resources," "indicated mineral resources," "measured mineral resources" and "mineral resources" used or referenced in this MD&A are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Mineral Reserves, Definitions and Guidelines, May 2014 (the "CIM Standards"). Until recently, the CIM Standards differed significantly from standards in the United States. The U.S. Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Standards that are required under NI 43-101. Investors are cautioned that while the above terms are "substantially similar" to the corresponding CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the mineral reserve or mineral resource estimates under the standards adopted under the SEC Modernization Rules. Readers are cautioned that "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. The term "resource" does not equate to the term "reserves". Readers should not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Readers are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically mineable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The accompanying consolidated financial statements of Dundee Precious Metals Inc. (the "Company") and all information in this financial report are the responsibility of management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, include management's best estimates and judgments. Management has reviewed the financial information presented throughout this report and has ensured it is consistent with the consolidated financial statements.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Board of Directors appoints the Audit Committee, and all of its members are independent directors. The Audit Committee meets periodically with management and the auditors to review internal controls, audit results, accounting principles and related matters. The Board of Directors approves the consolidated financial statements on recommendation from the Audit Committee.

PricewaterhouseCoopers LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders at the last annual meeting to examine the consolidated financial statements and provide an independent professional opinion. PricewaterhouseCoopers LLP has full and free access to the Audit Committee.

(signed) "David Rae"	(signed) "Hume Kyle"
David Rae President and Chief Executive Officer	Hume Kyle Executive Vice President and Chief Financial Officer

February 11, 2021

Independent auditor's report

To the Shareholders of Dundee Precious Metals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dundee Precious Metals Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of earnings (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of cash flows for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Assessment of impairment indicators on property, plant and equipment related to the smelter at Tsumeb

Refer to note 2.2 – Significant accounting policies, note 4 – Impairment charges and note 9 – Property, plant and equipment to the consolidated financial statements

The company’s property, plant and equipment at the Tsumeb Cash Generating Unit (CGU) amounted to $106.5 million, as at December 31, 2020. In accordance with International Accounting Standard 36, Impairment of Assets, the Company’s carrying values of property, plant and equipment are assessed for impairment whenever indicators of potential impairment exist. An assessment is also made at each reporting date as to whether there is any change in events or circumstances relating to a previously recognized impairment. Management makes significant judgements in assessing whether indicators of impairment exist that would necessitate impairment testing. Factors assessed by management in determining whether there are any indicators of impairment include the following factors, some of which are partially or totally outside the Company’s control, such as:

• commodity prices, toll rates and foreign exchange rate;
• discount rate;
• production volume;
• capital and operating expenditures;
• changes in market, economic, or regulatory requirements; and
• future expansion plans.

We considered this a key audit matter due to (i) the significance of the property, plant and equipment
</td><td>
Our approach to addressing the matter included the following procedures, among others:

• Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following:

– Assessed the completeness of factors that could be considered as indicators of impairment on the Company’s property, plant and equipment.

– Professionals with specialized skill and knowledge in the field of valuation assisted us in assessing the reasonableness of the discount rate determined by management.

– Evaluated the Company’s actual financial and operational performance relative to previously forecasted projections.

– Evaluated the reasonableness of future commodity prices, toll rates and exchange rate by comparing them to economic analysts’ forecasts and other independent data sources.
</td></tr>
</table>

balance, (ii) the significant judgment that is exercised by management, (iii) the significant audit effort and subjectivity in applying audit procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators and (iv) assistance provided by professionals with specialized skill and knowledge in the field of valuation.	
Revenue recognition of metal exposure adjustment related to the smelter at Tsumeb *Refer to note 2.2 – Significant accounting policies, note 5 – Accounts receivable, note 11 – Accounts payable and accrued liabilities and note 28 – Operating segment information to the consolidated financial statements* Revenue from processing concentrate was adjusted by $0.4 million for the metal exposure that was included within accounts payable in the consolidated statement of financial position as at December 31, 2020. Revenue from processing concentrate is adjusted for any over or under recoveries of metals delivered relative to contracted rates under the tolling agreement between Tsumeb and its customer. These adjustments are calculated by comparing (i) the copper, gold and silver content in the concentrate received and processed by Tsumeb multiplied by the percentage payable in the agreement to (ii) the copper, gold and silver in the blister delivered to the customer and in the in-circuit material still being processed. The metal exposure adjustment is subject to estimation, including the amount of metal contained in concentrate received, in-circuit material and blister delivered where final assays have not been completed. We considered this a key audit matter due to (i) the potential significant variability of the metal exposure balance, (ii) the significant judgment made by management in making assumptions to estimate the metal exposure and (iii) the significant audit effort and subjectivity in performing audit procedures to test the reasonableness of the underlying assumptions and estimated metal exposure.	Our approach to addressing the matter included the following procedures, among others: • Tested the operating effectiveness of the internal control activities over metal accounting and the estimated metal exposure, including the estimated amount of metal contained in concentrate received, in-circuit material and blister delivered. • Observed the stockpile survey performed at year-end. • Obtained year-end customer confirmation in respect of the estimated quantities of metal. • Evaluated the reasonableness of the estimated metal contained in concentrate received, blister delivered to the customer and in the in-circuit material still being processed where final assays have not been completed at year-end by reviewing historical adjustments to provisional assays. • Recalculated the mathematical accuracy of the calculations supporting the estimated metal exposure and agreed quantities of metal to customer confirmation and prices to independent data sources.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is James Lusby.

(Signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 11, 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and 2019

(in thousands of U.S. dollars)

	Notes	December 31, 2020	December 31, 2019
ASSETS			
Current Assets			
Cash		**149,532**	23,440
Accounts receivable	5	**84,920**	38,309
Inventories	6	**43,049**	38,033
Other current assets	7(c),7(d)	**10,818**	5,244
		288,319	105,026
Assets Held for Sale	3	**30,713**	-
		319,032	105,026
Non-Current Assets			
Investments at fair value	7(a),7(b)	**106,595**	59,362
Mine properties	8	**155,438**	180,732
Property, plant & equipment	9	**364,337**	387,181
Intangible assets	10	**16,139**	40,034
Deferred income tax assets	21	**9,470**	9,048
Other long-term assets		**3,849**	3,327
		655,828	679,684
TOTAL ASSETS		**974,860**	784,710
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	11	**72,234**	59,736
Income tax liabilities	21	**910**	2,579
Current portion of deferred revenue	13	**-**	42,176
Current portion of long-term liabilities	15	**5,929**	5,092
		79,073	109,583
Liabilities Held for Sale	3	**6,003**	-
		85,076	109,583
Non-Current Liabilities			
Long-term debt	12	**-**	10,000
Deferred revenue	13	**-**	3,207
Rehabilitation provisions	14	**51,338**	40,799
Share-based compensation plans	17	**19,002**	11,700
Deferred income tax liabilities	21	**-**	1,137
Other long-term liabilities	15	**14,160**	15,390
		84,500	82,233
TOTAL LIABILITIES		**169,576**	191,816
EQUITY			
Share capital		**525,219**	522,351
Contributed surplus		**7,078**	9,150
Retained earnings		**224,701**	45,007
Accumulated other comprehensive income	25(b)	**41,671**	10,108
Equity attributable to common shareholders of the Company		**798,669**	586,616
Non-controlling interests		**6,615**	6,278
TOTAL EQUITY		**805,284**	592,894
TOTAL LIABILITIES AND EQUITY		**974,860**	784,710

The accompanying notes are an integral part of the consolidated financial statements

Signed on behalf of the Board of Directors

(Signed) "David Rae" (Signed) "Donald Young"

David Rae, Director Donald Young, Director

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the years ended December 31, 2020 and 2019

(in thousands of U.S. dollars, except per share amounts)

	Notes	**2020**	2019
Continuing Operations			
Revenue	*28*	**609,558**	404,392
Costs and expenses			
Cost of sales	*18*	**330,857**	294,533
General and administrative expenses	*18*	**30,604**	28,191
Corporate social responsibility expenses		**4,571**	2,815
Exploration and evaluation expenses	*18*	**19,072**	14,356
Impairment charges	*4*	**-**	107,000
Finance cost	*19*	**7,022**	10,164
Other (income) expense	*20*	**(491)**	915
		391,635	457,974
Earnings (loss) before income taxes		**217,923**	(53,582)
Current income tax expense	*21*	**23,353**	12,060
Deferred income tax expense (recovery)	*21*	**(4,462)**	896
Net earnings (loss) from continuing operations		**199,032**	(66,538)
Discontinued Operations			
Net loss from discontinued operations	*3*	**(4,169)**	(5,504)
Net earnings (loss)		**194,863**	(72,042)
Net earnings (loss) attributable to:			
Common shareholders of the Company			
From continuing operations		**199,074**	(66,621)
From discontinued operations		**(3,072)**	(4,281)
Non-controlling interests		**(1,139)**	(1,140)
Net earnings (loss)		**194,863**	(72,042)
Earnings (loss) per share attributable to common shareholders of the Company			
- Basic			
From continuing operations	*22*	**1.10**	(0.38)
From discontinued operations	*22*	**(0.02)**	(0.02)
- Diluted			
From continuing operations	*22*	**1.09**	(0.38)
From discontinued operations	*22*	**(0.02)**	(0.02)

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2020 and 2019

(in thousands of U.S. dollars)

	2020	2019
Net earnings (loss)	**194,863**	(72,042)
Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:		
Foreign exchange forward and option contracts designated as cash flow hedges		
Unrealized gains (losses), net of income tax recovery of $nil (2019 - $25)	**(114)**	1,656
Deferred cost of hedging, net of income tax recovery of $nil (2019 - $8)	**(947)**	3,291
Realized (gains) losses transferred to cost of sales, net of income tax expense of $nil (2019 - $nil)	**3,486**	(704)
Commodity swap contracts designated as cash flow hedges		
Unrealized gains, net of income tax expense of $9 (2019 - $nil)	**78**	-
Deferred cost of hedging, net of income tax recovery of $2 (2019 - $nil)	**(18)**	-
Currency translation adjustments from discontinued operations	**(3,395)**	796
Other comprehensive income (loss) items that will not be reclassed subsequently to profit or loss:		
Unrealized gains on publicly traded securities, net of income tax expense of $5,019 (2019 - $nil)	**31,451**	16,571
	30,541	21,610
Comprehensive income (loss)	**225,404**	(50,432)
Comprehensive income (loss) attributable to:		
Common shareholders of the Company		
From continuing operations	**233,010**	(45,991)
From discontinued operations	**(5,445)**	(3,485)
Non-controlling interests	**(2,161)**	(956)
Comprehensive income (loss)	**225,404**	(50,432)

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(in thousands of U.S. dollars)

	Notes	2020	2019
OPERATING ACTIVITIES			
Earnings (loss) before income taxes		**217,923**	(53,582)
Revenue transferred from deferred revenue	*13*	**(46,674)**	(16,521)
Depreciation and amortization		**100,211**	80,952
Impairment charges	*4*	**-**	107,000
Changes in non-cash working capital	*24(a)*	**(51,640)**	(15,735)
Other Items not affecting cash	*24(b)*	**14,422**	6,042
Payments for settlement of derivative contracts		**(9,103)**	(896)
Income taxes paid		**(28,174)**	(10,382)
Cash provided from operating activities of continuing operations		**196,965**	96,878
Cash provided from operating activities of discontinued operations	*3*	**101**	2,551
INVESTING ACTIVITIES			
Purchase of publicly traded securities	*7(b)*	**(5,119)**	(8,927)
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets		**124**	8,264
Expenditures on mine properties		**(8,012)**	(32,356)
Expenditures on property, plant and equipment		**(25,447)**	(34,877)
Expenditures on intangible assets		**(4,097)**	(1,654)
Cash used in investing activities of continuing operations		**(42,551)**	(69,550)
Cash used in investing activities of discontinued operations	*3*	**(1,301)**	(92)
FINANCING ACTIVITIES			
Proceeds from share issuance		**1,776**	4,480
Repayments of credit facilities	*12(a)*	**(10,000)**	(19,000)
Lease obligations		**(4,008)**	(3,415)
Dividend paid	*25(a)*	**(10,866)**	-
Interest and finance fees paid		**(3,067)**	(5,069)
Cash used in financing activities of continuing operations		**(26,165)**	(23,004)
Cash used in financing activities of discontinued operations	*3*	**(375)**	(386)
Increase in cash of continuing operations		**128,249**	4,324
Increase (decrease) in cash of discontinued operations		**(1,575)**	2,073
Cash at beginning of year, continuing operations		**21,283**	16,959
Cash at beginning of year, discontinued operations		**2,157**	84
Cash at end of year, continuing operations		**149,532**	21,283
Cash at end of year, discontinued operations		**582**	2,157

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2020 and 2019

(in thousands of U.S. dollars, except for number of shares)

	December 31, 2020		December 31, 2019	
	Number	**Amount**	Number	Amount
Share capital				
Authorized				
Unlimited common and preference shares with no par value				
Issued				
Fully paid common shares with one vote per share				
Balance at beginning of year	**180,537,053**	**522,351**	178,547,639	515,658
Shares issued as part of an exploration option agreement	**25,000**	**153**	20,000	74
Shares issued on exercise of stock options *(note 17)*	**838,072**	**1,776**	1,969,414	4,391
Transferred from contributed surplus on exercise of stock options		**939**		2,228
Balance at end of year	**181,400,125**	**525,219**	180,537,053	522,351
Contributed surplus				
Balance at beginning of year		**9,150**		12,085
Share-based compensation expense		**1,314**		1,063
Transferred to share capital on exercise of stock options		**(939)**		(2,228)
Other changes in contributed surplus		**(2,447)**		(1,770)
Balance at end of year		**7,078**		9,150
Retained earnings				
Balance at beginning of year		**45,007**		115,909
Net earnings (loss) attributable to common shareholdes of the Company		**196,002**		(70,902)
Dividend distribution *(note 25(a))*		**(16,308)**		-
Balance at end of year		**224,701**		45,007
Accumulated other comprehensive income (loss) ***(note 25(b))***				
Balance at beginning of year		**10,108**		(11,652)
Other comprehensive income		**31,563**		21,426
Realized losses on foreign exchange forward contracts and cost of hedging transferred to mine properties, net of income tax recovery of $nil (2019 - $33)		**-**		334
Balance at end of year		**41,671**		10,108
Total equity attributable to common shareholders of the Company		**798,669**		586,616
Non-controlling interests				
Balance at beginning of year		**6,278**		6,181
Net loss attributable to non-controlling interests		**(1,139)**		(1,140)
Other comprehensive income (loss) attributable to non-controlling interests		**(1,022)**		184
Other changes in non-controlling interests		**2,498**		1,053
Balance at end of year		**6,615**		6,278
Total equity at end of year		**805,284**		592,894

The accompanying notes are an integral part of the consolidated financial statements

1. CORPORATE INFORMATION

Dundee Precious Metals Inc. ("DPM") is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. DPM is a publicly listed company incorporated in Canada with limited liability under legislation of the Province of Ontario. DPM has common shares traded on the Toronto Stock Exchange ("TSX"). The address of DPM's registered office is 1 Adelaide Street East, Suite 500, P. O. Box 195, Toronto, Ontario, M5C 2V9.

As at December 31, 2020, DPM's consolidated financial statements include DPM and its subsidiary companies (collectively, the "Company").

Continuing operations:

DPM's principal subsidiaries include:
- 100% of Dundee Precious Metals Chelopech EAD ("Chelopech"), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria;
- 100% of Dundee Precious Metals Krumovgrad EAD ("Ada Tepe"), which owns and operates a gold mine located in south eastern Bulgaria, near the town of Krumovgrad; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited ("Tsumeb"), which owns and operates a custom smelter located in Tsumeb, Namibia.

DPM holds interests, directly or indirectly, in a number of exploration properties located in Serbia, Canada and Ecuador including:
- 100% of Avala Resources Ltd., which is focused on the exploration and development of the Timok gold project and other early stage projects in Serbia;
- 9.4% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada;
- 19.4% of INV Metals Inc. ("INV"), which is focused on the exploration and development of the Loma Larga gold property located in Ecuador; and
- a 51% interest in the Malartic gold project located in the Archean Abitibi greenstone belt near Val-d'Or, Canada, with the remaining 49% held by Pershimex Resources Corporation.

Discontinued operations *(note 3)*:

DPM also owns:
- 73.7% (70% on a fully diluted basis) of MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP").

2.1 BASIS OF PREPARATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee. These consolidated financial statements were approved by the Board of Directors on February 11, 2021.

2.2 SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared on a historical cost basis except for publicly traded securities and derivative assets and liabilities *(note 7)* that are measured at fair value.

The Company's significant accounting policies are set out below. The Company has consistently applied these accounting policies to all periods presented in these consolidated financial statements.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(a) Basis of consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company uses the acquisition method of accounting for business combinations. The fair value of the acquisition of a subsidiary is based on the fair value of the assets acquired and liabilities assumed, and the fair value of the consideration. The fair value of the assets acquired and liabilities assumed includes any contingent consideration arrangement. Acquisition related costs are expensed as incurred. At the date of acquisition, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values. The Company also recognizes any non-controlling interest in the acquiree at fair value.

The excess, if any, of the consideration paid and the amount of any non-controlling interest recognized over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, where the total consideration paid and the non-controlling interest recognized are less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of earnings (loss).

Subsidiaries are fully consolidated from the date on which control is acquired by the Company and they are deconsolidated from the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All inter-company balances, revenues and expenses and earnings and losses resulting from inter-company transactions are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are a separate component of the Company's equity. Non-controlling interests consist of the non-controlling interests on the date of the original business combination plus the non-controlling interests' share of changes in equity since the date of acquisition.

(b) Critical accounting estimates and judgments

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts of assets, liabilities and contingent liabilities on the date of the consolidated financial statements and the amounts of revenues and expenses during the period reported. Estimates and assumptions are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The significant areas of estimation and/or judgment considered by management in preparing the consolidated financial statements include, but are not limited to:

- commencement of commercial production *(note 2.2(k))*;
- Mineral Resource and Mineral Reserve estimates *(note 2.2(k))*;
- impairment of non-financial assets *(note 2.2(o))*;
- rehabilitation provisions and contingencies *(note 2.2(p))*;
- revenue recognition related to toll smelting arrangements *(note 2.2(r))*; and
- deferred income tax assets and liabilities *(note 2.2(v))*.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(c) Presentation and functional currency

The Company's presentation currency is the U.S. dollar and the functional currency of DPM and its consolidated subsidiaries from continuing operations is the U.S. dollar as it was assessed by management as being the primary currency of the economic environment in which the Company operates.

(d) Foreign currency

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates on the dates that their fair values are determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rates on the dates of the transactions. Income and expense items are translated at the exchange rate on the dates of the transactions. Exchange gains or losses resulting from the translation of these amounts are included in net earnings (loss), except those arising on the translation of equity instruments that are fair valued through other comprehensive income (loss).

Foreign operations

Foreign operations are comprised of subsidiaries of the Company that have a functional currency other than the U.S. dollar. The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into U.S. dollars at exchange rates on the reporting date. The income and expenses of foreign operations are translated into U.S. dollars at exchange rates on the dates of the transactions. Foreign currency differences are recognized as currency translation adjustments in other comprehensive income (loss). Accumulated currency translation adjustments are reclassified to net earnings (loss) upon the disposal of the associated foreign operation when the gain or loss on disposal is recognized. As at December 31, 2020 and 2019, MineRP is the only foreign operation of the Company with a functional currency being South African Rand ("ZAR") and its subsidiaries with functional currencies denominated in the currencies of the primary economic environments in which each of the subsidiaries operates.

(e) Inventories

Inventories of ore and concentrates are measured and valued at the lower of average production cost and net realizable value. Net realizable value is the estimated selling price of the concentrates in the ordinary course of business based on the prevailing metal prices on the reporting date, less estimated costs to complete production and to bring the concentrates to sale. Production costs that are inventoried include the costs directly related to bringing the inventory to its current condition and location, such as materials, labour, other direct costs (including external services and depreciation, depletion and amortization), production related overheads and royalties.

Inventories of sulphuric acid, arsenic calcines, spare parts, supplies and other materials are valued at the lower of average cost and net realizable value. Obsolete, redundant and slow moving inventories are identified at each reporting date and written down to their net realizable values. Arsenic calcines not expected to be processed in the next 12 months are classified as long-term inventory and included in other long-term assets.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(f) Financial assets and liabilities excluding derivative instruments related to hedging activities

Financial assets

Initial recognition and measurement

Non-derivative financial assets are classified and measured as “financial assets at fair value”, as either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”), and “financial assets at amortized cost”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified accounts receivable on provisionally priced sales as financial assets measured at FVPL. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other (income) expense in the consolidated statements of earnings (loss). The Company’s investment in Sabina special warrants and its accounts receivable on provisionally priced sales are classified as financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company’s investments in publicly traded equity securities are classified as financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss).

Subsequent measurement – Financial assets at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets that are held for collection of contractual cash flows, where those cash flows represent repayments of principal and interest. The Company’s other accounts receivable is classified as financial assets at amortized cost.

Dividends from all financial assets are recognized in other (income) expense in the consolidated statements of earnings (loss) when the right to receive the dividend is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or are transferred, or the Company no longer retains substantially all the risks and rewards of ownership.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

On derecognition of a financial asset, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in other (income) expense in the consolidated statements of earnings (loss) except for financial assets at FVOCI, for which the cumulative gain or loss remains in accumulated other comprehensive income (loss) and is not reclassified to profit or loss.

Impairment of financial assets

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, *Financial Instruments*, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and long-term debt, which are initially recognized at fair value and subsequently measured at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other (income) expense in the consolidated statements of earnings (loss).

(g) Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the dates they are entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For a derivative instrument to qualify for hedge accounting, the Company documents at the inception of the transaction the relationship between a hedging instrument and hedged item, as well as its risk management objectives and strategy for undertaking the hedging transaction. The Company also documents its assessment, both at inception and on an ongoing basis, of whether the derivative used to hedge an underlying exposure is highly effective in offsetting changes in the cash flows of the hedged item.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months.

Foreign exchange forward and option contracts designated as cash flow hedges

The Company designates the spot component of foreign exchange forward contracts and the intrinsic value of foreign exchange option contracts entered to hedge a portion of its projected operating expenses and capital expenditures denominated in foreign currencies as cash flow hedges.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The effective portion of changes in fair value of the spot component of the forward contracts and in the intrinsic value of the options are initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). For hedges of operating expenses, the accumulated fair value change initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) is subsequently recognized in cost of sales in the consolidated statements of earnings (loss) in the period when the underlying hedged operating expenses occur. For hedges of capital expenditures, the accumulated fair value change initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) is subsequently included in the carrying value of the underlying assets hedged in the period the underlying hedged capital expenditures occur.

The time value, which forms a component of these foreign exchange forward and option contracts, is treated as a separate cost of hedging. As a result, any unrealized fair value change in the time value component of the outstanding foreign exchange forward and option contracts is initially recognized as a deferred cost of hedging in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). The accumulated cost of hedging is subsequently recognized in cost of sales or included in the carrying value of the underlying assets hedged in the period the underlying hedged operating expenses or capital expenditures occur.

Commodity swap contracts designated as cash flow hedges

The Company also designates the spot component of commodity swap contracts to hedge future metal price exposures ("Production Hedges") as cash flow hedges.

The effective portion of changes in fair value of the spot component of the swaps are initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). The accumulated fair value change is subsequently recognized in revenue in the consolidated statements of earnings (loss) in the period the underlying hedged sales occur.

The forward points, or time value, which form a component of these commodity swap contracts, are treated as a separate cost of hedging. As a result, any unrealized fair value change in the time value component of the outstanding commodity swap contracts is initially recognized as a deferred cost of hedging in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). The accumulated cost of hedging is subsequently recognized in revenue in the period the underlying hedged sales occur.

Commodity swap contracts designated as fair value hedges

The Company designates the spot component of commodity swap contracts to hedge the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales ("QP Hedges") as a fair value hedge.

The effective portion of changes in fair value of the spot component of these commodity swap contracts are recognized in revenue in the consolidated statements of earnings (loss), together with any changes in the fair value of the hedged accounts receivable on the provisionally priced sales.

The forward point component of these commodity swap contracts is accounted for separately as a cost of hedging. As a result, any change in the fair value of the forward point component is recognized in revenue in the consolidated statements of earnings (loss).

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for cash flow hedge accounting, the accumulated deferred gains or losses remain in other comprehensive income (loss) until the period the underlying transaction that was hedged occurs at which point they are reclassified and recognized in revenue in the consolidated statements of earnings (loss). If the underlying hedged transaction is no longer expected to occur, the accumulated gains or losses that were initially recognized in other comprehensive income (loss) are immediately reclassified to other (income) expense in the consolidated statements of earnings (loss).

The gains or losses relating to the ineffective portion of all cash flow or fair value hedges, if any, are recognized immediately in other (income) expense in the consolidated statements of earnings (loss).

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

(i) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. These valuation models require the use of assumptions, including future stock price volatility and probability of exercise.

Changes in the underlying assumptions could materially impact the Company's investments at FVPL. Further details on measurement of the fair values of financial instruments are provided in *note 7*.

(j) Mineral exploration and evaluation expenditures

Exploration and evaluation activities involve the search for Mineral Resources and Mineral Reserves, the assessment of technical and operational feasibility and the determination of an identified Mineral Resource or Mineral Reserve's commercial viability. Once the legal right to explore has been acquired, exploration and evaluation expenditures are expensed as incurred until economic production is probable. Exploration expenditures in areas where there is a reasonable expectation to convert existing estimated Mineral Resources to estimated Mineral Reserves or to add additional Mineral Resources with additional drilling and evaluations in areas near existing Mineral Resources or Mineral Reserves and existing or planned production facilities, are capitalized.

Exploration properties that contain Proven and Probable Mineral Reserves, but for which a development decision has not yet been made, are subject to periodic review for impairment when events or changes in circumstances indicate the project's carrying value may not be recoverable.

Exploration and evaluation assets are reclassified to "Mine Properties – Mines under construction" when the technical feasibility and commercial viability of extracting the Mineral Resources or Mineral Reserves are demonstrable and construction has commenced or a decision to construct has been made. Exploration and evaluation assets are assessed for impairment before reclassification to "Mines under construction", and the impairment charge, if any, is recognized through net earnings (loss).

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits will be generated from the exploitation of an exploration and evaluation asset when activities have not yet reached a stage where a reasonable assessment of the existence of Mineral Reserves can be determined. The estimation of Mineral Resources is a complex process and requires significant assumptions and estimates regarding economic and geological data and these assumptions and estimates impact the decision to either expense or capitalize exploration and evaluation expenditures. Management is required to make certain estimates and assumptions about future events and circumstances in order to determine if an economically viable extraction operation can be established. Any revision to any of these assumptions and estimates could result in the impairment of the capitalized exploration and evaluation costs. If new information becomes available after expenditures have been capitalized that the recovery of these expenditures is no longer probable, the expenditures capitalized are written down to the recoverable amount and charged to net earnings (loss) in the period the new information becomes available.

(k) Mine properties

Mine Properties – Mines under construction

All expenditures undertaken in the development, construction, installation and/or completion of mine production facilities are capitalized and initially classified as "Mines under construction". All expenditures related to the construction of mine declines and orebody access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. Expenses incurred after reaching the orebody are regarded as operating development costs and are included in the cost of ore hoisted.

Upon the commencement of commercial production, all related assets included in "Mines under construction" are reclassified to "Mine Properties – Producing mines" or "Property, plant and equipment". Determination of commencement of commercial production is a complex process and requires significant assumptions and estimates. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and
- Required production levels, grades and recoveries have been achieved.

Mine Properties – Producing mines

All assets reclassified from "Mines under construction" to "Producing mines" are stated at cost less accumulated depletion and accumulated impairment charges. Costs incurred for the acquisition of land are stated at cost.

The initial cost of a producing mine comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset.

When a mine construction project moves into production, the capitalization of certain mine construction costs ceases, and from that point on, costs are either regarded as inventory costs or expensed as cost of sales, except for costs related to mine additions or improvements, mine development or mineable reserve development, which qualify for capitalization.

(in thousands of U.S. dollars, unless otherwise indicated)

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Depletion

The depletion of a producing mine asset is based on the unit-of-production method over the estimated economic life of the related deposit.

Mineral Resource and Mineral Reserve estimates

The estimation of Mineral Resources and Mineral Reserves, as defined under National Instrument 43-101, *Standards of Disclosure for Mine Projects* ("NI 43-101"), is a complex process and requires significant assumptions and estimates. The Company prepares its Mineral Resource and Mineral Reserve estimates based on information related to the geological data on the size, depth and shape of the orebody which is compiled by appropriately qualified persons. Mineral Resource and Mineral Reserve estimates are based upon factors such as metal prices, capital requirements, production costs, foreign exchange rates, geotechnical and geological assumptions and judgments made in estimating the size and grade of the orebody. Mineral Resource and Mineral Reserve estimates, together with forecast production, determine the life of mine estimates and therefore changes in the Mineral Resource or Mineral Reserve estimates may impact the carrying value of exploration and evaluation assets *(note 2.2(j))*, mine properties, property, plant and equipment *(note 2.2(l)),* depletion and depreciation charges *(note 2.2(l)),* rehabilitation provisions *(note 2.2(o)),* and deferred income tax assets *(note 2.2(v)).*

(l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment charges.

The initial cost of property, plant and equipment comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset. Where an item of property, plant and equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. The capitalized value of a lease is also included in property, plant and equipment.

Depreciation

The depreciation of property, plant and equipment related to a mine is based on the unit-of-production method over the estimated economic life of the related deposit, except in the case of an asset whose estimated useful life is less than the life of the deposit, in which case the asset is depreciated over its estimated useful life based on the straight-line method. For all other property, plant and equipment, depreciation is based on the estimated useful life of the asset on a straight-line basis. Depreciation of property, plant and equipment used in a capitalized exploration or development project is capitalized to the project.

Depreciation of property, plant and equipment, which are depreciated on a straight-line basis over their estimated useful lives, is as follows:

Asset Category	Estimated useful life (Years)
Buildings	15 - 20
Machinery and Equipment	3 - 20
Vehicles	5
Computer Hardware	3
Office Equipment	3 - 6

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Construction work-in-progress includes property, plant and equipment in the course of construction and is carried at cost less any recognized impairment charge. These assets are reclassified to the appropriate category of property, plant and equipment and depreciation of these assets commences when they are completed and ready for their intended use.

An item of property, plant and equipment, including any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of all assets are reviewed at each financial year end and are adjusted prospectively, if appropriate. Significant judgment is involved in the determination of estimated residual values and useful lives. The actual residual values and useful lives may differ from current estimates.

Depreciation of mine specific assets is based on the unit-of-production method. The life of these assets is assessed annually with regard to both their anticipated useful life and the present assessments of the economically recoverable reserves and resources of the mine property where these assets are located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and resources. Any changes to these calculations based on new information are accounted for prospectively.

Rates of depreciation and, in turn, the annual depreciation expense could therefore be materially affected by changes in underlying estimates. Changes in estimates can be the result of differences in actual production or changes in forecast future production, changes in Mineral Resources or Mineral Reserves through exploration activities, differences between estimated and actual costs of mining and differences in metal prices used in the estimation of Mineral Reserves.

Major maintenance and repairs

Expenditures on major maintenance include the cost of replacing part of an asset and overhaul costs. When part of an asset is being replaced and it is probable that future economic benefits associated with the replacement or overhauled item will flow to the Company through an extended life, the expenditure is capitalized as a separate asset and the carrying amount of the replaced part is written off.

(m) Intangible assets

Intangible assets include software, exploration and software licenses, intellectual properties, customer relationships, long-term customer contracts and goodwill.

Intangible assets acquired are measured upon initial recognition at cost, which comprises the purchase price plus any costs directly attributable to the preparation of the asset for its intended use. Identifiable intangible assets acquired through business combinations are initially recognized at fair value as at the date of acquisition. Goodwill is initially measured as described in *note 2.2(a)* through business combinations.

Research expenditures are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of an identifiable software product are capitalized and recognized as an intangible asset.

Goodwill is carried at cost less any accumulated impairment losses and is not subject to amortization. All other intangible assets are carried at cost less accumulated amortization and any accumulated impairment charges. Other intangible assets are amortized on a straight-line basis over their estimated useful lives.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The amortization periods applicable to intangible assets amortized on a straight-line basis over their estimated useful lives are as follows:

Asset Category	Estimated useful life (Years)
Computer Software	3 - 5
Exploration and Software Licenses	3 - 5
Intellectual Property	10
Customer Relationships	15
Customer Contract	14

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets require the use of estimates and assumptions and are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense attributable to an intangible asset is recognized in the consolidated statements of earnings (loss) in the applicable expense category to which the intangible asset relates.

The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

(n) Assets and liabilities held for sale and discontinued operations

Non-current assets or assets in a disposal group that are expected to be recovered primarily through sale rather than through continuing use are classified as assets held for sale. A disposal group is a group of assets which the Company intends to dispose of in a single transaction. These assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment charges on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in net earnings (loss) from discontinued operations. The reversal of any previously recognized impairment charge cannot exceed the carrying amount that would have been determined had no impairment charge been recognized for the asset held for sale.

Assets and liabilities in a disposal group are classified as held for sale and are presented separately in the consolidated statements of financial position.

The measurement of assets held for sale requires the use of estimates and assumptions related to the carrying value and its recoverability through sale. Actual sale proceeds may differ materially from the carrying value.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and represents a separate line of business or geographical area of operations. The operating results and cash flows of discontinued operations are presented separately in the consolidated statements of earnings (loss) and cash flows.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(o) Impairment of non-financial assets

The carrying values of mine properties, intangible assets and property, plant and equipment are assessed for impairment whenever indicators of potential impairment exist. If any indication of potential impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal ("FVLCD") and its value in use based on discounted cash flows. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a Cash Generating Unit ("CGU") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or groups of assets. Management has assessed the Company's CGUs as being an individual operating site.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount with the corresponding impairment being charged to earnings (loss) in the period of impairment. Impairment charges are recognized in the consolidated statements of earnings (loss) in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any change in events or circumstances relating to a previously recognized impairment. If a change has occurred, the Company makes an estimate of the recoverable amount for the previously impaired asset or CGU. A previously recognized impairment charge, other than a charge in respect of goodwill, is reversed only if there has been a change in the estimates used to determine the asset or CGU's recoverable amount since the last impairment charge was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment charge been recognized for the asset or CGU in prior years.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill is allocated to the CGU that is expected to benefit from the business combination in which the goodwill arose. Any impairment in goodwill is recognized immediately and cannot be subsequently reversed.

The assessment of impairment is based on a number of external and internal factors, some of which are outside of the Company's control, and requires the use of estimates and assumptions related to these factors for each CGU. External factors include considerations such as commodity prices, toll rates, discount rates, foreign exchange rates, and changes in market, economic or regulatory requirements. Internal factors include considerations such as production volume, ability to convert resources into reserves, capital and operating expenditures, and future development and expansion plans.

These significant estimates and assumptions, some of which may be subjective, require that management make decisions based on the best available information at each reporting period. It is possible that the actual recoverable amount could be significantly different than those estimates. A significant decline in the asset's market value, reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable reserves, resources and exploration potential, and/or adverse market conditions can result in a write-down of the carrying amounts of the Company's assets. Judgment is also required when considering whether significant changes in any of these items indicate a previous impairment may have reversed.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(p) Provisions and contingencies

General

Provisions are recognized when: a) the Company has a present obligation (legal or constructive) as a result of a past event; and b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement shall be treated as a separate asset. If the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision as a result of the passage of time is recognized in finance cost in the consolidated statements of earnings (loss).

A contingent liability is not recognized in the case where no reliable estimate can be made; however, disclosure is required unless the possibility of an outflow of resources embodying economic benefits is remote. By its nature, a contingent liability will only be resolved when one or more future events occur or fail to occur. The assessment of a contingent liability inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Rehabilitation provisions

Mining, processing, development and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes a liability for its rehabilitation obligations in the period when a legal and/or constructive obligation is identified. The liability is measured at the present value of the estimated costs required to rehabilitate operating locations based on the risk free nominal discount rates that are specific to the countries in which the operations are located. A corresponding increase to the carrying amount of the related asset is recorded and depreciated in the same manner as the related asset.

The nature of these restoration and rehabilitation activities includes: i) dismantling and removing structures; ii) rehabilitating mines and tailing dams; iii) dismantling operating facilities; iv) closure of plant and waste sites; and v) restoration, reclamation and re-vegetation of affected areas. Other environmental costs incurred at the operating sites, such as environmental monitoring, water management and waste management costs, are charged to profit or loss when incurred.

The liability is accreted over time to its expected future settlement value. The accretion expense is recognized in finance cost in the consolidated statements of earnings (loss).

The Company assesses its rehabilitation provisions at each reporting date. The rehabilitation liability and related assets are adjusted at each reporting date for changes in the discount rates and in the estimated amount, timing and cost of the work to be carried out. Any reduction in the rehabilitation liability and therefore any deduction in the related rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is immediately credited to profit or loss.

Significant estimates and assumptions are made by management in determining the nature and costs associated with the rehabilitation liability. The estimates and assumptions required include estimates of the timing, extent and costs of rehabilitation activities, technology changes, regulatory changes, and changes in the discount and inflation rates. These uncertainties may result in future expenditures being different from the amounts currently provided.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(q) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement on the inception date.

As a lessee, the Company recognizes a lease obligation and a right-of-use asset in the consolidated statements of financial position on a present-value basis at the date when the leased asset is available for use. Each lease payment is apportioned between a finance charge and a reduction of the lease obligation. Finance charges are recognized in finance cost in the consolidated statements of earnings (loss). The right-of-use asset is included in property, plant and equipment and is depreciated over the shorter of its estimated useful life and the lease term on a straight-line basis.

Lease obligations are initially measured at the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, or if this rate cannot be determined, the Company's incremental borrowing rate.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of the lease obligation;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- rehabilitation costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statements of earnings (loss). Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise primarily small equipment.

(r) Revenue recognition

Revenue from the sale of concentrates containing gold, copper and silver is recognized when control has been transferred, which is considered to occur when products have been delivered and the significant risks of loss have been transferred to the buyer. Revenue is measured based on the consideration specified in the contract.

Revenue from the sale of concentrates is initially recorded based on a provisional value which is a function of prevailing market prices, estimated weights and grades less smelter and other commercial deductions. Under the terms of the concentrate sales contracts, the final metal price ("settlement price") for the payable metal is based on a predetermined quotational period of London Metal Exchange and London Bullion Market daily prices. The price of the concentrate is the sum of the metal payments less the sum of specified deductions, including treatment and refining charges, penalties for deleterious elements, and freight. The terms of these contracts result in embedded derivatives because of the timing difference between the prevailing metal prices for provisional payments and the actual contractual metal prices used for final settlement. These embedded derivatives are adjusted to fair value at the end of each reporting period through to the date of final price determination with any adjustments recognized in revenue.

Any adjustments to the amount receivable for each shipment on the settlement date, caused by final assay results, are adjusted through revenue at the time of determination.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue from processing concentrate is recognized when concentrate has been smelted and is based on the toll rate specified in the toll agreement, which can vary based on the composition of the concentrate processed and prevailing market conditions at the time the agreement was entered. Under each toll agreement, Tsumeb incurs a carrying charge in respect of the concentrate it processes until blister copper is delivered. This charge is recorded as a reduction of revenue.

Revenue from processing concentrate is also adjusted for any over or under recoveries of metals delivered relative to contracted rates under the tolling agreement between Tsumeb and IXM S.A. ("IXM"). These adjustments represent metal exposure and are calculated by comparing (i) the copper, gold and silver content in the concentrate received and processed by Tsumeb multiplied by the percentage accountable in the IXM contract to (ii) the accountable copper, gold and silver in the blister delivered to IXM and in the in-circuit material still being processed by Tsumeb. Many aspects of the metal exposure are subject to estimation, including the amount of metal contained in concentrate received, in-circuit material and blister delivered where final assays have not been completed. These significant estimates are based on the Company's process knowledge, joint surveys with IXM and multiple assay results, the final results of which could differ from initial estimates.

Revenue from the sale of sulphuric acid, a by-product from processing concentrate at the Tsumeb smelter, is measured at the price specified in the sales contract and is recognized when the control has been transferred, which is considered to occur when the products have been delivered to the location specified in the sales contract and the risk of loss has been transferred to the buyer.

Revenue from MineRP's software services is recognized over time when the services are rendered. This is measured based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The estimated revenue or extent of progress toward percentage of completion is revised if changes occur or circumstances arise that indicate a revision is warranted. Any resulting increase or decrease in estimated revenue is reflected in the consolidated statements of earnings (loss) in the period in which such determination is made.

Revenue from licenses entered by MineRP containing software and ongoing services elements is recognized based on the estimated fair value of each element. The fair value of each element is determined based on the market price of each element when sold separately. Revenue relating to the software element is recognized when the control has been transferred to the customer, which occurs on delivery. Revenue relating to the service element is recognized over time when the services are rendered.

(s) Deferred revenue

Deferred revenue is recognized in the consolidated statements of financial position when a cash prepayment is received from one or more customers prior to the sale of product or delivery of service. Revenue is subsequently recognized in the consolidated statements of earnings (loss) when the sale occurs, which generally occurs when control has been transferred or in the case of services, when the services have been rendered.

The Company recognizes the time value of money, where there is a significant financing component and the period between the payment by the customer and the transfer of the contracted goods or services exceeds one year.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(t) Borrowing costs

Borrowing costs directly related to the acquisition and the construction of a qualifying capital asset are capitalized and added to the cost of the asset until such time as the asset is considered substantially ready for its intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using the weighted average cost applicable to relevant general borrowings of the Company during the period. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(u) Share-based compensation transactions

Equity-settled transactions

Stock options are granted to directors and selected employees to buy common shares of the Company. Options vest equally over a three-year period and expire five years from the date of grant. Grants of stock options are based on the closing price of the common shares on the TSX the day before the effective grant date and reflect the Company's estimate of the number of awards that will ultimately vest. The stock options are measured on the date of grant by reference to the fair value determined using a Black-Scholes valuation model, further details of which are given in *note 17*. The value is recognized as a general and administrative expense in the consolidated statements of earnings (loss) and an increase to contributed surplus in the consolidated statements of changes in shareholders' equity over the period in which the performance and/or service conditions are fulfilled.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

A Deferred Share Unit ("DSU") Plan was established for directors and certain employees in lieu of cash compensation. The DSUs are paid in cash based on the five-day volume weighted average price ("Market Price") of DPM's publicly traded common shares on the date the employee ceases to be employed by DPM or a subsidiary thereof or at any time before the end of the year following the year in which the director ceases to be a director of DPM or a subsidiary thereof. The cost of the DSUs is measured initially at fair value based on the closing price of DPM's common shares preceding the day the DSUs are granted. The cost of the DSUs is recognized as a liability under share based compensation plans in the consolidated statements of financial position and as a general and administrative expense in the consolidated statements of earnings (loss). The liability is remeasured to fair value based on the Market Price of DPM's common shares at each reporting date up to and including the settlement date, with changes in fair value recognized in general and administrative expenses in the consolidated statements of earnings (loss).

A Restricted Share Unit ("RSU") Plan was established for directors, certain employees and eligible contractors ("Participant") of DPM and its wholly-owned subsidiaries in consideration of past services to the Company. Under this plan, the Board of Directors may, at its sole discretion, (i) grant non-performance based RSUs and RSUs with a performance-based component, referred to as performance share units ("PSUs"), subject to performance conditions to be achieved by the Company; and (ii) determine the entitlement date or dates of such RSUs and PSUs. The non-performance based RSUs vest equally over a three-year period and are paid in cash based on the Market Price of DPM's publicly traded common shares on the entitlement date or dates. The PSUs vest after three years from the grant date and are paid in cash based on the Market Price of DPM's publicly traded common shares, subject to performance criteria established by the Board of Directors on the entitlement date or dates.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The cost of the RSUs and PSUs is measured initially at fair value on the authorization date based on the closing price of DPM's common shares preceding the day the RSUs and PSUs are granted. The cost of RSUs and PSUs is recognized as a liability under share based compensation plans, with the current portion recognized in accounts payable and accrued liabilities, in the consolidated statements of financial position and as an expense in the consolidated statements of earnings (loss) over the vesting period. The liability is remeasured to fair value based on the Market Price of DPM's common shares and, in the case of PSUs, subject to performance criteria, at each reporting date up to and including the settlement date, with changes in fair value recognized in the consolidated statements of earnings (loss).

(v) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable loss or income for the period. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the end of the reporting period.

Current income tax assets and current income tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be generated in future periods to utilize these deductible temporary differences.

The following temporary differences do not result in deferred income tax assets or liabilities:

- The initial recognition of assets or liabilities, not arising from a business combination, that does not affect accounting or taxable profit;
- Initial recognition of goodwill, if any; and
- Investments in subsidiaries, associates and jointly controlled entities where the timing of the reversal of temporary differences can be controlled and reversal in the foreseeable future is not probable.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be generated to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will be generated to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Current and deferred income taxes related to items recognized directly in equity are recognized in equity and not in profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Judgment is required in determining whether deferred income tax assets are recognized on the consolidated statements of financial position. Deferred income tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in order to utilize the deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows from operations or other activities and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded on the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could impact tax deductions in future periods and the value of its deferred income tax assets and liabilities.

(w) Earnings per share

Basic earnings per share is computed by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted earnings per share reflects the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. The number of additional shares for inclusion in diluted earnings per share is determined using the treasury stock method, whereby stock options and warrants, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised at the beginning of the period with proceeds based on the average market price for the period. The incremental number of common shares issued under stock options and warrants is included in the calculation of diluted earnings per share.

3. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

On December 22, 2020, DPM and other shareholders of MineRP collectively entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB ("Epiroc") for the sale of MineRP through disposition of all of the issued and outstanding shares of MineRP (the "MineRP Disposition"). The MineRP Disposition is subject to South African competition review approval and is expected to close in the first half of 2021. Under the MineRP Disposition, the consideration for DPM's fully diluted 70% equity interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $40.0 million in cash subject to a working capital adjustment following closing and (ii) potential additional proceeds in the form of an earn-out of up to $28.7 million, which are payable on the achievement of certain revenue targets by MineRP in 2021 and 2022.

As a result of the MineRP Disposition, the assets and liabilities of MineRP have been presented as held for sale in the consolidated statement of financial position as at December 31, 2020 and the operating results and cash flows of MineRP have been presented as discontinued operations in the consolidated statements of earnings (loss) and cash flows for the years ended December 31, 2020 and 2019. As a consequence, certain comparative figures in the consolidated statements of earnings (loss) and cash flows have been reclassified to conform with current year presentation.

(in thousands of U.S. dollars, unless otherwise indicated)

The following table summarizes the assets and liabilities of MineRP which have been aggregated and presented as held for sale as at December 31, 2020:

	December 31, 2020
Cash	582
Accounts receivable	1,524
Property, plant & equipment	1,265
Intangible assets	27,153
Other long-term assets	189
Total assets held for sale	30,713
Accounts payable and accrued liabilities	4,038
Current portion of long-term liabilities	303
Deferred income tax liabilities	950
Other long-term liabilities	712
Total liabilities held for sale	6,003

The following table summarizes the operating results of MineRP which have been aggregated and presented as discontinued operations for the years ended December 31, 2020 and 2019:

	2020	2019
Revenue	11,495	14,670
Costs and expenses		
Cost of sales	10,160	11,826
General and administrative expenses	6,424	6,356
Finance cost	96	91
Other income	(581)	(193)
	16,099	18,080
Loss before income taxes	(4,604)	(3,410)
Current income tax expense	212	9
Deferred income tax expense (recovery)	(647)	2,085
Net loss from discontinued operations	(4,169)	(5,504)

The Company performed impairment testing of goodwill, which was recognized upon the acquisition of MineRP, before reclassifying it to assets held for sale. As at December 31, 2020, the recoverable amount of MineRP was higher than its carrying amount including the goodwill and therefore no impairment charge was required for the year ended December 31, 2020. MineRP's recoverable amount was determined based on the estimated consideration expected from the MineRP Disposition.

4. IMPAIRMENT CHARGE

As at December 31, 2019, the Company assessed the recoverable amount of Tsumeb triggered by the timing of the anticipated expansion project being delayed and the ability to optimize the mix of feed being processed by the smelter.

(in thousands of U.S. dollars, unless otherwise indicated)

As at December 31, 2019, the carrying value of Tsumeb exceeded its estimated recoverable amount resulting in an impairment charge of $107.0 million being recognized in the consolidated statements of earnings (loss), of which $104.9 million related to property, plant and equipment and $2.1 million related to intangible assets. This charge was primarily attributable to the opportunity to process additional volumes of third party complex concentrate at Tsumeb by capitalizing on, from time to time, market demand to process Chelopech concentrate, which has more available outlets than other complex third party concentrate processed by Tsumeb. While this has the potential to generate additional overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech rather than higher throughput and higher margins at Tsumeb. The ability to optimize mix as well as the actual timing and volume of expected additional third party complex concentrate coming to market, could also result in Tsumeb's expansion being further delayed and possibly deferred indefinitely, if a long term contract cannot be secured to support the expansion to 370,000 tonnes. In 2019, the Company contracted additional supply under its tolling agreement with IXM, on terms in line with existing arrangements, such that the smelter's existing capacity was fully contracted for the following three years. In addition, the Government of Namibia issued an Environmental Clearance Certificate to the Company, which provided the approval required to move forward with the expansion.

Tsumeb's recoverable amount of $125.0 million as at December 31, 2019 was determined using FVLCD, which was calculated based on projected future cash flows utilizing the latest information available and management's estimates including throughput ranging from 242,000 tonnes to 370,000 tonnes, toll rates, which were based on historical terms received and the Company's knowledge of the complex concentrate market, third party concentrate feed ranging from 70% to 100% of total feed, operating costs and capital expenditures in line with current levels, and foreign exchange rates ranging from 13.7 to 14.9. These projected cash flows were prepared in current dollars and discounted using a real discount rate of 10.2%, representing the estimated weighted average real cost of capital. This rate was estimated based on the Capital Asset Pricing Model where the costs of equity and debt were based on, among other things, estimated interest rates, market returns on equity, share volatility, leverage and risks specific to the mining sector and Tsumeb. Management's estimates of Tsumeb's FVLCD are classified as level 3 in the fair value hierarchy.

Sensitivities

The projected cash flows and estimated FVLCD can be affected by any one or more changes in the estimates used. Changes in operating costs, volumes of concentrate smelted, third party toll rates, and foreign exchange rates have the greatest impact on value, with a 5% change in any one ranging between $15 million and $30 million as at December 31, 2020. Should the expansion of Tsumeb not proceed and/or the concentrate mix at Tsumeb shifts to process significant additional volumes of third party complex concentrate instead of Chelopech concentrate, a further impairment charge could be required, notwithstanding any such decision being accretive to the Company overall.

5. ACCOUNTS RECEIVABLE

	December 31, 2020	December 31, 2019
Accounts receivable (a)	**74,506**	30,695
Supplier advances and other prepaids	**8,501**	5,985
Value added tax recoverable	**1,913**	1,629
	84,920	38,309

(a) As at December 31, 2020, the Company's accounts receivable included a liability of $0.4 million (December 31, 2019 – a recoverable of $0.6 million) related to Tsumeb's metals exposure.

(in thousands of U.S. dollars, unless otherwise indicated)

6. INVENTORIES

	December 31, 2020	December 31, 2019
Ore and concentrates	**14,382**	13,067
Spare parts, supplies and other	**28,667**	24,966
	43,049	38,033

For the year ended December 31, 2020, the cost of inventories recognized as an expense and included in cost of sales was $186.4 million (2019 – $148.0 million).

7. FINANCIAL INSTRUMENTS

Set out below is a comparison, by category, of the carrying amounts of the Company's financial instruments that are recognized in the consolidated statements of financial position:

		Carrying Amount	
	Financial instrument classification	**December 31, 2020**	December 31, 2019
Financial assets			
Cash	Amortized cost	**149,532**	23,440
Accounts receivable on provisionally priced sales	FVPL	**52,957**	11,246
Other accounts receivable	Amortized cost	**31,963**	27,063
Restricted cash	Amortized cost	**2,111**	2,177
Sabina special warrants *(a)*	FVPL	**12,128**	6,488
Publicly traded securities *(b)*	FVOCI	**94,467**	52,874
Commodity swap contracts *(c)*	Derivatives for fair value hedges	**104**	-
Foreign exchange option contracts *(d)*	Derivatives for cash flow hedges	**6,364**	3,938
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**66,465**	58,320
Debt *(note 12(a))*	Amortized cost	**-**	10,000
Commodity swap contracts *(c)*	Derivatives for cash flow and fair value hedges	**5,769**	1,416

The carrying values of all the financial assets and liabilities approximate their fair values as at December 31, 2020 and 2019.

(a) Sabina special warrants

As at December 31, 2020, DPM held: (i) 30,537,746 common shares of Sabina; and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at December 31, 2020 and 2019.

The fair value of the Sabina special warrants was included in investments at fair value in the consolidated statements of financial position.

(in thousands of U.S. dollars, unless otherwise indicated)

For the year ended December 31, 2020, the Company recognized unrealized gains on the Sabina special warrants of $5.7 million (2019 – $3.9 million) in other (income) expense *(note 20)* in the consolidated statements of earnings (loss).

(b) Publicly traded securities

Publicly traded securities include a portfolio of equity investments in publicly traded mining and exploration companies, comprised primarily of Sabina, INV and Velocity Minerals Ltd ("Velocity").

During the year ended December 31, 2020, DPM acquired a 9.9% equity interest in Velocity for a total cost of $5.1 million.

For the year ended December 31, 2020, the Company recognized unrealized gains on these publicly traded securities of $36.5 million (2019 – $16.6 million) in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

(c) Commodity swap contracts

The Company enters into QP Hedges, being cash settled commodity swap contracts from time to time to swap future contracted monthly average metal prices for fixed metal prices to eliminate or substantially reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales.

As at December 31, 2020, the Company's outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	50,265 ounces	1,882.13/ounce
Payable copper	13,062,374 pounds	3.13/pound

The Company also enters into Production Hedges, being cash settled commodity swap contracts from time to time to reduce its future metal price exposures. Commodity swap contracts are entered to swap future contracted monthly average prices for fixed prices.

As at December 31, 2020, the Company had outstanding commodity swap contracts in place in respect of its projected copper production as summarized in the table below:

Year of projected production	Volume of copper hedged (pounds)	Average fixed price ($/pound)
2021	6,195,886	3.53

The Company designates the spot component of commodity swap contracts in respect of Production Hedges as cash flow hedges and the spot component of commodity swap contracts in respect of QP Hedges as fair value hedges.

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding London Metal Exchange forward copper prices and New York Commodity Exchange forward gold and silver prices, as applicable. As at December 31, 2020, the net fair value loss on all outstanding commodity swap contracts was $5.7 million (December 31, 2019 – $1.4 million), of which $0.1 million (December 31, 2019 – $nil) was included in other current assets and $5.8 million (December 31, 2019 – $1.4 million) in accounts payable and accrued liabilities.

(in thousands of U.S. dollars, unless otherwise indicated)

All commodity swap contracts are subject to master netting agreements. As at December 31, 2020, $0.1 million of commodity swap assets were set-off against commodity swap liabilities of $5.8 million in accounts payable and accrued liabilities. As at December 31, 2019, there was no set-off of assets and liabilities in connection with these contracts in the consolidated statements of financial position.

The Company recognized net losses of $11.1 million (2019 – $2.7 million) for the year ended December 31, 2020 in revenue on these commodity swap contracts.

(d) Foreign exchange forward and option contracts

The Company enters into foreign exchange forward and option contracts from time to time to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies.

Foreign exchange forward contracts are entered to fix foreign exchange rates on future operating expenses and capital expenditures. Foreign exchange option contracts are entered to provide price protection below a specified "floor" rate and participation up to a specified "ceiling" rate. The option contracts entered are comprised of a series of call options and put options (which when combined create a price "collar") that are structured so as to provide for a zero upfront cash cost.

As at December 31, 2020, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected ZAR denominated operating expenses as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR *(i)*	Call options sold Weighted average ceiling rate US$/ZAR	Put options purchased Weighted average floor rate US$/ZAR
2021	1,426,200,000	18.58	15.77

(i) The Namibian dollar is pegged to the ZAR on a 1:1 basis.

The Company designates the spot component of the foreign exchange forward contracts and the intrinsic value of option contracts as cash flow hedges. The time value component of foreign exchange forward and option contracts is treated as a separate cost of hedging.

The fair value gain or loss on these outstanding contracts is calculated based on foreign exchange forward rates quoted in the market. As at December 31, 2020, the net fair value gain on all outstanding foreign exchange option contracts was $6.4 million (December 31, 2019 – $3.9 million), which was included in other current assets. All foreign exchange option contracts are subject to master netting agreements. As at December 31, 2020 and 2019, there was no set-off of assets and liabilities in the consolidated statements of financial position.

For the year ended December 31, 2020, the Company recognized unrealized gains of $3.4 million (2019 – $1.1 million) in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized realized losses of $3.5 million (2019 – realized gains of $0.7 million) for the year ended December 31, 2020 in cost of sales on the spot component of settled contracts in respect of foreign denominated operating expenses.

For the year ended December 31, 2020, the Company recognized unrealized losses of $0.9 million (2019 – unrealized gains of $3.5 million) on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

(in thousands of U.S. dollars, unless otherwise indicated)

Effects of hedge accounting

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged items (the Company's accounts receivable on provisionally priced sales, projected payable metal production, and projected operating expenses and capital expenditures denominated in foreign currencies) and the hedging instruments (commodity swap contracts and foreign exchange forward and option contracts). The hedges are effective when the critical terms of the hedging instrument match with the critical terms of the hedged item.

Hedge ineffectiveness can arise from:
- Differences in the timing and/or amount of the cash flows of the hedged item and the hedging instrument; and
- Fair value movements related to counterparty credit risk, which impact the hedging instrument and the hedged item differently.

The Company's hedging relationships are such that the ratio between the underlying hedged item and the hedging instrument is 1:1. To measure for potential hedge ineffectiveness, the Company compares change in the fair value of the hedging instrument to change in the fair value of the underlying hedged item.

Set out below is a summary of effects of hedge accounting on the Company's consolidated statements of financial position by risk category for its fair value and cash flow hedges:

	2020	2019
Commodity swap contracts designated as fair value hedges *(i)*		
Carrying amount		
Assets included in other current assets	**104**	-
Liabilities included in accounts payable and accrued liabilities	**(5,836)**	(1,416)
	(5,732)	(1,416)
Notional amount	**135,513**	49,671
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	**(5,666)**	(1,152)
Hedged items	**5,444**	1,228
Commodity swap contracts designated as cash flow hedges		
Carrying amount		
Assets included in accounts payable and accrued liabilities	**67**	-
Notional amount	**21,883**	-
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	**87**	-
Hedged items	**(87)**	-
Foreign exchange option contracts designated as cash flow hedges		
Carrying amount		
Assets included in other current assets	**6,364**	3,938
Notional amount ZAR (in 000's)	**1,426,200**	1,468,720
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	**5,350**	1,978
Hedged items	**(5,350)**	(1,978)

(i) The carrying value of the hedged item, comprised of accounts receivable on provisionally priced sales, as at December 31, 2020 was $53.0 million (December 31, 2019 – $11.2 million).

(in thousands of U.S. dollars, unless otherwise indicated)

See *note 25(b)* for the effects of hedge accounting on the consolidated statements of earnings (loss) and the consolidated statements of comprehensive income (loss).

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: based on inputs which have a significant effect on fair value that are observable, either directly or indirectly from market data; and
- Level 3: based on inputs which have a significant effect on fair value that are not observable from market data.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2020 and 2019:

				December 31, 2020
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable on provisionally priced sales	**-**	**52,957**	**-**	**52,957**
Sabina special warrants	**-**	**-**	**12,128**	**12,128**
Publicly traded securities	**94,467**	**-**	**-**	**94,467**
Commodity swap contracts	**-**	**104**	**-**	**104**
Foreign exchange option contracts	**-**	**6,364**	**-**	**6,364**
Financial liabilities				
Commodity swap contracts	**-**	**5,769**	**-**	**5,769**

				December 31, 2019
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	11,246	-	11,246
Sabina special warrants	-	-	6,488	6,488
Publicly traded securities	52,874	-	-	52,874
Foreign exchange option contracts	-	3,938	-	3,938
Financial liabilities				
Commodity swap contracts	-	1,416	-	1,416

During the years ended December 31, 2020 and 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The following table reconciles Level 3 fair value measurements from January 1, 2019 to December 31, 2020:

	December 31, 2020	December 31, 2019
Balance at beginning of year	**6,488**	2,617
Unrealized gains included in net earnings (loss) *(note 20)*	**5,640**	3,871
Balance at end of year	**12,128**	6,488

(in thousands of U.S. dollars, unless otherwise indicated)

8. MINE PROPERTIES

	Producing Mines	Mine under Construction *(a)*	Total
Cost:			
Balance as at January 1, 2019	164,821	267,134	431,955
Additions	5,640	30,560	36,200
Capitalized depreciation	545	202	747
Change in rehabilitation provisions	(723)	1,437	714
Disposals	(595)	-	(595)
Transfers	129,307	(299,333)	(170,026)
Balance as at December 31, 2019	298,995	-	298,995
Additions	**9,367**	**-**	**9,367**
Capitalized depreciation	**480**	**-**	**480**
Change in rehabilitation provisions	**5,161**	**-**	**5,161**
Balance as at December 31, 2020	**314,003**	**-**	**314,003**
Accumulated depletion and impairment:			
Balance as at January 1, 2019	94,933	-	94,933
Depletion	23,912	-	23,912
Depletion relating to disposals	(582)	-	(582)
Balance as at December 31, 2019	118,263	-	118,263
Depletion	**40,302**	**-**	**40,302**
Balance as at December 31, 2020	**158,565**	**-**	**158,565**
Net book value:			
As at December 31, 2019	180,732	-	180,732
As at December 31, 2020	**155,438**	**-**	**155,438**

(a) Mine under Construction represented the Ada Tepe gold project which achieved commercial production in June 2019.

Included in additions were capitalized borrowing costs amounting to $3.0 million for the year ended December 31, 2019, at a weighted average interest rate of 5.94%.

Of the total depletion expense, $37.7 million (2019 – $21.7 million) was charged to cost of sales for the year ended December 31, 2020.

(in thousands of U.S. dollars, unless otherwise indicated)

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Construction Work-in-Progress	Total
Cost:				
Balance as at January 1, 2019	54,899	539,024	22,713	616,636
Additions	726	9,389	22,332	32,447
Capitalized depreciation	-	-	42	42
Disposals	-	(23,208)	-	(23,208)
Impairment charge *(note 4)*	(12,107)	(139,604)	(1,913)	(153,624)
Change in rehabilitation provisions	214	133	-	347
Transfers	30,262	161,327	(21,563)	170,026
Balance as at December 31, 2019	73,994	547,061	21,611	642,666
Additions	**2,727**	**17,757**	**14,129**	**34,613**
Capitalized depreciation	**-**	**-**	**510**	**510**
Disposals	**(373)**	**(4,774)**	**-**	**(5,147)**
Change in rehabilitation provisions	**3,919**	**198**	**-**	**4,117**
Transfers	**486**	**16,524**	**(17,010)**	**-**
Reclassified as assets held for sale *(note 3)*	**(1,240)**	**(476)**	**-**	**(1,716)**
Balance as at December 31, 2020	**79,513**	**576,290**	**19,240**	**675,043**
Accumulated depreciation and impairment:				
Balance as at January 1, 2019	19,796	245,370	-	265,166
Depreciation expense	6,305	52,544	-	58,849
Capitalized depreciation	93	696	-	789
Currency translation adjustment	-	(41)	-	(41)
Depreciation relating to disposals	-	(20,511)	-	(20,511)
Impairment charge *(note 4)*	(3,242)	(45,525)	-	(48,767)
Balance as at December 31, 2019	22,952	232,533	-	255,485
Depreciation expense	**8,087**	**51,595**	**-**	**59,682**
Capitalized depreciation	**-**	**990**	**-**	**990**
Currency translation adjustment	**-**	**(135)**	**-**	**(135)**
Depreciation relating to disposals	**(248)**	**(4,617)**	**-**	**(4,865)**
Reclassified as assets held for sale *(note 3)*	**(405)**	**(46)**	**-**	**(451)**
Balance as at December 31, 2020	**30,386**	**280,320**	**-**	**310,706**
Net book value:				
As at December 31, 2019	51,042	314,528	21,611	387,181
As at December 31, 2020	**49,127**	**295,970**	**19,240**	**364,337**

Of the total depreciation expense from continuing operations, $59.3 million (2019 – $55.3 million) was charged to cost of sales and $0.7 million (2019 – $0.8 million) was charged to general and administrative expenses for the year ended December 31, 2020.

See *note 16* for the carrying value of right-of-use assets under leases recognized in property, plant and equipment as at December 31, 2020 and 2019 and other related information for the years ended December 31, 2020 and 2019.

(in thousands of U.S. dollars, unless otherwise indicated)

10. INTANGIBLE ASSETS

	Goodwill	Other Intangibles	Total
Cost:			
Balance as at January 1, 2019	21,978	36,495	58,473
Additions	-	5,171	5,171
Currency translation adjustment	535	132	667
Disposals	-	(5,562)	(5,562)
Impairment charge *(note 4)*	-	(3,569)	(3,569)
Balance as at December 31, 2019	22,513	32,667	55,180
Additions	**-**	**7,476**	**7,476**
Currency translation adjustment	**(942)**	**(84)**	**(1,026)**
Disposals	**-**	**(56)**	**(56)**
Reclassified as assets held for sale *(note 3)*	**(21,571)**	**(7,889)**	**(29,460)**
Balance as at December 31, 2020	**-**	**32,114**	**32,114**
Accumulated amortization and impairment:			
Balance as at January 1, 2019	-	12,758	12,758
Amortization	-	3,876	3,876
Amortization relating to disposals	-	(62)	(62)
Impairment charge *(note 4)*	-	(1,426)	(1,426)
Balance as at December 31, 2019	-	15,146	15,146
Amortization	**-**	**3,192**	**3,192**
Amortization relating to disposals	**-**	**(56)**	**(56)**
Reclassified as assets held for sale *(note 3)*	**-**	**(2,307)**	**(2,307)**
Balance as at December 31, 2020	**-**	**15,975**	**15,975**
Net book value:			
As at December 31, 2019	22,513	17,521	40,034
As at December 31, 2020	**-**	**16,139**	**16,139**

Of the total intangible asset amortization expense from continuing operations, \$2.2 million (2019 – \$3.0 million) was charged to cost of sales and \$0.3 million (2019 – \$0.2 million) was charged to general and administrative expenses for the year ended December 31, 2020.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2020	December 31, 2019
Accounts payable	**13,110**	15,839
Accrued liabilities	**45,704**	42,481
Commodity swap contracts *(note 7(c))*	**5,769**	1,416
Dividend payable *(note 25(a))*	**5,442**	-
Value added tax payable	**2,209**	-
	72,234	59,736

12. DEBT

(a) DPM Revolving Credit Facility ("RCF")

DPM has a committed RCF with a consortium of banks. In June 2020, the Company amended the RCF by reducing tranche B of the facility from $175.0 million to $150.0 million and extending its maturity date from February 2022 to February 2023. The Company's borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company's funded net debt to adjusted earnings before interest, taxes, depreciation and amortization ("Debt Leverage Ratio"), as defined in the RCF agreement. The RCF is secured by pledges of the Company's investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth of $500.0 million plus (minus) 50% of ongoing annual net earnings (loss).

As at December 31, 2020, DPM was in compliance with all financial covenants and $nil (December 31, 2019 – $10.0 million) was drawn under the RCF.

(b) Tsumeb overdraft facility

In April 2020, Tsumeb increased its demand overdraft facility from Namibian $50.0 million ($3.4 million) to Namibian $100.0 million ($6.8 million). This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at December 31, 2020 and 2019, $nil was drawn from this facility.

(c) Other credit agreements and guarantees

Chelopech and Ada Tepe have a $16.0 million multi-purpose credit facility that matures on November 30, 2022. This credit facility is guaranteed by DPM. As at December 31, 2020, $6.1 million (December 31, 2019 – $5.7 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

Chelopech and Ada Tepe also have a Euro 21.0 million ($25.8 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2020, $25.8 million (December 31, 2019 – $23.6 million) had been utilized against this credit facility in the form of letters of guarantee, which were posted with the Bulgarian Ministry of Energy.

Ada Tepe has a $5.3 million multi-purpose credit facility that matures on November 30, 2022. This credit facility is guaranteed by DPM. As at December 31, 2020, $0.2 million (December 31, 2019 – $0.1 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

Advances under these facilities bear interest at a rate equal to the one month U.S. Dollar LIBOR plus 2.5%. The letters of credit and guarantee bear a fee of 0.6% based on the amounts issued.

(in thousands of U.S. dollars, unless otherwise indicated)

13. DEFERRED REVENUE

In September 2016, the Company entered into a prepaid forward gold sales arrangement with several of DPM's existing lenders whereby the Company will deliver 45,982 ounces of gold on specified dates over a 21-month period commencing in May 2019 in exchange for an upfront cash prepayment of $50.0 million. In March 2019, the Company amended its prepaid forward gold sales arrangement whereby the first six months of gold deliveries originally scheduled to commence in May 2019 are to be now delivered from November 2019 to April 2020 in addition to the existing quantities due during this period. As a result, total quantities of gold to be delivered increased by 228 ounces to 46,210 ounces. Deliveries of this gold were in the form of unallocated gold credits sourced from any of the Company's own mines and occurred over a 15-month period from October 2019 to December 2020 in satisfaction of the upfront cash prepayment of $50.0 million that was received in September 2016.

The cash prepayment of $50.0 million, together with a total deemed financing expense of $13.2 million, was recorded as deferred revenue in the consolidated statements of financial position, which was subsequently recognized as revenue when deliveries were made under the prepaid forward gold sales arrangement.

During the year ended December 31, 2020, 34,087 ounces of gold (2019 – 12,123 ounces) were delivered pursuant to the prepaid forward gold sales arrangement and as a result, $46.7 million (2019 - $16.5 million) was transferred from deferred revenue to revenue. As at December 31, 2020, the deferred revenue had been fully recognized as revenue.

14. REHABILITATION PROVISIONS

The rehabilitation provisions represent the present value of rehabilitation costs relating to the Chelopech, Tsumeb and Ada Tepe sites, which are expected to be incurred between 2021 and 2049.

Key assumptions used in determining the rehabilitation provisions were as follows:

	December 31, 2020	December 31, 2019
Discount period		
Chelopech	**2021 - 2037**	2020 - 2037
Tsumeb	**2022 - 2049**	2021 - 2039
Ada Tepe	**2021 - 2040**	2020 - 2040
Local discount rate		
Chelopech/Ada Tepe	**0.9%**	2.0%
Tsumeb	**11.4%**	10.5%
Local inflation rate		
Chelopech/Ada Tepe	**2.5%**	2.1%
Tsumeb	**4.5%**	5.5%

(in thousands of U.S. dollars, unless otherwise indicated)

Changes to rehabilitation provisions were as follows:

	Chelopech	Tsumeb	Ada Tepe	Total
Balance as at January 1, 2019	15,423	17,304	5,661	38,388
Change in cost estimate	1,580	-	844	2,424
Remeasurement of provisions *(b)*	(899)	(215)	(573)	(1,687)
Accretion expense *(note 19)*	312	1,838	120	2,270
Balance as at December 31, 2019	16,416	18,927	6,052	41,395
Change in cost estimate *(a)*	**2,352**	**1,950**	**3,436**	**7,738**
Remeasurement of provisions *(b)*	**4,185**	**(4,842)**	**1,854**	**1,197**
Accretion expense *(note 19)*	**317**	**1,758**	**121**	**2,196**
Balance as at December 31, 2020	**23,270**	**17,793**	**11,463**	**52,526**

(a) During the year ended December 31, 2020, Tsumeb and Ada Tepe increased their estimated rehabilitation costs based on their current activities, updated closure plan and existing closure obligations.

(b) Remeasurement of provisions resulted from changes in discount rates, inflation rates and foreign exchange rates at each site.

15. OTHER LONG-TERM LIABILITIES

	December 31, 2020	December 31, 2019
Leases *(note 16)*	**17,083**	18,349
Other liabilities	**3,006**	2,133
	20,089	20,482
Less: Current portion	**(5,929)**	(5,092)
	14,160	15,390

16. LEASES

The Company leases various property, equipment and vehicles with lease terms ranging between one to ten years. Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts, the majority of which are exercisable jointly by both the Company and the respective lessor. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Some of the Company's leased assets are pledged as security for the related lease obligations.

Tsumeb has a long-term lease agreement for the supply of oxygen. The original term of the lease was 15 years extending to 2025, payable on a monthly basis. The lease payments were discounted at a rate of 12.5%.

(in thousands of U.S. dollars, unless otherwise indicated)

Right-of-use assets recognized in property, plant and equipment *(note 9)* as at December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Buildings	**2,431**	2,868
Machinery and Equipment	**14,287**	14,245
	16,718	17,113

Additions to the right-of-use assets during the year ended December 31, 2020 were $5.3 million (2019 – $1.3 million)

Lease obligations related to right-of-use assets recognized in other long-term liabilities *(note 15)* as at December 31, 2020 and 2019 *we*re as follows:

	December 31, 2020	December 31, 2019
Current portion of long-term liabilities	**4,137**	3,892
Other long-term liabilities	**12,946**	14,457
	17,083	18,349

Expenses related to leases recognized in the consolidated statements of earnings (loss) for the year ended December 31, 2020 and 2019 were as follows:

	2020	2019
Depreciation charge of right-of-use assets		
Buildings	**848**	686
Machinery and Equipment	**3,593**	2,514
	4,441	3,200
Finance charges *(note 19)*	**1,227**	1,404
Expense relating to short-term leases	**572**	905
Expense relating to leases of low-value assets that are not short-term leases	**64**	34
Expense relating to variable lease payments not included in lease obligations	**184**	146

Total cash outflows for leases for the year ended December 31, 2020 were $5.3 million (2019 – $4.9 million).

17. SHARE-BASED COMPENSATION PLANS

RSU plan

DPM has an RSU Plan for directors, certain employees and eligible contractors of DPM and its wholly-owned subsidiaries in consideration of past services to the Company. The Board of Directors administers this plan and determines the grants.

(a) Non-performance based RSUs

These RSUs vest equally over a three-year period and are paid in cash based on the Market Price of DPM's publicly traded common shares on the entitlement date or dates, which should not be later than December 31 of the year that is three years after the year of service for which the RSUs are granted, as determined by the Board of Directors in its sole discretion.

(in thousands of U.S. dollars, unless otherwise indicated)

The following is a summary of the RSUs granted for the years indicated:

	Number of RSUs	Amount
Balance as at January 1, 2019	3,210,106	4,987
RSUs granted	1,292,573	5,147
RSUs redeemed	(1,577,586)	(5,267)
RSUs forfeited	(227,466)	(341)
Mark-to-market adjustments		2,647
Balance as at December 31, 2019	2,697,627	7,173
RSUs granted	**1,115,800**	**5,424**
RSUs redeemed	**(1,300,789)**	**(4,095)**
RSUs forfeited	**(232,044)**	**(393)**
Mark-to-market adjustments		**1,664**
Balance as at December 31, 2020	**2,280,594**	**9,773**

As at December 31, 2020, there was $2.9 million (December 31, 2019 – $2.8 million) of RSU expenses remaining to be charged to net earnings in future periods relating to the RSU plan.

(b) PSUs

Under the RSU Plan, the Board of Directors may, at its sole discretion, (i) grant RSUs with a performance-based component, referred to as PSUs, subject to performance conditions to be achieved by the Company, and (ii) determine the entitlement date or dates of such PSUs. These PSUs vest after three years and are paid in cash based on the Market Price of DPM's publicly traded common shares, subject to established performance criteria, 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 PSUs were granted, as determined by the Board of Directors in its sole discretion.

The following is a summary of the PSUs granted for the years indicated:

	Number of PSUs	Amount
Balance as at January 1, 2019	1,970,450	4,872
PSUs granted	455,073	2,218
PSUs redeemed	(751,700)	(4,200)
PSUs forfeited	(133,600)	(159)
Mark-to-market adjustments		2,619
Balance as at December 31, 2019	1,540,223	5,350
PSUs granted	**371,454**	**2,023**
PSUs redeemed	**(588,850)**	**(2,842)**
PSUs forfeited	**(70,737)**	**(191)**
Mark-to-market adjustments		**2,872**
Balance as at December 31, 2020	**1,252,090**	**7,212**

As at December 31, 2020, there was $1.6 million (December 31, 2019 – $1.6 million) of expenses remaining to be charged to net earnings in future periods relating to these PSUs.

(in thousands of U.S. dollars, unless otherwise indicated)

DSU plans

DPM has a DSU Plan for directors and certain employees.

Under the employee DSU Plan, grants to employees of the Company are determined by the Board of Directors, or the compensation committee, in lieu of a cash bonus. The DSUs are redeemable in cash based on the Market Price of DPM's publicly traded common shares on the date the employee ceases to be employed by DPM or a subsidiary thereof.

Under the director DSU Plan, directors may receive a portion of their annual compensation in the form of DSUs. The DSUs are redeemable in cash based on the Market Price of DPM's publicly traded common shares at any time before the end of the year following the year in which the director ceases to be a director of DPM or a subsidiary thereof.

The following is a continuity of the DSUs for the years indicated:

	Number of DSUs	Amount
Balance as at January 1, 2019	1,537,994	4,013
DSUs granted	178,622	650
Mark-to-market adjustments		2,830
Balance as at December 31, 2019	1,716,616	7,493
DSUs granted	**152,642**	**844**
Mark-to-market adjustments		**5,141**
Balance as at December 31, 2020	**1,869,258**	**13,478**

DPM stock option plan

The Company has established an incentive stock option plan for the directors, selected employees and consultants. Pursuant to the plan, the exercise price of the option cannot be less than the market price of DPM's common shares on the trading date preceding the effective date of the option grant. The aggregate number of shares that can be issued from treasury under this plan is 12,500,000. Options granted vest equally over a three-year period and expire five years from the date of grant.

During the year ended December 31, 2020, the Company granted 680,860 (2019 – 701,683) stock options with a fair value of $1.0 million (2019 – $1.2 million). The estimated value of the options granted will be recognized as an expense in the consolidated statements of earnings (loss) and an addition to contributed surplus in the consolidated statements of changes in shareholders' equity over the vesting period. The Company recorded stock option expenses of $0.9 million (2019 – $1.0 million) for the year ended December 31, 2020 under this stock option plan.

As at December 31, 2020, there was $0.7 million (December 31, 2019 – $0.8 million) of expenses remaining to be charged to net earnings in future periods relating to these options.

The fair value of options granted was estimated using the Black-Scholes option pricing model. The expected volatility is estimated based on the historic average share price volatility. The inputs used in the measurement of the fair values at the time the options were granted were as follows:

	2020	2019
Five year risk free interest rate	**0.4% - 0.6%**	1.4% - 1.8%
Expected life in years	**4.75**	4.75
Expected volatility	**57.6% - 60.5%**	61.3% - 62.1%
Dividends per share	**$0.08**	-

(in thousands of U.S. dollars, unless otherwise indicated)

The following is a stock option continuity for the years indicated:

	Number of options	Weighted average exercise price per share (Cdn$)
Balance as at January 1, 2019	5,460,733	3.03
Options granted	701,683	4.41
Options exercised	(2,860,214)	3.24
Options forfeited	(26,700)	3.71
Options expired	(129,937)	3.52
Balance as at December 31, 2019	3,145,565	3.13
Options granted	**680,860**	**4.56**
Options exercised	**(838,072)**	**2.85**
Options forfeited	**(63,266)**	**4.24**
Options expired	**(9,000)**	**2.97**
Balance as at December 31, 2020	**2,916,087**	**3.52**

The following lists the options outstanding and exercisable as at December 31, 2020:

	Options outstanding			Options exercisable	
Range of exercise prices per share (Cdn$)	Number of options outstanding	Weighted average remaining years	Weighted average exercise price per share (Cdn$)	Number of options exercisable	Weighted average exercise price per share (Cdn$)
2.21 - 3.28	1,672,004	1.23	2.79	1,442,715	2.72
3.39 - 4.44	1,201,259	3.72	4.42	164,199	4.42
4.45 - 8.50	42,824	4.21	6.35	6,011	4.46
2.21 - 8.50	**2,916,087**	**2.30**	**3.52**	**1,612,925**	**2.90**

18. EXPENSES BY NATURE

The operating costs, including cost of sales, general and administrative expenses, and exploration and evaluation expenses, as reported in the consolidated statements of earnings (loss), have been regrouped by the nature of the expenses as follows:

	2020	2019
Raw materials, consumables and spare parts	**82,554**	77,881
Staff costs	**75,736**	77,066
Service costs	**63,426**	59,109
Share-based compensation expense	**18,184**	16,494
Royalties	**15,856**	8,036
Drilling, assaying and other exploration and evaluation expenses	**13,057**	8,092
Insurance	**3,834**	2,960
Net (gains) losses on foreign exchange option contracts *(note 7(d))*	**3,486**	(704)
Depletion of mine properties *(note 8)*	**37,704**	21,697
Depreciation of property, plant and equipment *(note 9)*	**59,973**	56,063
Amortization of intangible assets *(note 10)*	**2,534**	3,192
Other costs	**4,189**	7,194
Total operating costs	**380,533**	337,080

(in thousands of U.S. dollars, unless otherwise indicated)

19. FINANCE COST

	2020	2019
Borrowing costs *(a)*	**2,306**	4,727
Deemed interest on prepaid forward gold sales arrangement *(a) (note 13)*	**1,293**	1,763
Finance charges under leases *(note 16)*	**1,227**	1,404
Accretion expense related to rehabilitation provisions *(note 14)*	**2,196**	2,270
	7,022	10,164

(a) Borrowing costs and deemed interest on prepaid forward gold sales arrangement for the year ended December 31, 2019 were net of amounts capitalized to mine properties (*note 8*).

20. OTHER (INCOME) EXPENSE

	2020	2019
Net gains on Sabina special warrants *(note 7(a))*	**(5,640)**	(3,871)
Net foreign exchange losses	**4,376**	4,988
Interest income	**(194)**	(271)
Other expense	**967**	69
	(491)	915

21. INCOME TAXES

The major components of income tax expense recognized in net earnings (loss) from continuing operations are as follows:

	2020	2019
Current income tax expense on earnings	**23,353**	12,060
Deferred income tax expense (recovery) related to origination and reversal of temporary differences	**(4,462)**	896
Income tax expense	**18,891**	12,956

The reconciliation of the combined Canadian federal and provincial government statutory income tax rates to the effective tax rate is as follows:

	2020	2019
Earnings (loss) before income taxes	**217,923**	(53,582)
Combined Canadian federal and provincial statutory income tax rates	**26.5%**	26.5%
Expected income tax expense (recovery)	**57,750**	(14,199)
Lower rates on foreign (earnings) losses	**(39,256)**	15,022
Unrecognized tax benefit relating to losses	**2,906**	11,677
Non-taxable portion of capital (gains) losses	**(3,663)**	89
Non-deductible share-based compensation expense	**246**	280
Other, net	**908**	87
Income tax expense	**18,891**	12,956

(in thousands of U.S. dollars, unless otherwise indicated)

Income taxes recognized in other comprehensive income (loss) for the year ended December 31, 2020 was $5.0 million (2019 – $0.03 million) relating to deferred income taxes on gains on publicly traded securities and cash flow hedges**.**

The significant components of the Company's deferred income taxes as at December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Deferred income tax assets		
Non-capital losses	**64,117**	60,475
Capital losses	**3,313**	3,313
Cumulative Canadian exploration expenses	**2,555**	2,311
Depreciable property, plant and equipment	**9,215**	8,828
Financing costs	**3,193**	4,285
Share-based compensation expense	**5,035**	3,100
Rehabilitation provisions	**2,861**	1,726
Other	**1,363**	1,868
Gross deferred income tax assets	**91,652**	85,906
Unrecognized tax benefit relating to tax losses	**(74,156)**	(76,101)
Total deferred income tax assets	**17,496**	9,805
Deferred income tax liabilities		
Depreciable property, plant and equipment	**315**	1,243
Investments	**5,982**	402
Other	**1,729**	249
Total deferred income tax liabilities	**8,026**	1,894
Net deferred income tax assets	**9,470**	7,911

As at December 31, 2020, the Company had $9.5 million (December 31, 2019 – $9.0 million) of net deferred income tax assets and $nil (December 31, 2019 – $1.1 million) of net deferred income tax liabilities after offsetting deferred income tax assets and liabilities incurred by the same legal entities in the same jurisdictions in its consolidated statements of financial position.

Of the total deferred income tax assets recognized in 2020, $16.3 million (2019 – $8.2 million) is expected to be recovered after more than 12 months. Of the total deferred income tax liabilities recognized in 2020, $7.5 million (2019 – $1.7 million) is expected to be payable after more than 12 months.

As at December 31, 2020, the Company had Canadian non-capital losses of $199.6 million (December 31, 2019 – $205.3 million) expiring between 2025 and 2040 and Serbian non-capital losses of $26.7 million (December 31, 2019 – $18.1 million) expiring between 2021 and 2025 for which no deferred income tax assets had been recognized.

The Company is subject to assessments by various taxation authorities which may interpret tax legislation and tax filing positions differently than the Company. Such differences are provided for when it is probable that the Company's filing position will not be upheld and the amount of the tax exposure can be reasonably estimated. As at December 31, 2020 and 2019, no provisions have been made in the consolidated financial statements for potential tax liabilities relating to such assessments and interpretations.

(in thousands of U.S. dollars, unless otherwise indicated)

22. EARNINGS (LOSS) PER SHARE

	2020	2019
Net earnings (loss) attributable to common shareholders		
Net earnings (loss) from continuing operations	**199,074**	(66,621)
Net loss from discontinued operations	**(3,072)**	(4,281)
Basic weighted average number of common shares	**181,054,158**	179,132,413
Effect of stock options	**1,319,213**	995,162
Diluted weighted average number of common shares	**182,373,371**	180,127,575
Basic earnings (loss) per share		
From continuing operations	**1.10**	(0.38)
From discontinued operations	**(0.02)**	(0.02)
Diluted earnings (loss) per share		
From continuing operations	**1.09**	(0.38)
From discontinued operations	**(0.02)**	(0.02)

23. RELATED PARTY TRANSACTIONS

Key management remuneration

The Company's related parties include its key management. Key management includes directors (executive and non-executive), the Chief Executive Officer ("CEO") and the Executive and Senior Vice Presidents reporting directly to the CEO.

The remuneration of the key management of the Company recognized in the consolidated statements of earnings (loss) for the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
Salaries, management bonuses and director fees	**3,229**	5,008
Other benefits	**222**	319
Share-based compensation	**8,703**	9,043
Total remuneration	**12,154**	14,370

Included in net loss from discontinued operations for the year ended December 31, 2020 were MineRP stock options of $0.4 million granted to the Company's former CEO.

(in thousands of U.S. dollars, unless otherwise indicated)

24. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Changes in non-cash working capital

	2020	2019
Increase in accounts receivable and other assets	**(49,867)**	(6,278)
(Increase) decrease in inventories	**(3,134)**	566
Decrease in accounts payable and accrued liabilities	**(2,444)**	(9,758)
Increase (decrease) in other liabilities	**3,805**	(265)
	(51,640)	(15,735)

(b) Other items not affecting cash

	2020	2019
Net finance cost	**6,828**	9,894
Share-based compensation expense	**929**	1,063
Net gains on Sabina special warrants	**(5,640)**	(3,871)
Net losses on commodity swap contracts	**10,533**	2,011
Net (gains) losses on foreign exchange option contracts	**3,486**	(704)
Other, net	**(1,714)**	(2,351)
	14,422	6,042

25. SUPPLEMENTARY SHAREHOLDERS' EQUITY INFORMATION

(a) Dividend

On February 13, 2020, May 6, 2020, July 30, 2020 and November 12, 2020, the Company declared a quarterly dividend of $0.02 per common share to shareholders of record on March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020, respectively. On December 8, 2020, the Company announced a 50% increase to its quarterly dividend which commenced with its fourth quarter dividend previously announced on November 12, 2020, resulting in aggregate dividends of $0.09 per common share being declared in 2020 and total dividend distributions of $16.3 million recognized against its retained earnings in the consolidated statements of changes in shareholders' equity for the year ended December 31, 2020. The Company paid $10.9 million of these dividends which was included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2020 and recognized a dividend payable of $5.4 million in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2020.

On February 11, 2020, the Company declared a quarterly dividend of $0.03 per common share payable on April 15, 2021 to shareholders of record on March 31, 2021.

(in thousands of U.S. dollars, unless otherwise indicated)

(b) Changes in accumulated other comprehensive income (loss)

	2020	2019
Cash flow hedge reserves		
Foreign exchange option contracts		
Balance at beginning of year	**1,972**	887
Unrealized gains (losses), net of income taxes	**(114)**	1,656
Realized (gains) losses transferred to cost of sales, net of income taxes	**3,486**	(704)
Realized losses transferred to Mine Properties, net of income taxes	**-**	133
Balance at end of year	**5,344**	1,972
Commodity swap contracts		
Balance at beginning of year	**-**	275
Unrealized gains, net of income taxes	**78**	-
Realized gains transferred to revenue, net of income taxes	**-**	(275)
Balance at end of year	**78**	-
Deferred cost of hedging reserves		
Foreign exchange option contracts		
Balance at beginning of year	**2,007**	(1,484)
Deferred cost of hedging, net of income taxes	**(947)**	3,291
Cost of hedging transferred to Mine Properties, net of income taxes	**-**	200
Balance at end of year	**1,060**	2,007
Commodity swap contracts		
Balance at beginning of year	**-**	(276)
Deferred cost of hedging, net of income taxes	**(18)**	-
Cost of hedging transferred to revenue, net of income taxes	**-**	276
Balance at end of year	**(18)**	-
Unrealized gains (losses) on publicly traded securities		
Balance at beginning of year	**8,378**	(8,193)
Unrealized gains, net of income taxes	**31,451**	16,571
Balance at end of year	**39,829**	8,378
Accumulated currency translation adjustments		
Balance at beginning of year	**(2,249)**	(2,861)
Currency translation adjustments	**(2,373)**	612
Reclassified as held for sale	**2,176**	**-**
Balance at end of year	**(2,446)**	(2,249)
Accumulated currency translation adjustments related to assets and liabilities held for sale	**(2,176)**	**-**
Accumulated other comprehensive income	**41,671**	10,108

(in thousands of U.S. dollars, unless otherwise indicated)

26. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company had the following minimum contractual commitments as at December 31, 2020:

	up to 1 year	1 - 5 years	over 5 years	Total
Capital commitments	4,923	-	-	**4,923**
Purchase commitments	13,655	16,924	1,176	**31,755**
Total commitments	**18,578**	**16,924**	**1,176**	**36,678**

As at December 31, 2020, Tsumeb had approximately $76.9 million (December 31, 2019 – $62.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM, pursuant to a tolling agreement (the "Tolling Agreement").

In December 2019, the Company and IXM agreed to amend the existing Tolling Agreement to provide for lower stockpile interest on excess secondary materials, the establishment of the December 31, 2019 excess secondary balances as the new targeted levels above which secondary materials would be required to be purchased by the Company, an extension of the date by which the Company must eliminate excess secondary materials to March 31, 2021, and an extension of the Tolling Agreement by one year to December 31, 2023. During the year ended December 31, 2020, the Company purchased $2.5 million of secondary materials, of which $1.0 million was included in inventories and $1.5 million was included in other long-term assets in the consolidated statements of financial position. As at December 31, 2020, the value of excess secondary materials was approximately $45.4 million, which was approximately $29.2 million above the targeted levels under the Tolling Agreement. As at December 31, 2020, IXM has agreed to suspend the quarterly requirement to purchase secondary materials above targeted levels until April 30, 2021.

(b) Contingencies

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. It is not expected that any material liability will arise from current legal proceedings or have a material adverse effect on the Company's future business, operations or financial condition.

27. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise accounts payable and accrued liabilities and long-term debt. The main purpose of these financial instruments is to assist with the management of the Company's short term and long term cash flow requirements. The Company has various financial assets, such as cash and accounts receivable, which arise directly from its operations.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are market risk (which includes commodity price risk, interest rate risk and foreign currency risk), liquidity risk and credit risk. Management reviews each of these risks and establishes policies for managing them as summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and the impact on net earnings (loss) and shareholders' equity, where applicable. Financial instruments affected by market risk include cash, accounts receivable, investments at fair value, commodity swap and option contracts, foreign exchange forward and option contracts, long-term debt, accounts payable and accrued liabilities. The sensitivity has been prepared using financial assets and liabilities held as at the reporting dates.

(in thousands of U.S. dollars, unless otherwise indicated)

The Company has established financial risk management policies to identify and analyze the risks of the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees involved in financial risk management activities understand their roles and obligations.

Market risk

Market risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risks: commodity price risk, interest rate risk and foreign currency risk. The impact of each of these components is discussed below.

Commodity price risk

The Company is subject to price risk associated with fluctuations in the market prices for metals. The Company sells its products at prices that are effectively determined by reference to the traded prices on the London Metal Exchange and London Bullion Market. The prices of gold and copper are major factors influencing the Company's business, results of operations and financial condition. The Company regularly enters into commodity swap contracts to reduce the price exposure associated with the time lag between the provisional and final determination of its concentrate sales. In addition, the Company periodically enters into commodity swap contracts to reduce the price exposure associated with projected payable copper production. The Company also selectively enters into commodity swap contracts to reduce its price exposure applicable to projected payable gold contained in Chelopech's pyrite concentrate production.

The Company's risk management policy, which was approved by the Board of Directors, requires provisional concentrate sales to be fully hedged and permits hedging up to 90%, 85% and 80% of its projected payable copper production in the subsequent 1, 2, and 3 year reporting periods, respectively.

As at December 31, 2020, the impact of a 5% increase or decrease in metal prices impacting the Company's accounts receivable and outstanding commodity swap contracts, with all other variables held constant, would decrease or increase earnings before income taxes by $3.8 million (2019 – $1.7 million) and would decrease or increase equity by $4.9 million (2019 – $nil).

The following table demonstrates the effect on 2020 and 2019 earnings before income taxes of a 5% increase in commodity prices on its sales, excluding the impact of any hedges and with all other variables held constant. The impact on equity is the same as the impact on net earnings (loss).

Effect of a 5% increase in metal prices on earnings before income taxes

	2020	2019
Gold	**23,146**	13,945
Copper	**4,580**	4,646
Total increase on earnings before income taxes	**27,726**	18,591

The effect of a 5% decrease in metal prices, excluding the impact of any hedges and with all other variables held constant, would decrease earnings before income taxes by an equivalent amount.

Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and floating rate denominated debt. As at December 31, 2020, the Company had no debt. For the year ended December 31, 2020, a 100 basis point increase or decrease in interest rates across the yield curve, with all other variables held constant, would increase or decrease earnings before income taxes by $1.5 million (2019 – $0.1 million). The impact on equity is the same as the impact on net earnings (loss).

(in thousands of U.S. dollars, unless otherwise indicated)

Foreign currency risk

The Company's foreign currency exposures arise primarily from a significant portion of its operating and capital costs being denominated in currencies other than the U.S. dollar, the Company's functional currency. The Company periodically undertakes to purchase, in advance, a portion of its foreign denominated cash flow requirements on a spot or forward basis to reduce this exposure. The Company also enters into foreign exchange forward and option contracts in order to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies.

The Company's risk management policy, which was approved by the Board of Directors, permits up to 85%, 80% and 75% of its projected operating expenses denominated in foreign currency to be hedged in the subsequent 1, 2, and 3 year reporting periods, respectively. The policy also permits projected capital expenditures denominated in foreign currency to be fully hedged.

For the year ended December 31, 2020, a 5% appreciation of the U.S. dollar relative to the ZAR on the Company's outstanding foreign exchange option contracts, with all other variables held constant, would decrease equity by $6.9 million (2019 – $5.0 million). The effect of a 5% depreciation of the U.S. dollar relative to ZAR on the Company's outstanding foreign exchange option contracts, with all other variables held constant, would be to increase equity by equivalent amounts.

The following table demonstrates the effect on 2020 and 2019 earnings before income taxes and equity of a 5% appreciation of the U.S. dollar relative to the Company's key foreign currencies on the Company's outstanding financial assets and liabilities denominated in foreign currencies, excluding the impact of any hedges and with all other variables held constant.

	Effect of a 5% appreciation of the U.S. dollar on			
	Earnings before income taxes		**Equity**	
	2020	2019	**2020**	2019
Euro	**2,120**	1,122	**1,919**	997
Namibian Dollar	**(74)**	414	**(74)**	414
Canadian Dollar	**(771)**	613	**3,952**	(1,905)
Total increase (decrease)	**1,275**	2,149	**5,797**	(494)

The effect of a 5% depreciation of the U.S. dollar relative to these foreign currencies on the Company's outstanding foreign denominated financial assets and liabilities, excluding the impact of any hedges and with all other variables held constant, would be to decrease or increase earnings before income taxes and equity by equivalent amounts.

Credit risk

The exposure to credit risk arises through the potential failure of a customer or another third party to meet its contractual obligations to the Company. During 2020, the Company had contracts with 18 customers in connection with its mining and smelting operations, one of whom accounted for approximately 57% (2019 – 60%) of the Company's revenue. Under the terms of the Company's concentrate sales contracts, the purchasers make an initial advance payment equal to 70% to 95% of the provisional value of each lot at the time title transfers. This serves to mitigate a portion of the Company's credit risk.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash, equity investments and derivative financial assets, the Company's maximum exposure is equal to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing with highly rated counterparties, issuers that are subject to minimum credit ratings, and/or maximum prescribed exposures.

(in thousands of U.S. dollars, unless otherwise indicated)

Liquidity risk

The Company relies on the cash flows generated from its operations, including provisional payments received from its customers, retained cash balances, available lines of credit under its RCF and its ability to raise debt and equity from the capital markets to fund its operating, investment and liquidity needs. The cyclical nature of the Company's businesses and the volatility of capital markets are such that conditions could change dramatically, affecting the Company's cash flow generating capability, its ability to maintain, or draw upon, its RCF or the existing terms under its concentrate sales and/or smelting agreements, as well as its liquidity, cost of capital and its ability to access new capital, which could adversely affect the Company's earnings and cash flows and, in turn, could affect total shareholder returns. To reduce these risks, the Company: (i) prepares regular cash flow forecasts to monitor its capital requirements, available liquidity and compliance to debt covenants; (ii) strives to maintain a prudent capital structure that is comprised primarily of equity financing and long-term debt, currently in the form of a committed RCF; and (iii) targets a minimum level of liquidity comprised of surplus cash balances and/or undrawn committed lines of credit to avoid having to raise additional capital at times when the costs or terms would be regarded as unfavourable.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

				As at December 31, 2020
	up to 1 year	**1 - 5 years**	**over 5 years**	**Total**
Accounts payable and accrued liabilities	**66,465**	**-**	**-**	**66,465**
Commodity swap contracts	**5,769**	**-**	**-**	**5,769**
Lease obligations	**5,350**	**14,000**	**871**	**20,221**
Other obligations	**648**	**510**	**58**	**1,216**
	78,232	**14,510**	**929**	**93,671**

				As at December 31, 2019
	up to 1 year	1 - 5 years	over 5 years	Total
Accounts payable and accrued liabilities	58,320	-	-	58,320
Commodity swap contracts	1,416	-	-	1,416
Long-term debt	-	10,000	-	10,000
Lease obligations	5,371	15,240	2,111	22,722
Other obligations	3,241	548	62	3,851
	68,348	25,788	2,173	96,309

Capital management

The Company's objective for capital management is to: (i) maintain sufficient levels of liquidity to fund and support its exploration and evaluation, development and operating activities; (ii) maintain a strong financial position to ensure it has ready access to debt and equity markets to supplement free cash flow being invested in its growth projects; and (iii) comply with all financial covenants set out in its credit agreements and guarantees. See *note 12* for discussion on the Company's compliance with these requirements. The Company monitors its financial position and the potential impact of adverse market conditions on an ongoing basis. The Company manages its capital structure and makes adjustments to it based on prevailing market conditions and according to its business plan. The Company's long term funding strategy is to maintain a capital structure comprised primarily of equity sourced from equity offerings and net earnings generated from its businesses and, as a result, the targeted level of debt making up the Company's capital base is relatively low. Given the long term nature of the assets being funded and the U.S. dollar denominated revenue stream generated therefrom, the Company's general strategy around any debt financing is to raise long-term U.S. dollar denominated debt to supplement these equity financings.

Overall financial leverage is monitored based upon a number of non-financial and financial factors, including a number of credit related ratios contained in DPM's loan agreements and net debt (defined as total debt less cash and cash equivalents) as a percentage of total capital (defined as total equity plus net debt). As of December 31, 2020, the Company was in compliance with all loan covenants and its net debt as a percentage of total capital was negative 23% (December 31, 2019 – negative 2%).

Financial Risk Management in response to Coronavirus ("COVID-19")

In March 2020, the World Health Organization classified COVID-19 as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19. The Company's Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

In April 2020, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in response to a government directive to the natural resources industry aimed at limiting staffing levels. Full operations resumed in May 2020 with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites.

The Company continues to closely assess and monitor the COVID-19 situation, particularly as governments in various jurisdictions maintain and/or implement new measures to manage a resurgence in the number of cases and the impact on their medical systems and economies. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location, which are directed at safeguarding employees, managing potential supply chain disruptions, including complex concentrate feed for the smelter, and maintaining production at each of its operations. Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations.

The Company has experienced a small number of positive cases within its workforce. These positive cases are being effectively managed with testing, contact tracing and isolation measures and, to date, the vast majority of employees have recovered with the remaining employees isolating offsite in accordance with the Company's procedures. Given the relatively low number of COVID-19 cases and the management protocols in effect, the impact on the Company's operations has been minimal.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results.

(in thousands of U.S. dollars, unless otherwise indicated)

28. OPERATING SEGMENT INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has three reportable operating segments – Chelopech and Ada Tepe in Bulgaria and Tsumeb in Namibia. The nature of their operations, products and services are described in *note 1, Corporate Information*. These segments are organized predominantly by the products and services provided to customers and geography of the businesses. The Corporate and Other segment includes corporate, exploration and evaluation and other income and cost items that do not pertain directly to an operating segment. There are no significant inter-segment transactions that have not been eliminated on consolidation.

The operating results of MineRP have been presented as a discontinued operation and the assets and liabilities of MineRP have been presented as held for sale as a result of the MineRP Disposition *(note 3).*

The accounting policies of the segments are the same as those described in *note 2.2, Significant Accounting Policies*. Segment performance is evaluated based on several operating and financial measures, including net earnings (loss), which is measured consistently with net earnings (loss) in the consolidated financial statements.

The following table summarizes the net earnings (loss) and other relevant information by segment for the years ended December 31, 2020 and 2019:

	Year ended December 31, 2020				
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Continuing operations					
Revenue *(a)*	**264,855**	**197,573**	**147,130**	**-**	**609,558**
Costs and expenses					
Cost of sales	**113,481**	**92,450**	**124,926**	**-**	**330,857**
General and administrative expenses	**-**	**-**	**-**	**30,604**	**30,604**
Corporate social responsibility expenses	**-**	**-**	**-**	**4,571**	**4,571**
Exploration and evaluation expenses	**3,664**	**2,146**	**-**	**13,262**	**19,072**
Finance cost	**714**	**1,617**	**2,899**	**1,792**	**7,022**
Other (income) expense	**238**	**1,123**	**462**	**(2,314)**	**(491)**
	118,097	**97,336**	**128,287**	**47,915**	**391,635**
Earnings (loss) before income taxes	**146,758**	**100,237**	**18,843**	**(47,915)**	**217,923**
Income tax expense (recovery)	**13,929**	**9,438**	**-**	**(4,476)**	**18,891**
Net earnings (loss) from continuing operatons	**132,829**	**90,799**	**18,843**	**(43,439)**	**199,032**
Other disclosures					
Depreciation and amortization	**29,753**	**54,351**	**15,063**	**1,044**	**100,211**
Capital expenditures *(b)*	**21,058**	**15,523**	**9,531**	**3,185**	**49,297**

(in thousands of U.S. dollars, unless otherwise indicated)

	Year ended December 31, 2019				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing operations					
Revenue *(a)*	193,989	69,710	140,693	-	404,392
Costs and expenses					
Cost of sales	112,367	41,515	140,651	-	294,533
General and administrative expenses	-	-	-	28,191	28,191
Corporate social responsibility expenses	-	-	-	2,815	2,815
Exploration and evaluation expenses	2,453	1,169	-	10,734	14,356
Impairment charges *(note 4)*	-	-	107,000	-	107,000
Finance cost	812	2,054	3,194	4,104	10,164
Other (income) expense	(1,105)	(362)	3,959	(1,577)	915
	114,527	44,376	254,804	44,267	457,974
Earnings (loss) before income taxes	79,462	25,334	(114,111)	(44,267)	(53,582)
Income tax expense	7,893	3,167	-	1,896	12,956
Net earnings (loss) from continuing operatons	71,569	22,167	(114,111)	(46,163)	(66,538)
Other disclosures					
Depreciation and amortization	30,657	21,909	27,286	1,100	80,952
Capital expenditures *(b)*	20,003	36,416	16,142	1,165	73,726

(a) Revenues from Chelopech and Ada Tepe were generated from the sale of concentrate, Tsumeb's revenues were generated from processing concentrate and acid sales. For the year ended December 31, 2020, $222.0 million or 48% (2019 – $124.6 million or 47%) of revenues from the sale of concentrate and $125.2 million or 85% (2019 – $118.5 million or 84%) of revenues from processing concentrate were derived from a single external customer. Revenues from the sale of concentrate of $123.7 million or 27% (2019 – $46.2 million or 24%) were also derived from another single external customer.

(b) Capital expenditures represent cash outlays and non-cash accruals to mine properties *(note 8)*, property, plant and equipment *(note 9)* and intangible assets *(note 10)*.

The following table summarizes the Company's revenue recognized for the years ended December 31, 2020 and 2019:

	2020	2019
Revenue recognized at a point in time from:		
Sale of concentrate *(a)*	**446,382**	261,542
Processing concentrate *(b)*	**125,201**	118,467
Acid sales	**21,929**	22,226
Mark-to-market price adjustments on provisionally priced sales	**16,046**	2,157
Total revenue	**609,558**	404,392

(a) For the year ended December 31, 2020, the Company's revenue from the sale of concentrate included a $3.9 million (2019 – $2.3 million) adjustment in connection with the final determination and settlement of prior year provisional sales and net mark-to-market losses of $11.1 million (2019 – $2.7 million) on commodity swap contracts entered to hedge provisionally priced sales.

(in thousands of U.S. dollars, unless otherwise indicated)

(b) For the year ended December 31, 2020, the Company's revenue from processing concentrate included a metal recovery of $1.5 million (2019 – $0.9 million).

The following table summarizes the total assets and total liabilities by segment as at December 31, 2020 and 2019:

	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Total current assets	**98,584**	**63,651**	**46,969**	**79,115**	**288,319**
Total non-current assets	**175,518**	**256,771**	**111,750**	**111,789**	**655,828**
Assets held for sale				**30,713**	**30,713**
Total assets	**274,102**	**320,422**	**158,719**	**221,617**	**974,860**
Liabilities	**52,830**	**27,776**	**37,660**	**45,307**	**163,573**
Liabilities held for sale				**6,003**	**6,003**
Total liabilities	**52,830**	**27,776**	**37,660**	**51,310**	**169,576**

				As at December 31, 2019	
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	36,525	25,607	27,258	15,636	105,026
Total non-current assets	177,494	291,997	118,671	91,522	679,684
Total assets	214,019	317,604	145,929	107,158	784,710
Total liabilities	40,566	64,083	43,549	43,618	191,816

DPM is domiciled in Canada. Revenues by geographic location are based on the location in which the revenues originate. Revenues by geographic location for the years ended December 31, 2020 and 2019 are summarized below:

				Year ended December 31, 2020
	Canada	**Europe**	**Africa**	**Total**
Revenue	**-**	**462,428**	**147,130**	**609,558**

				Year ended December 31, 2019
	Canada	Europe	Africa	Total
Revenue	-	263,699	140,693	404,392

(in thousands of U.S. dollars, unless otherwise indicated)

Assets by geographic location as at December 31, 2020 and 2019 are summarized below:

	Canada	**Europe**	**Africa**	**Total**
Total current assets	**74,079**	**167,244**	**46,996**	**288,319**
Financial assets	**106,595**	**-**	**1,509**	**108,104**
Deferred income tax assets	**-**	**9,470**	**-**	**9,470**
Other non-current assets	**4,203**	**423,811**	**110,240**	**538,254**
Assets held for sale			**30,713**	**30,713**
Total assets	**184,877**	**600,525**	**189,458**	**974,860**

				As at December 31, 2019
	Canada	Europe	Africa	Total
Total current assets	7,839	65,613	31,574	105,026
Financial assets	59,362	-	5,513	64,875
Deferred income tax assets	-	9,048	-	9,048
Other non-current assets	2,477	461,321	141,963	605,761
Total assets	69,678	535,982	179,050	784,710

CORPORATE INFORMATION

Directors

Jaimie Donovan[4]
Toronto, Ontario, Canada

R. Peter Gillin[2,5]
Toronto, Ontario, Canada

Jonathan Goodman[6]
Toronto, Ontario, Canada

Jeremy Kinsman[2,3]
Victoria, British Columbia, Canada

Kalidas Madhavpeddi
Phoenix, Arizona, USA
Effective February 1, 2021

Juanita Montalvo[3,4]
Toronto, Ontario, Canada

Peter Nixon[2,3]
Niagara-on-the-Lake, Ontario, Canada

David Rae
Toronto, Ontario, Canada

Marie-Anne Tawil[1,3,4]
Westmount, Québec, Canada

Anthony P. Walsh[1,2]
Vancouver, British Columbia, Canada

Donald Young[1,4]
Vancouver, British Columbia, Canada

Shareholder Contact

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1 Audit Committee
2 Compensation Committee
3 Corporate Governance and Nominating Committee
4 Health, Safety and Environment Committee
5 Lead Director (*Deputy Chair, effective February 11, 2021)*
6 Chair

Officers

David Rae
President and Chief Executive Officer

Hume Kyle
Executive Vice President and Chief Financial Officer

Michael Dorfman
Executive Vice President, Corporate Development

Kelly Stark-Anderson
Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary

Mark Crawley
Vice President, Commercial

Iliya Garkov
Vice President and General Manager, Bulgaria

Nikolay Hristov
Vice President, Sustainability and External Relations

Zebra Kasete
Vice President and Managing Director, Tsumeb

Mirco Nolte
Vice President, Operational Excellence

Matthieu Risgallah
Vice President, Technology

Alex Wilson
Vice President, Human Resources

Sylvia Chen
Global Controller

Walter Farag
Treasurer

Corporate Office

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Operations

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Tsumeb Smelter

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Stock Listing and Symbol

The Toronto Stock Exchange
DPM – Common Shares

Copies of the Company's Quarterly and Annual Reports are available on written request from our registrar.

Registrar

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