Dundee Precious Metals Announces 2016 Third Quarter Results

11/8/2016

TORONTO, ONTARIO--(Marketwired - Nov. 8, 2016) - Dundee Precious Metals Inc. (TSX:DPM)

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

Q3 2016 Financial and Operating Highlights:

- **Metals production from continuing operations -** Achieved gold and copper production of 36,791 ounces and 9.4 million pounds, respectively, in line with 2016 guidance;
- **All-in sustaining cost per ounce of gold from continuing operations -** Increased to $1,150 as a result of Tsumeb downtime, lower by-product prices and lower grades. 2016 guidance remains $750 to $850;
- **Smelter -** Processed 37,035 tonnes of complex concentrate, reflecting 36 days of downtime;
- **Impairment charge -** $11.2 million write-down related to the planned closure of Tsumeb's arsenic trioxide plant;
- **Near term growth opportunities -** Main Krumovgrad construction permit received in August with early works initiated in the period;
- **Financing -** Closed equity offering and prepaid forward gold sales arrangement generating net proceeds of $91.4 million; and
- **Financial position -** Aggregate cash resources of approximately $267 million, including the undrawn portion of DPM's long-term revolving credit facility.

Dundee Precious Metals Inc. ("DPM" or the "Company") today reported a third quarter net loss attributable to common shareholders from continuing operations of $29.8 million ($0.19 per share) compared to net earnings attributable to common shareholders from continuing operations of $3.4 million ($0.03 per share) for the same period in 2015. Net loss attributable to common shareholders from continuing operations in the first nine months of 2016 was $42.5 million ($0.29 per share) compared to net earnings attributable to common shareholders from continuing operations of $3.7 million ($0.03 per share) for the same period in 2015. Net loss attributable to common shareholders from discontinued operations was $0.1 million ($nil per share) and net earnings attributable to common shareholders from discontinued operations were $0.9 million ($0.01 per share) in the third quarter and first nine months of 2016, respectively, compared to a net loss of $0.7 million ($0.01 per share) and $2.2 million

($0.02 per share) for the same periods in 2015.

Net loss attributable to common shareholders from continuing operations for the third quarter and first nine months of 2016 was impacted by several items not reflective of the Company's underlying operating performance, including a write-down of $11.2 million related to management's decision to close Tsumeb's arsenic trioxide plant by the end of 2016, unrealized losses and gains attributable to hedging future copper and gold production and foreign denominated operating costs, and net gains or losses on Sabina special warrants. Excluding these items, the adjusted net loss(1) from continuing operations during the third quarter of 2016 was $19.4 million ($0.12 per share) compared to adjusted net earnings from continuing operations of $4.5 million ($0.03 per share) for the corresponding period in 2015. This loss was due primarily to higher deductions for treatment charges at Chelopech resulting from unplanned and planned outages at Tsumeb and higher copper concentrate deliveries to Tsumeb, higher local currency operating expenses and depreciation at Tsumeb, a 28% decrease in realized copper prices, lower volumes of payable metals in concentrate sold as a result of lower grades and recoveries and lower volumes of complex concentrate smelted as a result of the planned and unplanned downtime. These unfavourable variances were partially offset by a 17% increase in realized gold prices, reduced deductions for estimated metals exposure and a stronger U.S. dollar.

In the first nine months of 2016, adjusted net loss from continuing operations was $28.1 million ($0.19 per share) compared to adjusted net earnings from continuing operations of $5.8 million ($0.04 per share) in the corresponding period in 2015. This loss was due primarily to a 28% decrease in realized copper prices, higher local currency operating expenses and depreciation at Tsumeb and higher general and administrative expenses and financing costs. These unfavourable variances were partially offset by a 7% increase in realized gold prices, a stronger U.S. dollar, reduced deductions for estimated metals exposure and lower transportation costs for Chelopech.

"Chelopech continued to perform as expected in the quarter. For 2016, we expect gold and copper production to be in line with current guidance. At Tsumeb, production in the quarter was affected by 36 days of downtime. The smelter continues to work through and resolve post commissioning issues and we expect the performance of the smelter to improve over the next two to three quarters," said Rick Howes, President and CEO. "The main construction permit for Krumovgrad was received in August and site work has commenced. With $267 million in cash resources, forecast free cash generation, and a solid balance sheet, we are well positioned to advance the Krumovgrad project."

Adjusted EBITDA from continuing operations

Adjusted EBITDA(1) from continuing operations during the third quarter and first nine months of 2016 was $3.5 million and $42.8 million, respectively, compared to $23.6 million and $62.6 million in the corresponding periods in 2015, driven primarily by the same factors affecting adjusted net loss from continuing operations, except for depreciation, which is excluded from adjusted EBITDA.

The average realized gold price(1), including realized hedging losses or gains, for the third quarter and first nine months of 2016 was $1,325 per ounce and $1,262 per ounce, respectively, up 17% and 7% compared to the corresponding periods in 2015. The average realized copper price(1), including realized hedging gains, for the third quarter and first nine months of 2016 was $2.30 per pound in each period, down 28% compared to the corresponding periods in 2015.

Production from continuing operations

Copper concentrate produced from continuing operations during the third quarter of 2016 of 25,748 tonnes was 11% lower than the corresponding period in 2015 due primarily to lower copper grades, partially offset by higher volumes of ore mined and processed. Copper concentrate produced from continuing operations during the first nine months of 2016 of 82,074 tonnes was 2% higher than the corresponding period in 2015 due primarily to higher volumes of ore mined and processed, partially offset by lower copper grades. Pyrite concentrate produced during the third quarter and first nine months of 2016 of 61,867 tonnes and 161,138 tonnes, respectively, was 11% and 9% lower than the corresponding periods in 2015. These results were in line with the mine plan.

Relative to the third quarter of 2015, gold contained in copper and pyrite concentrates produced in the third quarter of 2016 decreased by 20% to 36,791 ounces, copper production decreased by 8% to 9.4 million pounds and silver production decreased by 12% to 57,386 ounces. These decreases were due primarily to lower grades, and lower gold recoveries as a result of lower grades and different mineralogy of ore mined, partially offset by higher volumes of ore mined and processed.

Relative to the first nine months of 2015, gold contained in copper and pyrite concentrates produced in the first nine months of 2016 decreased by 4% to 121,701 ounces and copper production increased by 5% to 29.6 million pounds. Silver production in the first nine months of 2016 of 176,638 ounces was comparable to the corresponding period in 2015. The decrease in gold production was due primarily to lower grades and lower overall recoveries, partially offset by higher volumes of ore mined and processed. The increase in copper production was due primarily to higher volumes of ore mined and processed, partially offset by lower grades.

As expected, Chelopech gold production in the third quarter of 2016 decreased relative to second quarter production due to lower grades in the zones being mined in the period. During the fourth quarter of 2016, gold production is expected to be comparable to second quarter production, while copper production is expected to decrease compared to third quarter production. Both gold and copper production are expected to be in line with the existing 2016 guidance.

Complex concentrate smelted during the third quarter of 2016 of 37,035 tonnes was 15% lower than the corresponding period in 2015 due primarily to the unplanned maintenance shutdown following a regional power outage in Namibia in July 2016, which resulted in damage to the refractory lining and required a three week shutdown to replace, resulting in the smelter being down for a total of 36 days or 40% of the time. Complex concentrate smelted during the first nine months of 2016 of 139,002 tonnes was slightly lower than the corresponding period in 2015 due primarily to the unplanned shutdown during the quarter, partially offset by increased on-line time of the Ausmelt furnace.

Deliveries from continuing operations

Deliveries of copper concentrate during the third quarter and first nine months of 2016 of 28,220 tonnes and 80,520 tonnes, respectively, were 7% higher and 5% lower than the corresponding periods in 2015 due primarily to the timing of deliveries. Deliveries of pyrite concentrate in the third quarter of 2016 of 60,379 tonnes were 15% lower than the corresponding period in 2015 due primarily to lower pyrite concentrate production. Deliveries of pyrite concentrate in the first nine months of 2016 of 165,276 tonnes were comparable to the corresponding period in 2015.

In the third quarter of 2016, payable gold in concentrate sold decreased by 20% to 32,447 ounces, payable copper increased by 10% to 9.7 million pounds and payable silver increased by 13% to 47,096 ounces, in each case, relative to the corresponding period in 2015. The decrease in payable gold was due primarily to lower grades and recoveries, which were in line with the mine plan. The increase in payable copper was consistent with the increase in copper concentrate deliveries as a result of the timing of shipments.

In the first nine months of 2016, payable gold in concentrate sold decreased by 10% to 102,065 ounces, payable copper decreased by 3% to 27.3 million pounds and payable silver decreased by 13% to 122,597 ounces, in each case, relative to the corresponding period in 2015. These decreases were due primarily to lower copper concentrate deliveries as a result of the timing of shipments, and lower grades for all metals.

Cash cost per ounce of gold sold from continuing operations

Cash cost per ounce of gold sold, net of by-product credits, during the third quarter of 2016 of $825 was $631 higher than cash cost of $194 in the corresponding period in 2015. Approximately $268 of this increase was due to higher treatment charges resulting from unplanned and planned outages at Tsumeb during the quarter and a greater proportion of copper concentrate deliveries to Tsumeb, $243 was due to a 28% decrease in realized copper prices, and the balance to lower volumes of payable gold in copper concentrate sold.

Cash cost per ounce of gold sold, net of by-product credits, in the first nine months of 2016 of $574 was $271 higher than cash cost of $303 in the corresponding period in 2015 due primarily to a 28% decrease in realized copper prices, resulting in an increase in cash cost per ounce of approximately $340, and higher treatment charges resulting in an increase in cash cost per ounce of approximately $58. These unfavourable variances were partially offset by a lower cost per tonne as a result of higher ore mined and processed. Cash cost per ounce of gold, net of by-product credits for 2016 is expected to remain within the existing guidance of $550 to $650.

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

All-in sustaining cost per ounce of gold(1) in the third quarter of 2016 was $1,150 compared to $358 in the corresponding period in 2015 due primarily to the same factors affecting cash cost per ounce of gold sold and higher cash outlays for sustaining capital expenditures as a result of the timing of payments to suppliers.

All-in sustaining cost per ounce of gold in the first nine months of 2016 was $788 compared to $451 in the corresponding period in 2015 due primarily to the same factors affecting cash cost per ounce of gold sold. All-in sustaining cost per ounce of gold for 2016 is expected to remain within guidance of $750 to $850.

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

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the third quarter of 2016 of $642 was 28% higher than the corresponding period in 2015 due primarily to reduced throughput as a result of 36 days of planned and unplanned downtime in the third quarter of 2016 (2015 - 22 days) and higher local operating costs related to contractors, consumables, labour and electricity, partially offset by a weaker ZAR and net cash generated from the sale of sulphuric acid, a by-product of the smelting operation. The 36 days of downtime had the effect of increasing Tsumeb's cash cost by approximately 35% or $225 per tonne during the third quarter of 2016.

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the first nine months of 2016 of $471 was 4% higher than the corresponding period in 2015 due primarily to higher local operating costs related to contractors, consumables, labour and electricity, partially offset by the net cash generated from the sale of sulphuric acid, a by-product of the smelting operation, and a weaker ZAR. The unplanned downtime of 21 days had the effect of increasing Tsumeb's cash cost by approximately 8% or $35 per tonne during the first nine months of 2016.

Cash provided from operating activities of continuing operations

Cash provided from operating activities in the third quarter of 2016 was $56.2 million compared to $13.4 million in the corresponding period in 2015. This increase was due primarily to proceeds from the prepaid forward sales of gold of $50.0 million, favourable changes in non-cash working capital and higher realized gold prices, partially offset by lower realized copper prices, lower volumes of concentrate smelted and lower volumes of payable metals in concentrate sold. Cash provided from operating activities in the first nine months of 2016 was $68.4 million compared to $48.1 million in the corresponding period in 2015. This increase was due primarily to proceeds from the prepaid forward sales of gold of $50.0 million received in the period and higher realized gold prices, partially offset by unfavourable changes in non-cash working capital, lower realized copper prices and lower volumes of payable metals in concentrate sold.

Cash provided from operating activities, before changes in non-cash working capital, during the third quarter and first nine months of 2016 was $50.9 million and $97.3 million, respectively, compared to $20.8 million and $56.6 million in the corresponding periods in 2015 due primarily to the same factors impacting adjusted EBITDA as well as the timing of proceeds from the settlement of derivative contracts.

Capital expenditures from continuing operations

Capital expenditures during the third quarter and first nine months of 2016 totaled $12.3 million and $36.8 million, respectively, compared to $25.0 million and $59.2 million in the corresponding periods in 2015.

Growth capital expenditures during the third quarter and first nine months of 2016 were $3.9 million and $20.0 million, respectively, compared to $18.1 million and $45.2 million in the corresponding periods in 2015. These decreases were due primarily to lower spending on the acid plant and new copper converters at Tsumeb compared to the corresponding periods in 2015. Sustaining capital expenditures during the third quarter and first nine months of 2016 were $8.4 million and $16.8 million, respectively, compared to $6.9 million and $14.0 million in the corresponding periods in 2015.

Financial position

On July 11, 2016, the Company completed a bought deal financing with a syndicate of underwriters, pursuant to which the Company issued 18,216,000 common shares of the Company at a price of Cdn$3.00 per share, for aggregate gross proceeds of $41.9 million (Cdn$54.6 million) (the "Offering"). Concurrent with the Offering, the Company has also closed a non-brokered private placement of 840,000 common shares of the Company at a price of Cdn$3.00 per share, for additional gross proceeds of $1.9 million (Cdn$2.5 million). Cash proceeds from the Offering and the private placement, net of the share issuance costs of $2.4 million were $41.4 million.

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 45,986 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. Deliveries of gold will be in the form of unallocated gold credits sourced from any of the Company's own mines in 21 monthly instalments during 2019 and 2020. The cash prepayment of $50.0 million was recorded as deferred revenue in the condensed interim consolidated statements of financial position, and will be recognized as revenue when deliveries are made under the prepaid forward gold sales arrangement.

As at September 30, 2016, DPM had cash and cash equivalents of $61.9 million, an investment portfolio valued at $28.0 million and $205.0 million of undrawn lines under its committed long-term revolving credit facility. These cash resources are expected to be sufficient to support the Company's ongoing operating and capital requirements.

2016 Guidance

The table below sets out the Company's current guidance. Mine production, mine costs and sustaining capital expenditure guidance for 2016 is unchanged from the Company's prior guidance. Tsumeb's concentrate smelted and cash cost per tonne of complex concentrate smelted, net of by-product credits, guidance has been updated.

2016 Production & Cash Cost Guidance

	Chelopech	Tsumeb	Kapan (5)	Consolidated (6)
Ore mined/milled ('000s tonnes)	2,030 - 2,250	-	131	2,161 - 2,381
Complex concentrate smelted ('000s tonnes)	-	195 - 205	-	195 - 205
Metals contained in copper and zinc concentrates produced(1),(2)				
Gold ('000s ounces)	108 - 118	-	6	114 - 124
Copper (million pounds)	35.0 - 39.0	-	0.7	35.7 - 39.7
Zinc (million pounds)	-	-	2.8	2.8
Silver ('000s ounces)	204 - 234	-	111	315 - 345
Payable gold in pyrite concentrate sold ('000s ounces)	26 - 40	-	-	26 - 40
Cash cost per tonne of ore processed ($)(3),(4)	32 - 36	-	81	32 - 36
Cash cost per ounce of gold sold, net of by-product credits ($)(1),(3),(4)	550 - 650	-	1,136	550 - 650
All-in sustaining cost per ounce of gold ($)(1),(3),(4)	-	-	-	750 - 850
Cash cost per tonne of complex concentrate smelted, net of by-product credits ($)(3),(4)	-	430 - 450	-	430 - 450
Cash cost per ounce of gold sold in pyrite concentrate ($)(4)	750 - 850	-	-	750 - 850

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

The 2016 guidance for Chelopech and Tsumeb is not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages.

As expected, Chelopech gold production in the third quarter of 2016 decreased relative to second quarter production due to lower grades in the zones being mined in the period. In line with the mine plan, gold production in the fourth quarter of 2016 is expected to be comparable to second quarter production, while copper production is expected to decrease compared to third quarter production. Gold and copper production at Chelopech is forecast to finish the year in line with the current guidance.

At the Tsumeb smelter, smelting rates in the third quarter of 2016 were impacted by the planned annual Ausmelt furnace reline and the additional unplanned maintenance shutdown following a regional power outage in Namibia in July 2016. Continuing post commissioning issues have also impacted throughput during the first nine months of 2016. As a result, the Company has lowered its 2016 guidance to 195,000 to 205,000 tonnes.

In the first nine months of 2016, the majority of the Company's growth capital expenditures related to continuing operations were for the completion of the new copper converters at Tsumeb, and securing the remaining permits and completing the detailed engineering to support moving forward with the construction of the Krumovgrad project in the second half of 2016. Following receipt of the main construction permit for Krumovgrad in August 2016, the Company expects to spend between $8 million and $10 million in the fourth quarter of 2016 on the Krumovgrad project on an early works program and commencement of earthworks activities at the site. Growth expenditures in 2016 are now expected to range between $32 million and $37 million, an increase of approximately $5 million reflecting year-to-date spending, and the commencement of Krumovgrad construction activities and down payments on long-lead items.

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

(1) Adjusted net (loss) earnings, adjusted basic (loss) earnings per share, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), realized gold and copper prices, cash provided from operating activities, before changes in non-cash working capital, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted net of by-product credits, and growth and sustaining capital expenditures have no standardized meaning under International Financial Reporting Standards ("IFRS"). Presenting these measures from period to period helps management and investors

evaluate earnings and cash flow trends more readily in comparison with results from prior periods. Refer to the "Non-GAAP Financial Measures" section of the MD&A for further discussion of these items, including reconciliations to IFRS measures.

Key Financial and Operational Highlights

$ millions, except where noted	Three Months		Nine Months	
Ended September 30,	2016	2015(6)	2016	2015(6)
Revenue(3)	**54.8**	52.8	**197.4**	171.4
Cost of sales(3)	**67.0**	53.7	**189.0**	166.8
Gross (loss) profit(1),(3)	**(12.2)**	(0.9)	**8.4**	4.6
(Loss) earnings before income taxes from continuing operations	**(30.2)**	5.2	**(40.7)**	7.9
Net (loss) earnings attributable to common shareholders from continuing operations	**(29.8)**	3.4	**(42.5)**	3.7
Basic (loss) earnings per share from continuing operations	**(0.19)**	0.03	**(0.29)**	0.03
Net (loss) earnings attributable to common shareholders	**(29.9)**	2.7	**(41.6)**	1.5
Basic (loss) earnings per share attributable to common shareholders	**(0.19)**	0.02	**(0.28)**	0.01
Adjusted EBITDA from continuing operations(2)	**3.5**	23.6	**42.8**	62.6
Adjusted net (loss) earnings from continuing operations(2)	**(19.4)**	4.5	**(28.1)**	5.8
Adjusted basic (loss) earnings per share from continuing operations(2)	**(0.12)**	0.03	**(0.19)**	0.04
Cash provided from operating activities of continuing operations	**56.2**	13.4	**68.4**	48.1
Cash provided from operating activities of continuing operations, before changes in non-cash working capital(2)	**50.9**	20.8	**97.3**	56.6
Metals contained in concentrate produced from continuing operations:				
Gold (ounces)(4)	**36,791**	46,074	**121,701**	126,487
Copper ('000s pounds)	**9,423**	10,292	**29,642**	28,320
Silver (ounces)	**57,386**	65,555	**176,638**	177,502
Tsumeb - complex concentrate smelted (mt)	**37,035**	43,452	**139,002**	140,274
Payable metals in concentrate sold from continuing operations:				
Gold (ounces)(5)	**32,447**	40,424	**102,065**	113,051
Copper ('000s pounds)	**9,704**	8,859	**27,288**	28,099
Silver (ounces)	**47,096**	41,565	**122,597**	141,182
Cash cost per tonne of ore processed from continuing operations ($)(2)	**31.51**	37.98	**33.08**	36.50
Cash cost per ounce of gold sold, net of by-product credits, from continuing operations ($)(2)	**825**	194	**574**	303
Cash cost per ounce of gold sold in pyrite concentrate ($)(2)	**883**	904	**820**	927
All-in sustaining cost per ounce of gold from continuing operations ($)(2)	**1,150**	358	**788**	451
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits ($)(2)	**642**	501	**471**	451

(1) Gross (loss) profit from continuing operations is regarded as an additional GAAP measure and is presented in the Company's consolidated statements of (loss) earnings. Gross (loss) profit represents revenue less cost of sales and is one of several measures used by management and investors to assess the underlying operating profitability of a business.

(2) Adjusted EBITDA; adjusted net (loss) earnings; adjusted basic (loss) earnings per share; cash flow provided from operating activities of continuing operations, before changes in non-cash working capital; cash cost per tonne of ore processed; cash cost per ounce of gold sold, net of by-product credits; cash cost per ounce of gold sold in pyrite concentrate; all-in sustaining cost per ounce of gold; and cash cost per tonne of complex concentrate smelted, net of by-product credits are not defined measures under IFRS. Refer to the MD&A for reconciliations to IFRS measures.

(3) Excludes results from Kapan, which are reported separately as a discontinued operation under IFRS.

(4) Includes gold contained in pyrite concentrate produced in the third quarter and first nine months of 2016 of 12,900 ounces and 34,850 ounces, respectively, compared to 16,352 ounces and 41,118 ounces for the corresponding periods in 2015.

(5) Includes payable gold in pyrite concentrate sold in the third quarter and first nine months of 2016 of 8,130 ounces and 23,240 ounces, respectively, compared to 12,069 ounces and 28,377 ounces for the corresponding periods in 2015.

(6) Certain comparative figures have been reclassified as a consequence of several expenses previously classified as general and administrative expenses being classified as operating costs and included in cost of sales to better reflect the operating results of each segment.

DPM's unaudited condensed interim financial statements, and MD&A for the three and nine months ended September 30, 2016, are posted on the Company's website at **www.dundeeprecious.com** and have been filed on SEDAR at **www.sedar.com**.

The Company will be holding a call and a webcast to discuss its 2016 third quarter results on Wednesday November 9, 2016, at 9:00 a.m. (E.S.T.). Participants are invited to join the live webcast (listen/view only) at: **http://www.gowebcasting.com/8045**. Alternatively, participants can access a listen only telephone option at 416-340-2216 or North America Toll Free at 1-866-223-7781. A replay of the call will be available at 905-694-9451 or

North America Toll Free at 1-800-408-3053, passcode 8261664. The audio webcast for this conference call will also be archived and available on the Company's website at **www.dundeeprecious.com**.

About Dundee Precious Metals

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

Cautionary Note Regarding Forward Looking Statements

This press release contains "forward looking statements" that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the future price of gold, copper and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cash measures, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing and possible outcome of pending litigation. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements are based on the opinions and estimates of management as of the date such statements are made and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others:

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

Contact Information:
Dundee Precious Metals Inc.
Rick Howes
President and Chief Executive Officer
(416) 365-2836
rhowes@dundeeprecious.com

Dundee Precious Metals Inc.
Hume Kyle
Executive Vice President and Chief Financial Officer
(416) 365-5091
hkyle@dundeeprecious.com

Dundee Precious Metals Inc.
Lori Beak
Senior Vice President, Governance, and Corporate Secretary
(416) 365-5165
lbeak@dundeeprecious.com