Dundee
PRECIOUS METALS

Innovation. Growth. Value.

2019 Third Quarter Report

THIRD QUARTER REPORT – Q3 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations

for the Three and Nine Months Ended September 30, 2019

(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 nine months ended September 30, 2019. This MD&A should be read in conjunction with DPM's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and the MD&A for the year ended December 31, 2018. 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 unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2019. 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 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 ("CIM") Definition Standards for Mineral Resources and Mineral Reserves, and has been reviewed and approved by Richard Gosse, M.Sc. (Mineral Exploration), Vice President, Exploration of DPM and Ross Overall, B.Sc. (Applied Geology), Corporate Senior Resource Geologist of DPM, who are Qualified Persons as defined under NI 43-101 ("QP"), and not independent of the Company.

This MD&A has been prepared as at November 7, 2019.

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 vision is to be a progressive gold mining company that unlocks superior value through innovation and strong partnerships with stakeholders. Through operational excellence and innovation capability, DPM is focused on optimizing the performance of each of its operating assets to deliver strong margins and safe and reliable production results. The Company is also focused on building a pipeline of future growth opportunities that leverages that same expertise to unlock value and generate a superior return on capital employed. DPM's demonstrated ability to engage and work closely with key stakeholders, and conduct its business in a responsible and sustainable manner, allows the Company to be successful in each of the countries in which it operates.

As at September 30, 2019, 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 (hereinafter referred to as "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 in a number of exploration properties located in Canada, Serbia and Armenia, including:

- 10.3% of Sabina Gold & Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada;
- 100% of Avala Resources Ltd. ("Avala"), which is focused on the exploration and development of the Timok gold project, the Lenovac project, the Tulare copper and gold project and other early stage projects in Serbia; and
- through an option agreement, the right to earn up to a 71% interest in Pershimex Resources Corporation's gold property located in the Archean Abitibi greenstone belt near Val-d'Or, Canada.

DPM also owns:

- a 78% equity interest in MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP").

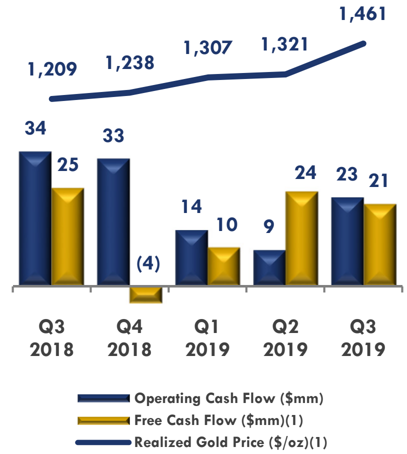
On October 28, 2019, DPM announced the completion of a non-brokered Cdn$10.0 million private placement in INV Metals Inc. ("INV"), following which the Company owns an approximate 19.5% equity interest in INV.

Overview – Operational and Financial Highlights

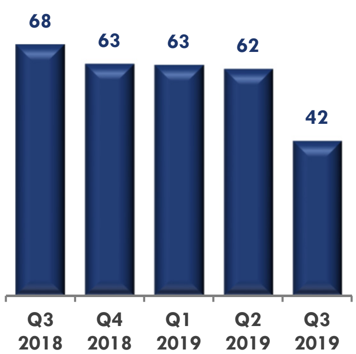
Revenue ($mm)

Cost of Sales ($mm)

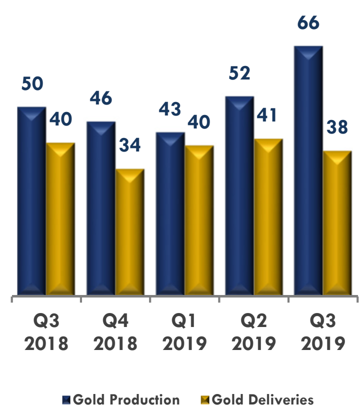
Realized Gold Price and Cash Flows



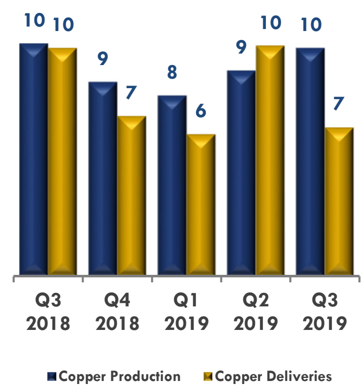
Complex Concentrate Smelted ('000s tonnes)



Gold Production and Deliveries ('000s ounces)



Copper Production and Deliveries (mm pounds)

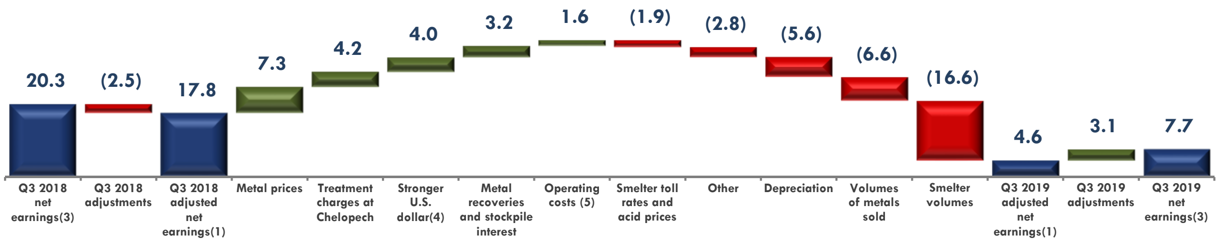


Smelter Cash Cost[1] ($/tonne)

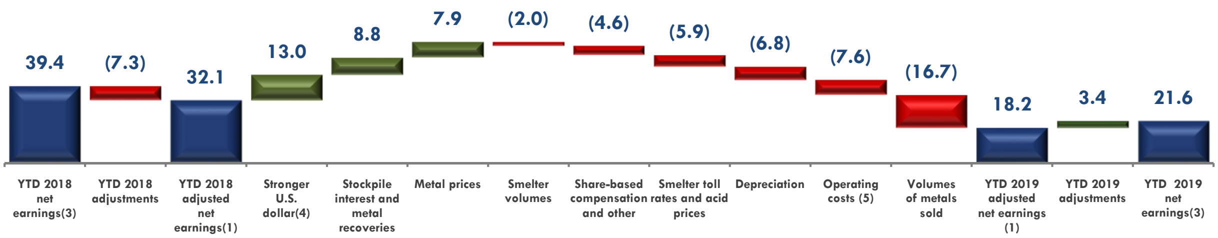
All-in Sustaining Cost[1] and Cash Cost, Net of by-product Credits[1] ($/oz)

Net Debt and Net Debt/Capitalization[2] ($mm)

Net Earnings Attributable to Common Shareholders
($mm)



Net Earnings Attributable to Common Shareholders
($mm)



1) *Refer to the "Non-GAAP Financial Measures" section contained in this MD&A for reconciliations to IFRS measures.*
2) *Net debt represents total debt less cash at the end of the period.*
3) *Net earnings attributable to common shareholders.*
4) *Includes net realized gains and losses on foreign exchange forward contracts.*
5) *Excludes impact of depreciation and foreign exchange.*

Financial results in the third quarter of 2019 reflected solid operating performance at Chelopech and Ada Tepe, which successfully completed its ramp-up activities, following achievement of commercial production in June 2019, and has been operating to full design tonnage at the mine and processing plant since September 27, 2019. Third quarter results at Tsumeb were lower than expected as a result of the previously reported pressurization event in the Ausmelt offgas system in early September, which damaged certain components of the system and resulted in advancing the planned Ausmelt furnace reline, ducting and baghouse maintenance. This maintenance was completed on October 25, 2019 with the next Ausmelt furnace maintenance scheduled for 2021.

In the third quarter of 2019, the Company reported net earnings attributable to common shareholders of $7.7 million compared to $20.3 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of complex concentrate smelted, lower volumes of payable metals in concentrate sold at Chelopech, as a result of the timing of gold-copper concentrate deliveries and lower gold grades, and the commencement of depreciation at Ada Tepe following the achievement of commercial production in June 2019, partially offset by higher realized gold prices, lower treatment charges at Chelopech, a stronger U.S dollar relative to the Euro and ZAR, higher estimated metal recoveries at Tsumeb and the commencement of gold concentrate deliveries from Ada Tepe, which were lower than the underlying production due to the timing of deliveries.

In the first nine months of 2019, the Company reported net earnings attributable to common shareholders of $21.6 million compared to $39.4 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable metals in concentrate sold at Chelopech, higher local currency operating expenses, the commencement of depreciation at Ada Tepe and lower toll rates and volumes of complex concentrate smelted at Tsumeb, partially offset by a stronger U.S dollar relative to the Euro and ZAR, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, higher realized gold prices and the commencement of gold concentrate deliveries from Ada Tepe.

Cash resources, including DPM's long-term revolving credit facility ("RCF"), were $163.4 million as at September 30, 2019.

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**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Financial Results				
Revenue	**94,890**	104,339	**279,421**	294,104
Cost of sales	**71,758**	69,944	**208,208**	207,244
Depreciation and amortization	**21,003**	15,417	**50,938**	44,132
General and administrative expenses	**5,750**	6,251	**23,471**	20,195
Exploration and evaluation expenses	**3,494**	3,089	**9,574**	8,177
Finance cost	**3,057**	1,791	**7,562**	5,455
Other (income) expense	**(1,133)**	1,339	**1,034**	6,211
Earnings before income taxes	**11,675**	21,657	**28,341**	46,050
Income tax expense	**4,161**	1,650	**7,035**	7,317
Net earnings attributable to common shareholders	**7,678**	20,325	**21,579**	39,404
Basic earnings per share	**0.04**	0.11	**0.12**	0.22
Adjusted EBITDA(1)	**32,462**	35,881	**83,198**	87,009
Adjusted net earnings(1)	**4,528**	17,781	**18,159**	32,088
Adjusted basic earnings per share(1)	**0.03**	0.10	**0.10**	0.18
Cash provided from operating activities	**22,734**	34,482	**46,504**	65,468
Free cash flow(1)	**21,035**	25,181	**55,467**	58,233
Capital expenditures incurred:				
Growth(1)	**2,304**	19,978	**35,036**	65,911
Sustaining(1)	**11,027**	6,561	**18,672**	17,867
Total capital expenditures	**13,331**	26,539	**53,708**	83,778
Operational Highlights				
Metals contained in concentrate produced:				
Gold *(ounces)*	**65,642**	49,644	**161,101**	155,247
Copper *('000s pounds)*	**10,142**	10,308	**27,219**	28,114
Payable metals in concentrate sold:				
Gold *(ounces)*	**38,148**	40,324	**119,555**	130,140
Copper *('000s pounds)*	**6,604**	10,099	**23,071**	26,581
Cash cost per ounce of gold sold, net of by-product credits(1),(2),(3)	**523**	523	**591**	515
All-in sustaining cost per ounce of gold(1),(3),(4)	**728**	620	**751**	607
Complex concentrate smelted at Tsumeb *(mt)*	**42,186**	68,431	**166,675**	168,982
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits(1),(5)	**516**	362	**408**	457

As at,	**September 30, 2019**	December 31, 2018
Financial Position and Available Liquidity		
Cash	**15,402**	17,043
Investments at fair value	**44,975**	29,997
Total assets	**902,048**	859,585
Debt	**27,000**	29,000
Equity	**688,131**	638,181
Number of common shares outstanding *('000s)*	**179,506**	178,548
Share price (Cdn$ per share)	**4.46**	3.60
Available liquidity(6)	**163,402**	255,043

1) 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, net of by-product credits, are not defined measures under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for reconciliations to IFRS measures.

2) 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.

3) *Includes realized losses on copper swap and option contracts, entered to hedge a portion of projected payable production, of $0.5 million and $5.5 million for the third quarter and first nine months of 2018, respectively.*
4) *All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash items plus treatment charges, penalties, transportation and other selling costs, sustaining capital expenditures, 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, net of by-product credits, 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 the RCF plus cash at the end of each reporting period.*

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 nine months ended September 30, 2019 and 2018 and highlights the overall year over year change in commodity prices.

Metal Market Prices (Average) Ended September 30,	**Three Months**			**Nine Months**		
	2019	2018	**Change**	**2019**	2018	**Change**
LBMA gold *($/ounce)*	**1,474**	1,213	**22%**	**1,363**	1,283	**6%**
LME settlement copper *($/pound)*	**2.63**	2.77	**(5%)**	**2.74**	3.01	**(9%)**
LBMA spot silver *($/ounce)*	**17.02**	14.99	**14%**	**15.83**	16.10	**(2%)**

The average realized gold price for the third quarter and first nine months of 2019 was $1,461 per ounce and $1,361 per ounce, respectively, compared to $1,209 per ounce and $1,279 per ounce in the corresponding periods in 2018. The average realized copper price for the third quarter and first nine months of 2019 was $2.64 per pound and $2.73 per pound, respectively, compared to $2.75 per pound and $2.79 per pound in the corresponding periods in 2018. Average realized gold and copper prices are not defined measures under IFRS. For a reconciliation to IFRS, refer to the "Non-GAAP Financial Measures" section contained in this MD&A.

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 of the U.S. dollar relative to these currencies.

Average Foreign Exchange Rates Ended September 30,	**Three Months**			**Nine Months**		
	2019	2018	**Change**	**2019**	2018	**Change**
US$/Cdn$	**1.3206**	1.3069	**1%**	**1.3291**	1.2876	**3%**
Euro/US$	**1.1116**	1.1624	**4%**	**1.1237**	1.1947	**6%**
US$/ZAR	**14.6800**	14.0604	**4%**	**14.3470**	12.8761	**11%**

As at September 30, 2019, approximately 82% of projected Namibian dollar operating expenses for the balance of 2019 and 77% for 2020 have been hedged.

Metals Production

In the third quarter of 2019, gold contained in concentrate produced increased by 32% to 65,642 ounces, including 25,314 ounces from Ada Tepe, which achieved full design capacity in the third quarter of 2019, and copper production decreased by 2% to 10.1 million pounds, in each case, relative to the corresponding period in 2018.

In the first nine months of 2019, gold contained in concentrate produced increased by 4% to 161,101 ounces and copper production decreased by 3% to 27.2 million pounds, in each case, relative to the corresponding period in 2018. The increase in gold production was due primarily to the start-up of Ada Tepe, partially offset by lower gold grades at Chelopech, in line with its 2019 mine plan. The decrease in copper production was due primarily to lower copper grades at Chelopech, in line with its 2019 mine plan, and lower ore processed.

Metals Sold

Payable gold in concentrate sold in the third quarter of 2019 decreased by 5% to 38,148 ounces relative to the corresponding period in 2018 due primarily to the timing of gold-copper concentrate deliveries and lower gold grades at Chelopech, partially offset by gold sold at Ada Tepe following the achievement of commercial production in June 2019. Payable copper in concentrate sold in the third quarter of 2019 of 6.6 million pounds was 35% lower than the corresponding period in 2018 consistent with the decrease in gold-copper concentrate deliveries. In the third quarter of 2019, there were two gold-copper concentrate deliveries as planned, whereas in the third quarter of 2018, there were three deliveries.

In the first nine months of 2019, payable gold in concentrate sold decreased by 8% to 119,555 ounces relative to the corresponding period in 2018 due primarily to the timing of gold-copper concentrate deliveries and lower gold grades at Chelopech, partially offset by gold sold at Ada Tepe. Payable copper in the first nine months of 2019 of 23.1 million pounds was 13% lower than the corresponding period in 2018 consistent with the decrease in gold-copper concentrate deliveries.

Payable metals in concentrate sold for Chelopech and Ada Tepe in the third quarter of 2019 were lower than the payable metals in concentrate produced due to the timing of planned concentrate deliveries, which is expected to result in payable metals sold being in excess of 20,000 ounces higher than payable metals in concentrate produced in the fourth quarter of 2019. Chelopech and Ada Tepe remain on track to achieve their respective 2019 delivery guidance.

Complex concentrate smelted

Complex concentrate smelted during the third quarter of 2019 of 42,186 tonnes was 38% lower than the corresponding period in 2018 due primarily to the previously reported pressurization event in the Ausmelt offgas system on September 3, 2019 during a restart after routine maintenance. Repairs to the damaged offgas system components were completed over a 14-day period and during the restart of the facility, it was determined that the initial pressurization event had also caused damage to the lining of the furnace. This resulted in advancing the planned Ausmelt furnace reline, baghouse and ducting maintenance that were completed over a 38-day period, 10 days longer than planned. This extension was due primarily to delays in receiving materials that needed to be fabricated and shipped to site for installation ahead of the planned maintenance schedule. The plant resumed operation on October 25, 2019 and is operating well. The next Ausmelt furnace maintenance shutdown is currently scheduled for 2021, based on an expected operating cycle of 18 to 24 months.

Complex concentrate smelted during first nine months of 2019 was 166,675 tonnes, which was comparable to the corresponding period in 2018.

Revenue

Revenue during the third quarter of 2019 of $94.9 million was $9.4 million lower than the corresponding period in 2018 due primarily to lower volumes of complex concentrate smelted and lower volumes of payable metals in gold-copper concentrate sold at Chelopech as a result of the timing of deliveries and lower gold grades, partially offset by higher realized gold prices and lower treatment charges at Chelopech. In addition, the commencement of gold concentrate deliveries at Ada Tepe, following the achievement of commercial production in June 2019, resulted in an increase in revenue of $14.8 million.

Revenue during the first nine months of 2019 of $279.4 million was $14.7 million lower than the corresponding period in 2018 due primarily to lower volumes of payable metals in gold-copper concentrate sold at Chelopech as a result of the timing of deliveries and lower gold grades, lower toll rates and volumes of complex concentrate smelted at Tsumeb, and lower realized copper prices, partially offset by $14.8 million of deliveries from Ada Tepe following achievement of commercial production, higher realized gold prices and reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb.

Cost of sales

Cost of sales in the third quarter and first nine months of 2019 of $71.8 million and $208.2 million, respectively, was comparable to the corresponding periods in 2018 due primarily to the favourable impact of a stronger U.S. dollar relative to the ZAR and Euro, which offset higher local currency operating expenses, and lower volumes of gold-copper concentrate sold at Chelopech, partially offset by the commencement of depreciation and gold concentrate deliveries at Ada Tepe following the achievement of commercial production in June 2019.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold in the third quarter of 2019 of $728 was $108 higher than the corresponding period in 2018 due primarily to a slower than anticipated ramp-up to full production at Ada Tepe, which resulted in lower gold production and higher cost per ounce of gold in the period, lower gold grades in gold-copper concentrate sold at Chelopech, lower by-product credits, as a result of lower volumes of copper sold and realized copper prices, and higher cash outlays for sustaining capital expenditures, partially offset by a stronger U.S. dollar relative to the Euro and lower treatment charges at Chelopech.

All-in sustaining cost per ounce of gold in the first nine months of 2019 of $751 was $144 higher than the corresponding period in 2018 due primarily to lower gold grades in gold-copper concentrate sold, lower by-product credits, as a result of lower volumes of copper sold and realized copper prices, and higher cash outlays for sustaining capital expenditures, partially offset by the favourable impact of a stronger U.S. dollar relative to the Euro.

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

Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits, during the third quarter of 2019 of $516 was $154 higher than the corresponding period in 2018 due primarily to lower volumes of complex concentrate smelted stemming from planned and unplanned downtime, partially offset by the favourable impact of a weaker ZAR relative to the U.S. dollar.

Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits, during the first nine months of 2019 of $408 was $49 lower than the corresponding period in 2018 due primarily to the favourable impact of a weaker ZAR relative to the U.S. dollar and higher by-product credits as a result of higher acid prices, partially offset by higher labour rates and higher fuel rates and consumption.

General and administrative expenses

General and administrative expenses in the third quarter of 2019 of $5.8 million were $0.5 million lower than the corresponding period in 2018. General and administrative expenses in the first nine months of 2019 of $23.5 million were $3.3 million higher than the corresponding period in 2018 due primarily to higher share-based compensation, reflecting the mark-to-market impact related to strong share price performance in the first nine months of 2019.

Exploration and evaluation expenses

Exploration and evaluation expenses in the third quarter and first nine months of 2019 were $3.5 million and $9.6 million, respectively, compared to $3.1 million and $8.2 million in the corresponding periods in 2018 due primarily to increased activities in Serbia on the Timok scoping study. For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section contained in this MD&A.

Finance costs

Finance costs are comprised of interest and other financing costs in respect of the Company's debt, lease obligations and rehabilitation provisions.

Finance costs were $3.1 million in the third quarter of 2019 compared to $1.8 million in the corresponding period in 2018 due primarily to the deemed interest accretion on prepaid forward gold sales, which were previously fully capitalized prior to the achievement of commercial production at Ada Tepe in June 2019.

Finance costs were $7.6 million in the first nine months of 2019 compared to $5.5 million in the corresponding period in 2018 due primarily to expenses related to the cancellation of tranches A and C of the RCF and the deemed interest accretion in respect of the prepaid forward gold sales.

Other (income) expense

Other (income) expense is primarily comprised of foreign exchange translation gains or losses, unrealized gains or losses on Sabina special warrants, 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**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Net (gains) losses on Sabina special warrants	**(3,150)**	782	**(3,420)**	2,458
Net foreign exchange losses[1]	**2,212**	473	**4,488**	316
Interest income	**(123)**	(71)	**(223)**	(226)
Other (income) expense, net[2]	**(72)**	155	**189**	3,663
Total other (income) expense	**(1,133)**	1,339	**1,034**	6,211

1) Primarily related to the revaluation of foreign denominated monetary assets and liabilities.
2) Includes $0.3 million (2018 – $0.6 million) and $1.5 million (2018 – $2.2 million) in the third quarter and first nine months of 2019, respectively, in respect of testwork being done to treat arsenic using an arsenic vitrification plant.

Income tax expense

Income tax expense and 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 nine months ended September 30, 2019 and 2018, the Company's effective tax rate was impacted primarily by the Company's amount of earnings, mix of foreign earnings, 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**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Earnings before income taxes	**11,675**	21,657	**28,341**	46,050
Combined Canadian federal and provincial statutory income tax rates	**26.5%**	26.5%	**26.5%**	26.5%
Expected income tax expense	**3,094**	5,739	**7,510**	12,203
Lower rates on foreign earnings	**(2,637)**	(5,032)	**(10,147)**	(13,747)
Unrecognized tax benefits relating to losses	**2,246**	231	**7,993**	7,255
Non-deductible portion of capital losses	**817**	169	**981**	639
Non-deductible share based compensation expense	**62**	73	**210**	234
Other, net	**579**	470	**488**	733
Income tax expense	**4,161**	1,650	**7,035**	7,317
Effective income tax rates	**35.6%**	7.6%	**24.8%**	15.9%

Net earnings attributable to common shareholders and adjusted net earnings

Net earnings attributable to common shareholders in the third quarter of 2019 were $7.7 million compared to $20.3 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of complex concentrate smelted, lower volumes of payable metals in concentrate sold at Chelopech, as a result of the timing of gold-copper concentrate deliveries and lower gold grades, and the commencement of depreciation at Ada Tepe following the achievement of commercial production in June 2019, partially offset by higher realized gold prices, lower treatment charges at Chelopech, a stronger U.S dollar relative to the Euro and ZAR, higher estimated metal recoveries at Tsumeb and the commencement of gold concentrate deliveries from Ada Tepe.

Net earnings attributable to common shareholders in the first nine months of 2019 were $21.6 million compared to $39.4 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable metals in concentrate sold at Chelopech, higher local currency operating expenses, the commencement of depreciation at Ada Tepe and lower toll rates and volumes of complex concentrate smelted at Tsumeb, partially offset by a stronger U.S dollar relative to the Euro and ZAR, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, higher realized gold prices and the commencement of gold concentrate deliveries from Ada Tepe.

Adjusted net earnings in the third quarter and first nine months of 2019 were $4.6 million and $18.2 million, respectively, compared to $17.8 million and $32.1 million in the corresponding periods in 2018 and exclude net after-tax gains of $3.1 million (2018 – $2.5 million) and $3.4 million (2018 – $7.3 million), respectively, related to several items not reflective of the Company's underlying operating performance, including unrealized gains on commodity price hedges that, prior to the adoption of IFRS 9 in 2018, did not receive hedge accounting treatment and gains and losses on Sabina special warrants. 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 by segment:

$ thousands	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Chelopech	**16,788**	18,582	**50,554**	64,489
Ada Tepe	**681**	(284)	**297**	(526)
Tsumeb	**(4,334)**	8,757	**2,333**	(3,637)
Corporate & Other	**(8,607)**	(9,274)	**(35,025)**	(28,238)
Total adjusted net earnings	**4,528**	17,781	**18,159**	32,088

On June 8, 2019, Ada Tepe achieved commercial production and is now reported as a separate operating segment. The comparative segment information has been restated.

Adjusted EBITDA

Adjusted EBITDA in the third quarter and first nine months of 2019 was $32.5 million and $83.2 million, respectively, compared to $35.9 million and $87.0 million in the corresponding periods in 2018, 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**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Chelopech	**26,764**	28,825	**80,112**	95,811
Ada Tepe	**8,240**	(392)	**7,799**	(1,200)
Tsumeb	**3,301**	16,106	**25,345**	17,269
Corporate & Other	**(5,843)**	(8,658)	**(30,058)**	(24,871)
Total adjusted EBITDA	**32,462**	35,881	**83,198**	87,009

The Corporate and Other Segment includes MineRP, 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

Cash provided from operating activities in the third quarter and first nine months of 2019 was $22.7 million and $46.5 million, respectively, compared to $34.5 million and $65.4 million in the corresponding periods in 2018 reflecting the same underlying factors affecting net earnings, except for depreciation, and an increase in working capital. 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

Free cash flow in the third quarter and first nine months of 2019 was $21.0 million and $55.4 million, respectively, compared to $25.1 million and $58.2 million in the corresponding periods in 2018. Free cash flow was impacted by the same factors affecting cash provided from operating activities, with the exception of changes in working capital, which are excluded from free cash flow, and outlays for sustaining capital, which are included in free cash flow.

Capital expenditures

Capital expenditures incurred during the third quarter and first nine months of 2019 were $13.3 million and $53.7 million, respectively, compared to $26.6 million and $83.8 million in the corresponding periods in 2018.

Growth capital expenditures incurred during the third quarter and first nine months of 2019 were $2.3 million and $35.0 million, respectively, compared to $20.0 million and $65.9 million in the corresponding periods in 2018. The period over period decline in growth capital expenditures was related principally to the construction of the Ada Tepe gold mine. Sustaining capital expenditures incurred during the third quarter and first nine months of 2019 were $11.0 million and $18.7 million, respectively, compared to $6.6 million and $17.9 million in the corresponding periods in 2018 due primarily to the timing of executing planned projects.

2019 GUIDANCE

The information contained in this section of the 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. For further information, refer to the “Cautionary Note Regarding Forward Looking Statements” and “Risks and Uncertainties” sections contained in this MD&A.

Overall Outlook and Strategy

DPM continues to focus on increasing the profitability of its business by optimizing existing assets, including the Ada Tepe gold mine which achieved full design tonnage at the mine and mill in September 2019. This is expected to generate significant growth in gold production and cash flow, which will further strengthen the Company’s balance sheet and support pursuing a variety of margin improvement and growth opportunities within its existing portfolio of assets. These growth opportunities include exploration programs in Bulgaria, near Chelopech and Ada Tepe, and in Serbia, near the Timok gold project, as well as new investment opportunities that are consistent with the Company’s strategy. On October 28, 2019, DPM invested Cdn$10 million pursuant to a private placement, resulting in an approximate 19.5% equity interest in INV. This investment is in line with DPM’s disciplined capital allocation framework that balances reinvesting capital in the business in an accretive manner with building financial strength and returning capital to shareholders. DPM has a range of unique experience in permitting, developing, underground mining, and processing with respect to projects similar to INV’s Loma Larga. This technical experience, along with DPM’s commitment to the environment and communities in which it operates, are expected to be valuable to INV during the next phase of permitting.

Chelopech remains on track to achieve annual guidance and Ada Tepe remains on track to meet its updated production and delivery guidance, issued in July 2019. AISC guidance remains unchanged. Cash cost per tonne of ore processed guidance at Ada Tepe was lowered to a range of $50 to $55 from a range of $55 to

$65 in line with year-to-date performance. In September 2019, the production guidance for Tsumeb was revised to a range of 210,000 to 230,000 tonnes of complex concentrate smelted and Tsumeb is on track to meet this guidance, likely coming in at or below the midpoint of the range. The next Ausmelt furnace maintenance is currently expected to occur in 2021 allowing for additional smelter throughput in 2020.

The Company's guidance for 2019, together with its original guidance, is set out in the following table:

$ millions, unless otherwise indicated	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Updated Consolidated Guidance**	**Original Consolidated Guidance**
Ore milled ('000s tonnes)	2,100 – 2,200	442 – 462	-	2,542 – 2,662	2,540 – 2,790
Cash cost per tonne of ore processed(3),(4)	36 – 39	50 – 55	-	-	-
Metals contained in concentrate produced(1),(2)					
Gold ('000s ounces)	155 – 187	45 – 60	-	200 – 247	210 – 262
Copper (million pounds)	33 – 39	-	-	33 – 39	33 – 39
Payable metals in concentrate sold(1)					
Gold ('000s ounces)	138 – 165	42 – 56	-	180 – 221	191 – 237
Copper (million pounds)	32 – 37	-	-	32 – 37	32 – 37
All-in sustaining cost per ounce of gold(3),(4),(5),(8)	-	-	-	675 – 820	675 – 820
Complex concentrate smelted ('000s tonnes)	-	-	210 – 230	210 – 230	225 – 250
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits(3),(4)	-	-	380 – 450	380 – 450	380 – 450
Corporate general and administrative expenses(3),(6)	-	-	-	16 – 20	16 – 20
Exploration expenses(3)	-	-	-	12 – 14	12 – 14
Sustaining capital expenditures(3),(4),(7)	16 – 19	4 – 5	14 – 18	38 – 46	38 – 46
Growth capital expenditures(3),(4)	4 – 5	25 – 27	-	29 – 32	29 – 32

1) *Gold produced includes gold in pyrite concentrate produced of 43,000 to 53,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 30,000 to 35,000 ounces.*
2) *Metals contained in concentrate produced are prior to deductions associated with smelter terms.*
3) *Based on Euro/US$ exchange rate of 1.13, US$/ZAR exchange rate of 14.60 and copper price of $2.75 per pound, where applicable.*
4) *Cash cost per tonne of ore processed, all-in sustaining cost per ounce of gold and cash cost per tonne of complex concentrate smelted at Tsumeb, 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.*
5) *Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold.*
6) *Excludes mark-to-market adjustments on share-based compensation and MineRP's general and administrative expenses.*
7) *Consolidated sustaining capital expenditures include $4 million related to corporate digital initiatives.*
8) *All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash items plus treatment charges, penalties, transportation and other selling costs, sustaining capital expenditures, 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.*

The 2019 guidance provided above is 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. 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.

Chelopech

Gold contained in concentrate produced is expected to be between 155,000 and 187,000 ounces in 2019, reflecting grades returning to expected life of mine levels in 2019. As expected, gold production in the third quarter of 2019 was lower than the first two quarters of 2019 as a result of lower grades in the mining sequence, combined with a lower gold recovery, each of which was in line with the mine plan. Copper production in the period was in line with the mine plan. Chelopech remains on track to achieve its 2019 production guidance.

Sustaining capital expenditures are expected to be higher than in recent years reflecting approximately $6 million to extend the life of Chelopech's tailings management facility. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be between $4 million and $5 million.

Ada Tepe

Production at Ada Tepe was strong during the quarter as a result of treating ore in inventory, the grade of which was above the reserve grade and the lower mine grade material that was processed during commissioning. Ada Tepe successfully ramped-up to the full design tonnage of 2,500 tonnes per day at 85% gold recovery in concentrate by the end of the quarter. While treatment rates through the mill were initially limited by the capacity at the integrated mine waste facility ("IMWF"), this was resolved at the end of August, after which the mill steadily ramped back up to design capacity by mid-September. Ada Tepe remains on track to achieve its updated 2019 guidance.

Tsumeb

Third quarter results were lower than expected as a result of the previously reported pressurization event in the Ausmelt offgas system in early September, which damaged certain components of the system and resulted in advancing the planned Ausmelt furnace maintenance. As a result, in September, the Company announced that the smelter's 2019 production guidance was being lowered from a range of 225,000 to 250,000 tonnes to a range of 210,000 to 230,000 tonnes. The Ausmelt furnace maintenance was completed on October 25, 2019 with the next Ausmelt maintenance scheduled for 2021.

MineRP

DPM does not anticipate a material contribution to earnings or cash flow from MineRP operating results in 2019, given that it is in a growth ramp-up phase, however, MineRP expects to see an increase in new customers based on its growing pipeline. During the third quarter of 2019, Chelopech continued to implement MineRP's software, which is expected to support a number of optimization initiatives being developed in the Smart Centre and the integration with a new business planning system currently under development.

Exploration

Expenditures related to exploration in 2019 are expected to range between $12 million and $14 million, in line with 2018 spending. The 2019 budget is being used to fund major drilling programs at Chelopech, consisting of 10,000 metres of underground drilling on the Southeast Breccia Pipe Zone ("SEBPZ") and 11,500 metres of surface drilling at the Krasta prospect and other near-mine targets around Chelopech as well as drill programs at Ada Tepe, on the concession and on nearby exploration licenses, totaling an additional 5,000 metres. Exploration drilling at the Timok gold project in Serbia was increased to 5,000 metres to cover additional targets defined in the second quarter of 2019. In addition, the 2019 budget covers metallurgical test work of samples from the Surnak prospect near Ada Tepe. The remaining exploration budget will be deployed primarily to other greenfield projects in Serbia and Quebec.

Chelopech – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Nine Months	
Ended September 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Ore mined *(mt)*	**559,440**	572,736	**1,675,347**	1,698,650
Ore processed *(mt)*	**549,624**	578,914	**1,655,408**	1,692,060
Head grade / recoveries in gold-copper concentrate (ore milled)				
Gold *(g/mt)* / %	**3.17 / 48.2**	3.51 / 49.5	**3.31 / 51.6**	3.77 / 52.6
Copper *(%)* / %	**1.01 / 82.7**	0.97 / 82.9	**0.91 / 82.3**	0.92 / 81.7
Silver *(g/mt)* / %	**6.85 / 37.6**	7.08 / 37.3	**5.81 / 35.6**	7.14 / 38.1
Gold-copper concentrate produced *(mt)*	**28,645**	28,388	**77,011**	78,883
Pyrite concentrate produced *(mt)*	**65,734**	75,259	**188,300**	202,484
Metals contained in concentrate produced:				
Gold in gold-copper concentrate *(ounces)*	**27,021**	32,307	**90,827**	107,910
Gold in pyrite concentrate *(ounces)*	**13,307**	17,337	**39,609**	47,337
Copper *(pounds)*	**10,142,040**	10,308,518	**27,219,129**	28,114,419
Silver *(ounces)*	**45,547**	49,081	**110,178**	148,156
Cash cost per tonne of ore processed(1),(2)	**35.28**	33.50	**35.11**	35.42
Cash cost per ounce of gold in gold-copper concentrate produced(1),(2),(3)	**412**	333	**387**	330
Cash cost per pound of copper in gold-copper concentrate produced(1),(2),(3)	**0.74**	0.77	**0.78**	0.78
Gold-copper concentrate delivered *(mt)*	**21,134**	29,906	**71,422**	80,611
Pyrite concentrate delivered *(mt)*	**70,927**	57,044	**192,785**	191,588
Payable metals in concentrate sold:				
Gold in gold-copper concentrate *(ounces)*(5)	**18,776**	32,657	**81,817**	102,359
Gold in pyrite concentrate *(ounces)*(5)	**9,278**	7,667	**27,220**	27,781
Copper *(pounds)*(5)	**6,603,478**	10,099,068	**23,070,515**	26,580,865
Silver *(ounces)*(5)	**25,122**	45,230	**87,948**	135,817
Cash cost per ounce of gold sold, net of by-product credits (2),(4),(6),(7)	**453**	523	**579**	515
Cost per tonne of gold-copper concentrate sold(8)	**1,019**	987	**1,095**	1,071
Financial Highlights				
Revenue(9)	**41,321**	54,528	**137,099**	172,418
Cost of sales(10)	**21,531**	29,519	**78,215**	86,360
Earnings before income taxes	**19,049**	24,483	**56,499**	82,695
Adjusted EBITDA(2)	**26,764**	28,825	**80,112**	95,811
Net earnings attributable to common shareholders	**16,788**	21,908	**50,554**	74,263
Adjusted net earnings(2)	**16,788**	18,582	**50,554**	64,489
Capital expenditures incurred:				
Growth(2)	**997**	1,130	**2,966**	3,196
Sustaining(2)	**5,771**	2,822	**10,319**	5,090
Total capital expenditures	**6,768**	3,952	**13,285**	8,286

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 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 (2018 – $4.9 million) and $19.1 million (2018 – $18.2 million) in the third quarter and first nine months of 2019, respectively.*
5) *Represents payable metals in gold-copper and pyrite concentrates 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 concentrates sold.*
7) *Includes realized losses on copper swap and option contracts, entered to hedge a portion of projected payable production, of $0.5 million and $5.5 million in the third quarter and first nine months of 2018, respectively.*
8) *Represents cost of sales divided by the volumes of gold-copper concentrate delivered.*
9) *Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and mark-to-market adjustments and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net unfavourable mark-to-market adjustments and*

final settlements of $1.0 million (2018 – favourable adjustments of $0.6 million) and $1.4 million (2018 – $1.4 million) were recognized during third quarter and first nine months of 2019, respectively. Deductions during the third quarter and first nine months of 2019 were $16.6 million (2018 – $28.2 million) and $72.4 million (2018 – $81.2 million), respectively.

10) *Cost of sales includes depreciation of $7.5 million (2018 – $7.9 million) and $23.0 million (2018 – $23.5 million) in the third quarter and first nine months of 2019, respectively.*

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the third quarter of 2019 of 28,645 tonnes was comparable to the corresponding period in 2018. Gold-copper concentrate produced during the first nine months of 2019 of 77,011 tonnes was 2% lower than the corresponding period in 2018 due primarily to lower volumes of ore processed and lower copper grades, partially offset by higher copper recoveries.

Pyrite concentrate produced during the third quarter and first nine months of 2019 of 65,734 tonnes and 188,300 tonnes, respectively, was 13% and 7% lower than the corresponding periods in 2018 in line with plans for the period.

In the third quarter of 2019, gold contained in gold-copper concentrate produced decreased by 16% to 27,021 ounces, copper production decreased by 2% to 10.1 million pounds and silver production decreased by 7% to 45,547 ounces, in each case, relative to the corresponding period in 2018. The decrease in gold production was due primarily to lower gold grades and volumes of ore processed. The decrease in copper production was due primarily to lower volumes of ore processed, partially offset by higher copper grades.

In the first nine months of 2019, gold contained in gold-copper concentrate produced decreased by 16% to 90,827 ounces, copper production decreased by 3% to 27.2 million pounds and silver production decreased by 26% to 110,178 ounces, in each case, relative to the corresponding period in 2018. The decrease in gold production was due primarily to lower grades. The decrease in copper production was due primarily to lower volumes of ore processed and lower copper grades in line with the 2019 mine plan, partially offset by higher recoveries.

Gold contained in pyrite concentrate produced during the third quarter and first nine months of 2019 of 13,307 ounces and 39,609 ounces, respectively, was 23% and 16% lower than the corresponding periods in 2018 due primarily to lower gold grades, in line with the 2019 mine plan.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate during the third quarter and first nine months of 2019 of 21,134 tonnes and 71,422 tonnes, respectively, were 29% and 11% lower than the corresponding periods in 2018 due primarily to the timing of deliveries.

Deliveries of pyrite concentrate in the third quarter of 2019 of 70,927 tonnes were 24% higher than the corresponding period in 2018 due primarily to the timing of deliveries. Deliveries of pyrite concentrate in the first nine months of 2019 of 192,785 tonnes were comparable to the corresponding period in 2018.

In the third quarter of 2019, payable gold in gold-copper concentrate sold decreased by 43% to 18,776 ounces, payable copper decreased by 35% to 6.6 million pounds and payable silver decreased by 44% to 25,122 ounces, in each case, relative to the corresponding period in 2018. These decreases were due primarily to the timing of gold-copper concentrate deliveries as well as lower grades. Payable gold in pyrite concentrate sold in the third quarter of 2019 of 9,278 ounces was 21% higher than the corresponding period in 2018 consistent with the increase in pyrite deliveries.

In the first nine months of 2019, payable gold in gold-copper concentrate sold decreased by 20% to 81,817 ounces, payable copper decreased by 13% to 23.1 million pounds and payable silver decreased by 35% to 87,948 ounces, in each case, relative to the corresponding period in 2018. These decreases were due primarily to the timing of gold-copper concentrate deliveries as well as lower grades. Payable gold in pyrite concentrate sold in the first nine months of 2019 of 27,220 ounces was comparable to the corresponding period in 2018.

Cash cost measures

Cash cost per tonne of ore processed in the third quarter of 2019 of $35.28 was 5% higher than the corresponding period in 2018 due primarily to lower throughput, higher power costs and higher royalties, partially offset by the favourable impact of a stronger U.S. dollar relative to the Euro. Cash cost per tonne of ore processed in the first nine months of 2019 of $35.11 was comparable to the corresponding period in 2018.

Cash cost per ounce of gold sold, net of by-product credits, during the third quarter of 2019 of $453 was $70 lower than the corresponding period in 2018 due primarily to lower treatment charges and a stronger U.S. dollar relative to the Euro, partially offset by lower gold grades in concentrate sold and lower by-product credits as a result of lower volumes of copper sold and realized copper prices. Cash cost per ounce of gold sold, net of by-product credits, during the first nine months of 2019 of $579 was $64 higher than the corresponding period in 2018 due primarily to lower gold grades in concentrate sold and lower by-product credits as a result of lower volumes of copper sold and realized copper prices, partially offset by a stronger U.S. dollar relative to the Euro.

Net earnings attributable to common shareholders

Net earnings attributable to common shareholders in the third quarter of 2019 of $16.8 million were $5.1 million lower than the corresponding period in 2018 due primarily to lower volumes of payable metals in concentrate sold, as a result of the timing of deliveries and lower gold grades, partially offset by higher realized gold prices and lower treatment charges.

Net earnings attributable to common shareholders in the first nine months of 2019 of $50.5 million were $23.8 million lower than the corresponding period in 2018 due primarily to lower volumes of payable metals in concentrate sold, as a result of the timing of deliveries and lower gold grades, and higher cost per tonne gold-copper concentrate sold as a result of lower copper grades, partially offset by higher realized gold prices and the favourable impact of a weaker Euro relative to the U.S. dollar.

Net earnings attributable to common shareholders in the third quarter and first nine months of 2018 were also impacted by net after-tax gains of $3.3 million and $9.8 million, respectively, related to items not reflective of Chelopech's underlying operating performance, including unrealized gains on commodity price hedges that, prior to the adoption of IFRS 9 in 2018, did not receive hedge accounting. For more details on these adjustments, refer to the "Non-GAAP Financial Measures" section contained in this MD&A.

Adjusted net earnings

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

$ millions **Ended September 30,**	**Three Months**	**Nine Months**
Adjusted net earnings - 2018	**18.6**	**64.5**
Lower volumes of metals sold	(14.8)	(24.9)
Lower (higher) cost per tonne of concentrate produced and sold(1)	0.2	(3.1)
Lower (higher) treatment charges and freight(2)	4.2	(0.3)
Higher realized metal prices(3)	7.3	7.9
Weaker Euro	1.0	3.6
Other	0.3	2.8
Adjusted net earnings - 2019	**16.8**	**50.5**

1) *Excludes impact of depreciation and foreign exchange.*
2) *The third quarter decrease was due primarily to a lower proportion of gold-copper concentrate deliveries to Tsumeb.*
3) *Includes net gains and losses on commodity swap and option contracts.*

Capital expenditures

Capital expenditures during the third quarter and first nine months of 2019 of $6.8 million and $13.3 million, respectively, were $2.8 million and $5.0 million higher than the corresponding periods in 2018 and in line with higher planned spending in 2019.

Ada Tepe – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Ore mined *(mt)*	**158,412**	-	**247,826**	-
Ore processed *(mt)*	**154,356**	-	**253,056**	-
Head grade / recoveries in gold concentrate[(1)]				
Gold *(g/mt) / %*	**5.87 / 87.1**	-	**4.67 / 82.2**	-
Silver *(g/mt) / %*	**3.13 / 66.5**	-	**2.69 / 57.6**	-
Gold concentrate produced *(mt)*	**950**	-	**1,290**	-
Metals contained in concentrate produced:				
Gold *(ounces)*	**25,314**	-	**30,665**	-
Silver *(ounces)*	**10,295**	-	**12,409**	-
Cash cost per tonne of ore processed[(2),(3)]	**50.62**	-	**49.51**	-
Cash cost per ounce of gold in concentrate produced[(2),(3),(4)]	**302**	-	**402**	-
Gold concentrate delivered *(mt)*	**552**	-	**593**	-
Payable metals in concentrate sold:				
Gold *(ounces)*[(5),(8)]	**10,094**	-	**10,518**	-
Silver *(ounces)*[(5)]	**3,865**	-	**3,999**	-
Cash cost per ounce of gold sold, net of by-product credits [(3),(6)]	**719**	-	**719**	-
Financial Highlights				
Revenue[(9)]	**14,786**	-	**14,786**	-
Cost of sales[(10)]	**12,522**	-	**12,522**	-
Earnings (loss) before income taxes[(7)]	**1,642**	(460)	**1,030**	(1,346)
Adjusted earnings (loss) before interest, taxes, depreciation and amortization[(3),(7)]	**8,240**	(392)	**7,799**	(1,200)
Net earnings (loss) attributable to common shareholders/adjusted net earnings (loss)[(3),(7)]	**681**	(284)	**297**	(526)
Capital expenditures incurred:				
Growth[(3)]	**1,271**	18,098	**31,885**	61,836
Sustaining[(3)]	**1,766**	-	**1,766**	-
Total capital expenditures	**3,037**	18,098	**33,651**	61,836

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 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) 2018 financial results are comprised primarily of exploration expenses.
8) Includes 424 ounces of payable gold sold prior to achieving commercial production in June 2019 and the net revenue and associated cost of sales generated from these sales were recorded in mine properties in the second quarter of 2019.
9) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and mark-to-market adjustments and final settlements to reflect any physical and cost adjustments on provisionally priced sales.
10) Cost of sales includes depreciation of $5.6 million in the third quarter and first nine months of 2019.

Review of Ada Tepe Results

Ada Tepe received its final operating permits on August 12, 2019. Ramp-up to full design capacity was achieved in the third quarter of 2019 following the completion of additional cells in the IMWF in August, as planned. Settlement time of tailings has also improved and construction of additional cells has commenced which will provide further operating flexibility going forward.

Gold production

In the third quarter and first nine months of 2019, gold contained in concentrate produced was 25,314 ounces and 30,665 ounces, respectively. Gold production was strong during the quarter as a result of treating ore in inventory above the reserve grade relative to lower mine grades processed during the commissioning phase.

Gold sold

In the third quarter and the first nine months of 2019, payable gold in concentrate sold was 10,094 ounces and 10,518 ounces, respectively. Payable gold in concentrate sold was significantly lower than the payable gold in concentrate produced due to the timing of completing trial lots and concentrate sales arrangements resulting in higher inventory levels. This will reverse in the fourth quarter of 2019 and is expected to contribute to strong fourth quarter sales. Ada Tepe remains on track to meet its 2019 delivery guidance.

Cash cost measures

Cash cost per tonne of ore processed in the third quarter and first nine months of 2019 was $50.62 and $49.51, respectively, and in line with expectations.

Cash cost per ounce of gold sold, net of by-product credits, in the third quarter and first nine months of 2019 was $719. This is higher than what is expected going forward due to the slower than anticipated ramp-up.

Net earnings (loss) attributable to common shareholders

Net earnings attributable to common shareholders in the third quarter and the first nine months of 2019 were $0.7 million and $0.3 million, respectively, compared to net losses attributable to common shareholders of $0.3 million and $0.5 million in the corresponding periods in 2018. These increases were due to the commencement of gold concentrate deliveries and the recognition of the associated revenue and costs, including depreciation, following the achievement of commercial production in June 2019.

Capital expenditures

Capital expenditures during the third quarter and first nine months of 2019 of $3.1 million and $33.7 million, respectively, were $15.0 million and $28.1 million lower than the corresponding periods in 2018 due primarily to the timing of construction expenditures. These expenditures were in line with the 2019 capital expenditure guidance.

Prepaid forward gold sales arrangement

In March 2019, the Company amended its prepaid forward gold sales arrangement whereby gold deliveries originally scheduled from May 2019 to October 2019 will now be 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. These ounces will now be delivered over a 15-month period from November 2019 to January 2021 in satisfaction of the upfront cash prepayment of $50.0 million that was received in September 2016 and represent approximately 14% of expected gold deliveries during this period with approximately 75% of the deliveries occurring in 2020. This prepayment, together with a deemed financing component, is recorded as deferred revenue in the condensed interim consolidated statements of financial position and will be recognized as revenue as deliveries are made to the counterparties under the prepaid forward gold sales arrangement, which will be in the form of unallocated gold credits that can be sourced from either Chelopech or Ade Tepe.

Tsumeb – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Complex concentrate smelted *(mt)*:				
Chelopech	**16,027**	24,664	**63,434**	65,991
Third parties	**26,159**	43,767	**103,241**	102,991
Total complex concentrate smelted	**42,186**	68,431	**166,675**	168,982
Cash cost per tonne of complex concentrate smelted, net of by-product credits(1),(2)	**516**	362	**408**	457
Acid production *(mt)*	**43,020**	74,277	**170,470**	176,737
Acid deliveries *(mt)*	**48,218**	70,778	**175,842**	174,394
Financial Highlights				
Toll revenue(3)	**27,129**	40,961	**97,527**	96,273
Acid revenue	**5,016**	6,343	**19,543**	16,240
Total revenue	**32,145**	47,304	**117,070**	112,513
Cost of sales(4)	**34,181**	37,847	**108,573**	112,202
Earnings (loss) before income taxes	**(4,712)**	8,757	**2,535**	(3,637)
Adjusted EBITDA(2)	**3,301**	16,106	**25,345**	17,269
Net earnings (loss) attributable to common shareholders/adjusted net earnings (loss)(2),(5)	**(4,334)**	8,757	**2,333**	(3,637)
Capital expenditures incurred:				
Growth(2)	**2**	37	**136**	37
Sustaining(2)	**3,484**	3,724	**5,528**	12,558
Total capital expenditures	**3,486**	3,761	**5,664**	12,595

1) *Cash cost per tonne of complex concentrate smelted, net of by-product credits, 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 reconciliations of these non-GAAP measures.*
3) *Includes deductions for stockpile interest and slag mill concentrate returns, and favourable or unfavourable estimated metal recoveries.*
4) *Cost of sales includes depreciation of $7.3 million (2018 – $6.6 million) and $20.6 million (2018 – $18.6 million) in the third quarter and first nine months of 2019, respectively.*
5) *Net earnings (loss) attributable to common shareholders and adjusted net earnings (loss) exclude loss attributable to non-controlling interests of $0.4 million in the third quarter of 2019 and earnings attributable to non-controlling interests of $0.2 million in the first nine months of 2019 following Greyhorse Mining (Proprietary) Limited ("GHM") acquisition of an indirect 8% interest in Tsumeb in 2019.*

Review of Tsumeb Results

Production & acid deliveries

Complex concentrate smelted during the third quarter of 2019 of 42,186 tonnes was 38% lower than the corresponding period in 2018 due primarily to the previously reported pressurization event in the Ausmelt offgas system on September 3, 2019 during a restart after routine maintenance. Repairs to the damaged offgas system components were completed over a 14-day period and during the restart of the facility, it was determined that the initial pressurization event had caused damage to the lining of the furnace. This resulted in advancing the Ausmelt furnace reline, baghouse and ducting maintenance that were completed over a 38-day period, 10 days longer than planned. This extension was due primarily to delays in receiving materials that needed to be fabricated and shipped to site for installation ahead of the planned maintenance schedule. The plant resumed operation on October 25, 2019 and is operating well. The next Ausmelt furnace maintenance shutdown is currently scheduled for 2021, based on an expected operating cycle of 18 to 24 months.

Complex concentrate smelted during the first nine months of 2019 was 166,675 tonnes, which was comparable to the corresponding period in 2018.

As previously disclosed, 2019 production guidance for complex concentrate smelted was reduced to a range of 210,000 to 230,000 tonnes as a result of the operational issues and related downtimes discussed above.

Acid production in the third quarter and first nine months of 2019 of 43,020 tonnes and 170,470 tonnes, respectively, was 42% and 4% lower than the corresponding periods in 2018 consistent with the decrease in volumes of complex concentrate smelted.

Acid deliveries in the third quarter of 2019 of 48,218 tonnes were 32% lower than the corresponding period in 2018 consistent with the decrease in acid production in the third quarter, partially offset by a drawdown of acid inventories. Acid deliveries in the first nine months of 2019 of 175,842 tonnes were comparable to the corresponding period in 2018.

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 2019 of $516 was $154 higher than the corresponding period in 2018 due primarily to lower volumes of complex concentrate smelted stemming from planned and unplanned downtime, partially offset by the favourable impact of a weaker ZAR relative to the U.S. dollar.

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the first nine months of 2019 of $408 was $49 lower than the corresponding period in 2018 due primarily to the favourable impact of a weaker ZAR relative to the U.S. dollar, higher by-product credits as a result of higher acid prices, partially offset by higher labour rates and higher fuel rates and consumption.

Net earnings (loss) attributable to common shareholders

Net loss attributable to common shareholders in the third quarter of 2019 was $4.4 million compared to net earnings of $8.8 million in the corresponding period in 2018 due primarily to lower volumes of complex concentrate smelted and lower toll rates, partially offset by the favourable impact of a weaker ZAR relative to the U.S. dollar and higher estimated metal recoveries.

Net earnings attributable to common shareholders in the first nine months of 2019 were $2.3 million compared to a net loss of $3.6 million in the corresponding period in 2018. This improvement was due primarily to the favourable impact of a weaker ZAR relative to the U.S. dollar, reduced deductions for stockpile interest, higher estimated metal recoveries and higher acid prices, partially offset by lower toll rates, higher local currency operating expenses and lower volumes of complex concentrate smelted.

The following table summarizes the key drivers affecting the change in net earnings (loss) attributable to common shareholders:

$ millions **Ended September 30,**	**Three Months**	**Nine Months**
Net earnings (loss) attributable to common shareholders – 2018	**8.8**	**(3.6)**
Weaker ZAR[(1)]	3.0	9.4
Lower stockpile interest	0.3	5.0
Reduced deductions for slag mill concentrate returns	0.1	4.4
Higher estimated metal recoveries	2.9	3.8
Lower toll rates, net higher acid prices	(1.9)	(5.9)
Lower (higher) operating expenses[(2)]	1.4	(4.5)
Other	(2.8)	(4.1)
Lower volumes	(16.6)	(2.0)
Non-controlling interests	0.4	(0.2)
Net earnings (loss) attributable to common shareholders – 2019	**(4.4)**	**2.3**

1) Includes realized gains on foreign exchange forward contracts of $0.1 million and $0.7 million in the third quarter and first nine months of 2019, respectively, compared to realized losses on foreign exchange forward contracts of $1.8 million $0.4 million in the corresponding periods in 2018.
2) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the third quarter of 2019 of $3.5 million were comparable to the corresponding period in 2018.

Capital expenditures during the first nine months of 2019 of $5.7 million were $6.9 million lower than the corresponding period in 2018 due primarily to the timing of executing planned projects and the Ausmelt furnace maintenance, which, in 2018, took place in the second quarter.

Other

In the second quarter of 2019, DPM finalized its previously announced agreement with GHM pursuant to which GHM acquired an indirect 8% equity interest in Tsumeb. An additional 2% indirect equity interest in Tsumeb will be acquired by an employee trust which is expected to be established in the first quarter of 2020.

REVIEW OF CORPORATE AND OTHER SEGMENT RESULTS

The corporate and other segment results include MineRP, 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 and other segment results:

$ thousands	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Financial Highlights				
Revenue(1)	**6,638**	2,507	**10,466**	9,173
Cost of sales(1)	**3,524**	2,578	**8,898**	8,682
General and administrative expenses(2)	**5,750**	6,251	**23,471**	20,195
Exploration and evaluation expenses(3)	**2,681**	2,157	**7,186**	5,783
Loss before income taxes	**(4,304)**	(11,123)	**(31,723)**	(31,662)
Adjusted loss before interest, taxes, depreciation and amortization(5)	**(5,843)**	(8,658)	**(30,058)**	(24,871)
Net loss attributable to common shareholders(4)	**(5,457)**	(10,056)	**(31,605)**	(30,696)
Adjusted net loss(5)	**(8,607)**	(9,274)	**(35,025)**	(28,238)

1) *Revenue and cost of sales are related to MineRP.*
2) *Includes MineRP general and administrative expenses of $1.7 million (2018 - $1.6 million) and $4.8 million (2018 - $4.7 million) in the third quarter and first nine months of 2019, respectively.*
3) *Includes evaluation expenses related to Timok of $1.2 million (2018 - $0.1 million) and $1.5 million (2018 - $0.2 million) in the third quarter and first nine months of 2019, respectively.*
4) *Excludes earnings attributable to non-controlling interests of $0.2 million (2018 - loss attributable to non-controlling interests of $0.3 million) and loss attributable to non-controlling interests of $0.5 million (2018 - $0.7 million) in the third quarter and first nine months of 2019, respectively.*
5) *Excludes net gains and losses on Sabina special warrants.*

MineRP

Revenue in the third quarter and first nine months of 2019 of $6.7 million and $10.5 million, respectively, was $4.2 million and $1.3 million higher than the corresponding periods in 2018 due primarily to the finalization of contracts with new customers in the third quarter of 2019. In addition, implementation services related to the new projects also added to revenue during the quarter, all of which contributed to a strong third quarter when compared to the corresponding period in 2018 and highlights growing recognition of the value of MineRP's product and service offerings.

Cost of sales in the third quarter and first nine months of 2019 was $3.5 million and $8.9 million, respectively, compared to $2.6 million and $8.7 million in the corresponding periods in 2018. The increase in the third quarter of 2019 was due primarily to direct costs associated with the software sales that occurred during the period. General and administrative expenses in the third quarter and first nine months of 2019 were $1.7 million and $4.8 million, respectively, compared to $1.6 million and $4.7 million in the corresponding periods in 2018, in line with expectations.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company had cash of $15.4 million, investments valued at $45.0 million primarily related to its 10.3% interest in Sabina, and $148.0 million of undrawn capacity under its RCF. With the start-up of Ada Tepe and the corresponding expected increase in operating cash flow, the Company amended the terms and size of its RCF, resulting in, among other things, the cancellation of tranches A and C in April 2019 and the increase of tranche B to $175 million from $150 million in June 2019.

The Company's liquidity is impacted by several factors which include, but are not limited to, gold, copper and silver 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 September 30, 2019, 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.

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

$ thousands	Three Months		Nine Months	
Ended September 30,	**2019**	2018	**2019**	2018
Cash provided from operating activities, before changes in non-cash working capital	**31,912**	33,975	**77,347**	81,041
Changes in non-cash working capital	**(9,178)**	507	**(30,843)**	(15,573)
Cash provided from operating activities	**22,734**	34,482	**46,504**	65,468
Cash used in investing activities	**(12,523)**	(21,810)	**(41,522)**	(80,646)
Cash provided from (used in) financing activities	**(16,979)**	(3,142)	**(6,623)**	9,802
Increase (decrease) in cash	**(6,768)**	9,530	**(1,641)**	(5,376)
Cash at beginning of period	**22,170**	13,861	**17,043**	28,767
Cash at end of period	**15,402**	23,391	**15,402**	23,391

Cash at September 30, 2019 of $15.4 million was $8.0 million lower than the corresponding period in 2018. The primary factors impacting these cash flow movements are summarized below.

Operating Activities

Cash provided from operating activities in the third quarter and first nine months of 2019 was $22.7 million and $46.5 million, respectively, compared to $34.5 million and $65.4 million in the corresponding periods in 2018 reflecting the same factors affecting net earnings, except for depreciation, and an increase in working capital.

The unfavourable change in non-cash working capital in the third quarter of 2019 of $9.2 million was due primarily to a decrease in accounts payable and accrued liabilities as a result of the timing of payments to suppliers and an increase in gold-copper concentrate inventory at Chelopech and gold concentrate inventory at Ada Tepe as a result of the timing of deliveries, partially offset by a decrease in accounts receivable as a result of the timing of receipts from customers.

The unfavourable change in non-cash working capital in the first nine months of 2019 of $30.9 million was due primarily to a decrease in accounts payable and accrued liabilities as a result of the timing of payments to suppliers, an increase in ore and concentrate inventories at Ada Tepe following the commencement of mining and milling activities in 2019, and an increase in gold-copper inventory at Chelopech as a result of timing of deliveries, and an increase in accounts receivable as a result of the timing of receipts from customers.

Cash provided from operating activities, before changes in non-cash working capital, during the third quarter and first nine months of 2019 was $31.9 million and $77.4 million, respectively, compared to $34.0 million and $81.0 million in the corresponding periods in 2018. These variances were due primarily to the same factors affecting net earnings.

Investing Activities

Cash used in investing activities in the third quarter and first nine months of 2019 was $12.5 million and $41.5 million, respectively, compared to $21.8 million and $80.6 million in the corresponding periods in 2018.

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

$ thousands	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Chelopech	**5,210**	3,181	**10,872**	6,656
Tsumeb	**3,061**	5,666	**6,007**	13,315
Ada Tepe(1)	**3,830**	12,900	**30,588**	55,004
Other	**435**	193	**1,508**	422
Total cash capital expenditures	**12,536**	21,940	**48,975**	75,397

1) Includes payments for the settlement of foreign exchange forward contracts of $nil million (2018 – proceeds of $0.4 million) and $0.5 million (2018 – proceeds of $3.3 million) in the third quarter and first nine months of 2019, respectively.

Cash outlays for capital expenditures in the third quarter and first nine months of 2019 of $12.6 million and $49.0 million, respectively, were $9.4 million and $26.4 million lower than the corresponding periods in 2018 due primarily to the timing of sustaining capital expenditures and the completion of the construction of the Ada Tepe project.

Proceeds of $8.2 million related to the sale of Kapan's royalties and unused fixed assets at Chelopech were received in the first nine months of 2019.

In the first nine months of 2018, DPM purchased 3.2 million common shares of Sabina at a market price of $1.66 (Cdn$2.10) per share for a total cost of $5.4 million (Cdn$6.7 million) so as to maintain an ownership in excess of 10%.

Financing Activities

Cash used from financing activities in the third quarter and first nine months of 2019 was $17.0 million and $6.6 million, respectively, compared to cash used from financing activities of $3.2 million and cash provided from financing activities of $9.8 million in the corresponding periods in 2018. The primary factors impacting the movement in financing activities are summarized below.

Net repayments under the RCF in the third quarter of 2019 were $14.0 million compared to $nil in the corresponding period in 2018. Net repayments in the first nine months of 2019 were $2.0 million compared to drawdowns of $16.0 million in the corresponding period in 2018.

Repayments of lease obligations in the third quarter and first nine months of 2019 were $1.0 million and $2.8 million, respectively, compared to $0.6 million and $1.6 million in the corresponding periods in 2018. These increases were due primarily to the increase in lease obligations following the implementation of IFRS 16 on January 1, 2019.

Interest and other borrowing related costs paid in the third quarter and first nine months of 2019 were $1.5 million and $3.6 million, respectively, compared to $0.7 million and $4.1 million in the corresponding periods in 2018. The decrease in the first nine months of 2019 was due primarily to lower commitment fees as a result of cancelling Tranches A and C.

Financial Position

$ thousands **As at,**	**September 30, 2019**	December 31, 2018	**Increase/ (Decrease)**
Cash	**15,402**	17,043	**(1,641)**
Accounts receivable, inventories and other current assets	**90,945**	67,190	**23,755**
Investments at fair value	**44,975**	29,997	**14,978**
Non-current assets, excluding investments at fair value	**750,726**	745,355	**5,371**
Total assets	**902,048**	859,585	**42,463**
Current liabilities	**109,878**	93,446	**16,432**
Non-current liabilities	**104,039**	127,958	**(23,919)**
Equity attributable to common shareholders	**665,236**	632,000	**33,236**
Non-controlling interests	**22,895**	6,181	**16,714**

Cash decreased by $1.7 million to $15.4 million during the first nine months of 2019 due primarily to the timing of drawdowns and repayments under the RCF. Accounts receivable, inventories and other current assets increased by $23.7 million to $90.9 million due primarily to an increase in accounts receivables as a result of the timing of receipts from customers and an increase in inventories as a result of the commencement of mining and milling activities at Ada Tepe and the timing of gold-copper concentrate deliveries at Chelopech. Non-current assets, excluding investments at fair value, increased by $5.3 million to $750.7 million due primarily to capital expenditures at Ada Tepe, Tsumeb and Chelopech, leased assets being recognized as right-of-use assets in property, plant and equipment following the implementation of IFRS 16 and preferred shares in GHM received as consideration following the acquisition of an indirect 8% interest in Tsumeb by GHM, partially offset by depreciation expense.

Current liabilities increased by $16.5 million to $109.9 million during the first nine months of 2019 due primarily to the reclassification of deferred revenue related to prepaid forward gold sales arrangement to be settled in the next twelve months to current liabilities from non-current liabilities, partially offset by a decrease in accounts payable and liabilities as a result of the timing of payments to suppliers. Non-current liabilities decreased by $23.9 million to $104.0 million due primarily to the reclassification of deferred revenue related to prepaid forward gold sales arrangement to be settled over the next twelve months from non-current liabilities to current liabilities. Equity attributable to common shareholders increased by $33.2 million to $665.2 million due primarily to the current year earnings and unrealized gains on publicly traded securities included in other comprehensive income (loss). Non-controlling interests increased by $16.7 million to $22.9 million due primarily to the acquisition of an indirect 8% interest in Tsumeb by GHM.

Contractual Obligations, Commitments and Contingencies

The Company had the following minimum contractual obligations and commitments as at September 30, 2019:

$ thousands	**up to 1 year**	**1 – 5 years**	**over 5 years**	**Total**
Debt	-	27,000	-	27,000
Lease obligations	5,147	15,109	2,904	23,160
Capital commitments	19,972	-	-	19,972
Purchase commitments	6,548	8	-	6,556
Other obligations	3,243	13,960	7,373	24,576
Total contractual obligations and commitments	**34,910**	**56,077**	**10,277**	**101,264**

As at September 30, 2019, Tsumeb had approximately $64.4 million (December 31, 2018 – $62.1 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.

In July 2017, the Company and IXM agreed to amend the existing tolling agreement (the “Tolling Agreement”) to provide for, among other things, lower stockpile interest deductions on excess secondary materials, specified quarterly targeted reductions designed to eliminate excess secondary materials over a period that extends to December 31, 2020, the purchase of secondary materials in excess of established quarterly targeted levels, and the annual extension of the Tolling Agreement by one year until excess secondary materials are eliminated. Since July 2017, the Company has reduced the quantity of excess copper-in-secondaries by approximately 54%. As at September 30, 2019, the value of excess secondary materials was approximately $39.2 million (December 31, 2018 – $39.0 million), which was approximately $23.4 million above the targeted levels under the Tolling Agreement reflecting the effect of temporary operational issues that periodically impact plant stability and increase the quantities of excess secondary materials. As at September 30, 2019, IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels and the Company has agreed to waive the requirement for IXM to settle the metal exposure balance of approximately $10.2 million. The Company expects to eliminate the majority of these excess secondaries over the next one to two quarters with the balance being eliminated on or before December 31, 2020.

Debt

As at September 30, 2019, the Company's total outstanding debt was $27.0 million (December 31, 2018 – $29.0 million) and the Company was in compliance with all of its debt covenants.

As at September 30, 2019, the Company's total debt, as a percentage of total capital, was 4% (December 31, 2018 – 4%) and the Company's total debt, net of cash, as a percentage of total capital, was 2% (December 31, 2018 – 2%).

DPM RCF

DPM has a committed RCF with a consortium of banks. In April 2019, the Company cancelled tranches A and C of the RCF. In June 2019, the Company further amended the RCF increasing tranche B of the facility from $150 million to $175 million, extending its maturity date from February 2021 to February 2022 and lowering the borrowing spread above LIBOR, which now varies 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 (losses).

As at September 30, 2019, $27.0 million (December 31, 2018 – $29.0 million) was drawn under the RCF.

Tsumeb Overdraft Facility

In May 2019, Tsumeb renewed its Namibian $50.0 million ($3.3 million) demand overdraft facility that is guaranteed by DPM. This facility bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at September 30, 2019, $nil (December 31, 2018 – $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, 2019. This credit facility is guaranteed by DPM. As at September 30, 2019, $5.7 million (December 31, 2018 – $4.8 million) had been utilized against the 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 ($22.9 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2019 and is guaranteed by DPM. As at September 30, 2019, $22.8 million (December 31, 2018 – $24.0 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, 2019. This credit facility is guaranteed by DPM. As at September 30, 2019, $0.1 million (December 31, 2018 – $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 November 7, 2019, 179,511,321 common shares were issued and outstanding.

DPM also has 4,171,297 stock options outstanding as at November 7, 2019 with exercise prices ranging from Cdn$2.05 to Cdn$4.46 per share (weighted average exercise price – Cdn$3.05 per share).

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 September 30, 2019, the Company's investments at fair value were $45.0 million, the vast majority of which related to the value of its investment in Sabina common shares and special warrants. As at September 30, 2019, DPM held: (i) 30,119,913 common shares of Sabina or 10.3% 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.

For the three and nine months ended September 30, 2019, the Company recognized unrealized gains on the Sabina special warrants of $3.2 million (2018 – unrealized losses of $0.6 million) and $3.5 million (2018 – unrealized losses of $2.4 million), respectively, in other (income) expense in the condensed interim consolidated statements of earnings (loss).

Commodity swap and option 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 September 30, 2019, the Company's outstanding QP Hedges, all of which mature within three months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	15,665 ounces	$1,510.07/ounce
Payable copper	3,229,768 pounds	$2.62/pound

The Company also enters into cash settled commodity swap and option contracts from time to time to reduce its future metal price exposures ("Production Hedges"). 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 September 30, 2019, the Company had no outstanding Production Hedges.

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 was calculated based on the corresponding LME forward copper prices and New York Commodity Exchange forward gold and silver prices, as applicable. The fair value gain or loss on commodity option contracts was calculated based on the option prices quoted on the Commodity Exchange (a part of the Chicago Mercantile Exchange). As at September 30, 2019, the net fair value gain on all outstanding commodity swap contracts was $0.7 million (December 31, 2018 – $0.1 million), of which $0.7 million (December 31, 2018 – $0.2 million) was included in other current assets and $nil (December 31, 2018 – $0.1 million) in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $nil (2018 – $0.9 million) and $nil (2018 – unrealized gains of $2.9 million), respectively, on outstanding commodity swap and option contracts in other comprehensive income (loss). The Company also recognized net gains of $0.3 million (2018 – $4.3 million) and net losses of $0.8 million (2018 – net gains of $6.7 million) for the three and nine months ended September 30, 2019, respectively, in revenue on settled 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 September 30, 2019, 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 Average ceiling rate US$/ZAR**	**Put options purchased Average floor rate US$/ZAR**
Balance of 2019	325,000,000	15.55	14.09
2020	1,324,719,996	16.13	14.63

Approximately 82% of projected Namibian dollar operating expenses for the balance of 2019 and 77% for full year 2020 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 was calculated based on foreign exchange forward rates quoted in the market. As at September 30, 2019, the fair value loss on all outstanding foreign exchange forward and option contracts was $1.8 million (December 31, 2018 – $0.6 million), of which $nil (December 31, 2018 – $0.3 million) was included in other current assets, $0.9 million (December 31, 2018 – $0.9 million) in accounts payable and accrued liabilities, and $0.9 million (December 31, 2018 – $nil) in other long-term liabilities.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $0.6 million (2018 – unrealized gains of $0.6 million) and $0.3 million (2018 – $8.6 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange forward and option contracts. The Company also recognized realized gains of $0.1 million (2018 – realized losses of $2.5 million) and $0.7 million (2018 – realized losses of $1.8 million) for the three and nine months ended September 30, 2019, respectively, in cost of sales on the spot component of settled contracts in respect of foreign denominated operating expenses. The Company also recognized realized gains of $nil (2018 – $0.7 million) and realized losses of $0.1 million (2018 – realized gains $4.1 million) for the three and nine months ended September 30, 2019, respectively, as additions (reductions) to mine properties on the spot component of settled contracts in respect of foreign denominated capital expenditures.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $3.4 million (2018 – realized gains of $0.2 million) and $0.9 million (2018 – unrealized gains of $0.7 million), respectively, on the time value component of the outstanding foreign exchange forward and option contracts in other comprehensive income (loss) as a deferred cost of hedging. The Company also recognized realized gains of $nil (2018 – $0.7 million) and $nil (2018 – $1.3 million) for the three and nine months ended September 30, 2019, respectively, in cost of sales on the forward point component of settled contracts in respect of foreign denominated operating expenses. The Company also recognized realized losses of $nil (2018 – $0.3 million) and $0.2 million (2018 – $1.1 million) for the three and nine months ended September 30, 2019, respectively, as additions to mine properties on the forward point component of settled contracts in respect of foreign denominated capital expenditures.

The Company is also exposed to credit and liquidity risks in the event of non-performance by counterparties in connection with its commodity swap and option 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 the third quarter of 2019, a total of 15,848 metres of resource development diamond drilling was completed, which comprises of:

- 2,464 metres of grade control drilling (27 drill holes) aimed to better define the shape and volume of existing ore bodies;
- 11,111 metres of extensional drilling (47 drillholes from underground and 3 from surface), designed to explore for new mineralization along modelled trends; and
- 2,273 metres of exploration drilling (8 drill holes) to test targets within the SEBPZ.

Resource development drilling was focused on the upper levels of Target 700 and Blocks 151, 5, 25 and 10, with the aim to expand the current ore body extents and allow conversion of Mineral Resources into Mineral Reserves. Further to this, the areas down plunge of Block 144 were also drilled during the third quarter of 2019. A detailed review of the drilling program results is discussed below.

Central Area

Blocks 5, 25 and 17

During the quarter, blocks 5, 25 and 17, which are located in the Central part of the Chelopech deposit were explored. Holes were drilled to check the continuity of mineralization along strike on the upper levels of the blocks. Drilling was successful, extending the current contours of silica alteration envelope and mineralization. Intervals from this program are presented in the table below from drill holes “EXT17_400_04”, “EXT25_400_02”, “EXT25_400_03”, “EXT5_400_01”, “EXT5_400_02”, “EXT5_400_03”, “EXT5_400_05” and “EXT5_400_06”. The other drillholes from this program “EXT17_400_03”, “EXT25_400_01” and “EXT5_400_04”, returned narrower, lower grade mineralization.

Block 10

In the third quarter of 2019, a drilling program testing Block 10 commenced from cuddy ND-730-440-VH. Drill holes were designed to explore the eastern flank of the deposit and the upper levels of Block 10. Block 10 is a pipe-like body of high-sulphidation mineralization, that is 10 to 50 metres in diameter and defined along a down dip extent of 350 metres. The goal of the drilling was to increase Block 10 mineral resource extents and permit conversion of known mineralization into higher resource categories. Assay results from this program are pending.

Block 18

Assay results were received for drilling completed in the second quarter of 2019 as part of extensional drilling program toward Block 18 from position G51-405-DDC. The results of this program confirmed the current model of mineralization and extended it in a few places. Assay results from drill hole "EXT18_405_08" and "EXT18_405_10" are shown in the table below, which extended the current mineralized contours toward the north west. Drillhole "EXT18_405_09" from this program returned lower grades over narrower widths. Assays from remaining drillholes are pending.

Target 700

The remaining results from the second quarter of 2019 for Target 700 surface drilling program were received during the quarter. An intercept from drillhole "EXT765_11" is reported in the table below. The mineralization is presented as quartz-barite-sulphide veins coincident with a wide silica alteration zone and is primarily enriched with Au-Ag but virtually devoid of Cu.

A follow-up underground drilling program commenced toward Target 700 from underground position ND-730-440 with the aim to extend mineralization and to test for new mineralization adjacent to the main trend. A total of 1,457 metres was completed in the third quarter of 2019. Drill hole "EXT700_680_01" returned high grade Au-Ag mineralization and in two separate intervals and as a result, the current modelled extents of mineralization were significantly increased. The remaining drillhole "EXT700_680_02" from this program tested the periphery of the mineralized zone and returned sporadic intervals of generally lower grades over narrow widths. Assays results from the remaining drillholes from this program are pending. Metallurgical testwork will be undertaken to determine the amenability of this mineralization style to the Chelopech flowsheet.

SEBPZ

A total of 2,273 metres of underground exploration diamond drilling was undertaken on the Chelopech mine concession during the third quarter of 2019. Three areas along the SEBPZ were drill tested: Block 10 northeast and Blocks 8 and 10.

Exploration drilling around Block 10 and Block 10 northeast extension area continued during the quarter. Results from drillholes "EX_SEBP_555_09", "EX_SEBP_555_11", "EX_SEBP_555_12" and "EX_SEBP_555_13" returned narrow mineralization, below the reporting criteria used in the table below, hosted within advanced argillic altered phreatomagmatic breccias. Drillhole "EX_SEBP_555_15" intercepted a narrow zone of geologic interest grading 7.5 metres at 1.8g/t Au, 1.35% Cu, (4.6 g/t AuEq) from 159 metres. Mineralization was hosted within pheatomagmatic breccias in a wide advanced argillic alteration zone and recorded from 155 metres to 320 metres downhole.

Underground drilling in the fourth quarter will focus on completing the 2019 program along the SEBPZ.

<u>Western Area</u>

Block 144

In the third quarter of 2019, a total of 2,307 metres was drilled toward Block 144 from cuddy 144-195-P111. Block 144 is situated north of the Chelopech deposit and is located at the confluence of a set of mineralized trends. Mineralization is characterized as a series of discreet pods of mineralization in a wider alteration envelope.

The latest drilling program was designed to improve the continuity of mineralization in this area. As a result of the works, the contour of the ore body was expanded between 240 mRL and 120 mRL (see drill holes "EXT144_195_03", "EXT144_195_06","EXT144_195_09", "EXT144_195_10", "EXT144_195_11", "EXT144_195_12", "EXT144_195_14" and "EXT144_195_17"). The remaining holes from this program "EXT144_195_01", "EXT144_195_02", "EXT144_195_04", "EXT144_195_05", "EXT144_195_07", "EXT144_195_13", "EXT144_195_15", "EXT144_195_16"," EXT144_195_18" and "EXT144_195_19" returned narrow mineralization below the reporting criteria used in the table below. Further assay results from this program are pending.

Block 151

In the third quarter of 2019, extensional drilling towards Block 151 was undertaken from position WVD-400-405-EXP to explore a prominent trend of mineralization on the upper levels of Block 151. The result of this program has been the extension of the existing ore body in a northwesterly direction between 480 mRL and 350 mRL. Intercepts are shown in the table below from drill holes "EXT151_395_01", "EXT151_395_02", "EXT151_395_05", "EXT151_395_07" and "EXT151_395_10". Drillhole "EXT151_395_03" from this program was un-mineralized whilst the remaining drillholes "EXT151_395_04", "EXT151_395_06" and "EXT151_395_08" returned narrow mineralized intervals below the reporting criteria. Due to the ongoing success in this area, further drilling in the fourth quarter of 2019 is planned to explore and define the full extents of Block 151.

Surface Drilling

The upper levels of Block 151 have been defined as a priority target area for exploration as part of the ongoing 'Upper Levels' drilling program. This area is viewed as being attractive due to the presence of a poorly tested mineralized trend within a wide advanced-argillic alteration zone, located between 610 mRL and 440 mRL. In the third quarter of 2019, surface drilling commenced and 1,198 metres of extensional drilling were completed. Ore grade mineralization was encountered within the first hole (see drillhole EXT151_750_01 in the table below), which may indicate the presence of a new zone of mineralization in this area. Further assay results are pending.

Outlook

In the fourth quarter of 2019, the Mineral Resource development strategy for Chelopech will focus on the upper levels of Block 10 and on exploration targets in the vicinity of Block 8. Extensional drilling toward Blocks 5, 25 and 17 will continue. Furthermore, a short program to define the mineralized contours of Block 153 will be undertaken, which is still partially open at depth.

Based on the results from the third quarter of 2019, resource development drilling in Block 151 will continue between levels 460 mRL and 360 mRL. The aim is to test the current ore contours and look for extensions.

Additionally, DPM plans to test the following targets:

- Extensional drilling will continue to test the upper levels of Block 10 and verify historic drilling records, which indicates adjacent alteration zones exist which may host mineralization;
- A surface drilling program, aiming to test for extensions to the upper levels of Block 151, is ongoing and will be completed during the fourth quarter; and
- Additionally, 4,000 metres of exploration drilling are planned from level 360 to test the northern parts of the Chelopech deposit between 410 mRL and 280 mRL. Anomalous Cu/Au drillhole intersections may indicate the presence of new zones of mineralization in this area.

Mineralized intercepts above a gold equivalent ("AuEq") cut-off grade of 3 g/t received during the third quarter of 2019:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EXT144_195_03	5629	29811	197	68.4	19	82.5	107.2	23.5	8.07	6.61	22.63	0.71
EXT144_195_06	5629	29811	197	118	4	87	97.5	10	3.8	2.29	11.57	0.73
EXT144_195_09	5629	29811	197	116	3	42	57	13	3.63	3.19	4.54	0.22
EXT144_195_10	5629	29809	196	94	-18	33	55.5	22	5.96	3.18	6.08	1.35
EXT144_195_11	5629	29809	196	94	-40	48	60	10.3	5.26	3.36	4.06	0.93
EXT144_195_12	5629	29809	196	96	3	33	52.5	19	6.41	2.61	6.28	1.85
EXT144_195_14	5628	29811	196	71.5	-9.7	97.5	120	22.5	4.4	2.54	15.41	0.9
EXT144_195_17	5626	29807	196	150.9	-7.4	88.3	105	16.5	14.33	12.69	10.2	0.79
EXT144_195_17	5626	29807	196	150.9	-7.4	127.5	138	10	3.17	1.62	10.2	0.75
EXT151_395_01	5252	29389	397	238.4	4	96	108	12	7.05	2.12	8.53	2.4
EXT151_395_02	5252	29389	396	210	-8	39	49.5	10	6.79	3.84	6.30	1.43
EXT151_395_02	5252	29389	396	210	-8	60	75	14.5	4.04	2.34	5.69	0.83
EXT151_395_05	5251	29391	396	259.5	-15.5	55.5	66	10	4.98	2.21	7.4	1.35
EXT151_395_07	5250	29392	397	284.5	2.2	33.8	96	26	16.67	6.69	165.74	4.85
EXT151_395_10	5259	29392	398	117.9	20.6	193.5	204	10	4.24	3.34	35.56	0.44
EXT151_750_01	5545	28902	754	323.5	-28.6	375	385.5	9.5	3.73	3.53	154.17	0.1
EXT17_400_04	5836	29745	409	190.3	-11.6	118.3	139.5	20.5	6.62	3.82	6.05	1.36
EXT18_405_08	6351	29758	409	277	-7	201	216	14.5	8.41	6.07	33.12	1.14
EXT18_405_10	6351	29758	409	264	-33	223.5	256.5	32	3.26	2.13	6.77	0.55
EXT25_400_01	5834	29748	409	255	-3	130.5	145.5	14	3.19	2.29	15.00	0.44
EXT25_400_02	5834	29748	409	244.3	-9.5	123	139.5	16.5	4.13	2.14	10.85	0.97
EXT25_400_03	5834	29748	409	243.2	-23.8	132	144	12	4.89	3.44	4.21	0.7
EXT25_400_03	5834	29748	409	243.2	-23.8	150	172.5	20	4.3	2.65	7.22	0.80
EXT5_400_01	5835	29747	410	227.3	15.4	79.5	102	20.5	4.6	3.37	10.52	0.6
EXT5_400_02	5835	29747	409	226.9	-4.8	89.7	113	23	4.14	2.64	10.38	0.73
EXT5_400_03	5835	29746	409	210.2	-15.9	112.5	136.5	23.5	9.9	7.68	25.14	1.08
EXT5_400_05	5835	29747	409	237.1	-1.4	91.5	123	31.5	4.79	3.19	11.22	0.78
EXT5_400_06	5835	29747	409	237.1	10	102	112.5	10	5.95	4.34	11.21	0.78
EXT700_680_01	6259	29744	689	249.3	-4.4	129	162	32.5	3.4	3.11	173.45	0.14
EXT700_680_01	6259	29744	689	249.3	-4.4	211.7	229.5	17.5	3.48	3.47	26.28	0.01
EXT765_11	6150	29418	764	340.1	-31.5	292.5	304.5	11	4	3.97	28.61	0.01

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.*
8) *For detailed information on drilling, sampling and analytical methodologies refer to the NI 43-101 Technical Report entitled "Mineral Resource & Reserve Update, Chelopech Project, Chelopech, Bulgaria" (the "Chelopech Technical Report") filed on SEDAR at www.sedar.com on March 28, 2018.*

<u>Sampling Analysis, Quality Assurance and Quality Control ("QAQC") and Data Verification of Chelopech Mine drill core</u>

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 the third quarter of 2019, 2,283 metres of diamond drilling were completed at the Wedge target on the Sveta Petka and Brevene exploration licenses. The Wedge target is located within the central part of the Sveta Petka exploration license and is defined as a structurally controlled corridor of mineralized diorite and phreatomagmatic breccias located in the immediate hanging-wall of the Petrovden fault.

Three holes (EX-WZ-01 to 03) were drilled along the Wedge target in a northerly direction approximately 500 metres apart. After drilling through the upper post-mineral sequence, all three holes intersected coherent diorite and narrow phreatomagmatic breccia zones in the hanging-wall of the Petrovden fault and alternating granodiorites and sandstones in the footwall of the fault. Mineralization observed in core consists of polymetallic sulphide veinlets and replacement zones, hosted within discrete advanced argillic and phyllic alteration envelopes that are controlled by either the Petrovden fault system or the phreatomagmatic breccia zones. In hole EX-WZ-01, mineralization hosted by a phreatomagmatic breccia returned up to 6.0 g/t Au and 4.8 g/t Ag over a metre.

Along the southern and central part of the Wedge Zone, a deep directional drill program to test the northwest extension of Blocks 147 and 149 outside of the Chelopech mine concession is in progress. The first hole, EX_WZ_04, returned two narrow zones of mineralization with some assays still pending. An upper mineralized zone at 757 metres downhole, returned 4 metres at 8.02 g/t AuEq (6.67 g/t Au and 0.66% Cu), consisting of narrow, structurally-controlled mineralization within coherent diorite. Further downhole, a second mineralized zone from 904.5 metres was intercepted, returning 5.1 metres at 8.24 g/t AuEq (7.17 g/t Au and 0.52% Cu). The second zone is part of a large advanced-argilic and phyllic alteration zone hosted by phreatomagmatic breccias. A series of daughter drillholes, planned for the fourth quarter of 2019, will explore this target area and ascertain the orientation of the observed mineralization.

Ada Tepe Brownfield Exploration

Exploration activities in the third quarter of 2019 included detailed geological mapping and trench sampling on the Chiirite, Elhovo and Dalbokata Reka exploration licenses. Drilling commenced on both the Chiirite and Yarillo exploration licenses in September 2019 and 1,216 metres were completed during the quarter.

At Chiirite, geological mapping and trenching was carried out at the Chatal Kaya and Chernichino prospects. The first phase of drilling (3,000 metres) commenced in September 2019. A total of eight drill holes for 739 metres was drilled during the quarter. Assays for these holes were received and interpretation is in progress.

At Yarillo, located approximately one kilometre north of the Ada Tepe mine, two drill holes totaling 477 metres were completed in September.

Exploration drilling during the fourth quarter of 2019 will continue at Chiirite and is planned at Elhovo while geological mapping and sampling will continue at Dalbokata Reka.

Metallurgical samples from the Surnak prospect have been submitted for test work to determine the amenability of the mineralization of the Ada Tepe flowsheet. Results are pending and are due in the fourth quarter of 2019.

Timok Gold Project, Serbia

Exploration Activities

Exploration during the third quarter of 2019 included infill soil sampling south of Bigar Hill and the continuation of geological mapping on the northern half of the Umka license. Exploration drilling commenced in August and twelve holes totaling 2,303 metres were completed by end of the third quarter of 2019. Significant results were received from one hole: hole KODD189 drilled to test a gold in soil anomaly over limestone between Bigar Hill and Korkan West, intersected 5 metres (3.8 metres true width) at 0.83 g/t Au from 23 metres down the hole. Results for the remaining eleven holes are pending.

Infill drilling on the Bigar Hill and Korkan prospects also commenced during the third quarter of 2019 with 3,651 metres completed in 37 holes during the period. Two holes on the north-eastern flank of Bigar Hill demonstrated that the prospective S1 and S2 sandstones, the main host units for gold mineralization at Timok, continue across a post-mineralization east-west striking fault. Previously, this fault block was interpreted as hosting less prospective Cretaceous and Jurassic limestones. Drillhole BHDD098 intercepted a narrow sulphide-rich zone grading 3.04 g/t Au over 5 metres (4 metres true width) hosted within structurally disturbed marl and siltstone at the Cretaceous limestone contact.

Drillhole BHDD101 returned 32.1 metres (31 metres true width) of predominantly oxide and transitional material at 0.7 g/t Au from a mineralized breccia zone hosted within limestones. Both drillhole BHDD098 and BHDD101 are located outside of the current mineral resource area and indicate the presence of previously unknown extensions of mineralized trends that open up the area for further targeting and evaluation.

Exploration plans for the fourth quarter of 2019 include up to 2,000 metres of trenching and completion of the remaining 2,700 metres of diamond drilling with the aim of increasing near surface oxide gold resources.

Tulare Copper-Gold Project, Serbia

During the third quarter of 2019, exploration at the Tulare Project, consisting of the Tulare, Trn and Degrmen exploration licenses, included geological mapping, rock chip sampling and infill soil sampling on all three licences. Relogging of core from the Kiseljak and Yellow Creek porphyry deposits along with surface geological mapping was completed, resulting in a revised geological interpretation that has been used to generate drill targets for higher grade gold-copper mineralization at depth. Drill testing of priority targets at both deposits is planned for the fourth quarter of 2019.

Malartic Project, Quebec

Follow-up field work, including prospecting, mapping and sampling, was carried out in the vicinity of drill holes completed during 2019 at the Revillard and ASPI/Malrobic areas as well as in areas of till and soil geochemical anomalies identified in 2018. On the west side of the project, felsic porphyritic rocks with quartz veining were found within altered and mineralized shear zones. Field work was completed in October 2019 and assay results are expected to be received by the end of year.

Sampling and Analysis 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, whereas NQ size was used for the Malartic project. 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. Core samples from the Malartic project are processed using identical QAQC procedures and analytical methods, but sample preparation and gold fire assay analysis were completed by SGS in Canada.

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 mm (75% passing 2 mm for Malartic samples). 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 approximately 90% passing 70 microns (85% passing 75 microns for Malartic samples).

Gold analyses are done using a conventional 50-gram fire assay and AAS finish. For the Malartic project, samples returning over 10 ppm are re-analyzed using a gravimetric 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 %.

DEVELOPMENT AND OTHER MAJOR PROJECTS

Tsumeb Rotary Holding Furnace

The Company continues to assess opportunities to further optimize the Tsumeb smelter operation, including the installation of a rotary holding furnace, which is expected to provide surge capacity between the Ausmelt furnace and the converters, and increase smelter recoveries. This is 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.

A pre-feasibility study was completed in 2015, which evaluated a number of options to increase throughput and identified a preferred option. A subsequent feasibility study, based upon the preferred option, was completed in the fourth quarter of 2016 and confirmed the robust project economics, with an estimated implementation capital cost of approximately $52 million. The scope of the project includes the rotary holding furnace and other upgrades to the Ausmelt furnace, as well as upgrades to the slag mill area.

Work to secure the necessary permits to support this planned increase in production is ongoing. An Environmental and Social Impact Assessment ("ESIA") has been conducted in compliance with the Namibian requirements as well as the Performance Requirements set by the Environmental and Social Policy of the European Bank for Reconstruction and Development, which, as a general matter, are the requirements the Company considers for all of its projects. Public access to the draft ESIA was provided during the second quarter of 2017. The Company updated some of the technical studies as a result of the feedback received from the public consultation process resulting in an updated ESIA being issued and another round of public comments received. Those comments were reflected in the documents and the final set submitted for review and approval by the Government on July 31, 2019.

DPM anticipates moving forward with this project, subject to receipt of all major permits, adequate supply of complex concentrate on acceptable terms and funding being in place.

Timok Gold Project, Serbia

On August 29, 2019, the Company filed a NI 43-101 Technical Report supporting the preliminary economic assessment ("PEA") on the Timok Gold Project. The PEA is based on the updated mineral resource estimate completed in September 2018 and provides a base case, considering primarily oxide and transitional material types, upon which the project is now being optimized, including an economic evaluation of the larger sulphide resource, prior to deciding on the initiation of a pre-feasibility study.

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
- Mine life of 9 years

The PEA was prepared by CSA Global Consultants Canada Limited ("CSA Global") and is dated April 30, 2019. The PEA is preliminary in nature and includes some 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.

Based on the results of the PEA, DPM is conducting a geotechnical and hydrogeological study, as well as further optimization work to target additional sulphide material, prior to deciding on the initiation of a preliminary feasibility study ("PFS"). The intent of the optimization work is to define the mining and processing scenarios to be studied in the PFS and to confirm whether the project has the potential to achieve a return that is consistent with the Company's capital allocation framework. Development of a permitting and approvals plan incorporating the ESIA process and approvals, as well as all additional licensing (major permits and authorizations) requirements, was initiated in the fourth quarter of 2018 and will continue during the PFS phase, if commenced.

For additional details, including the definition of Non-GAAP measures such as cash cost per ounce and all-in sustaining cost, refer to the PEA and the press release entitled "Dundee Precious Metals Files NI 43-101 Technical Report Supporting the Preliminary Economic Assessment of the Timok Gold Project in Serbia" dated August 29, 2019 both found on DPM's website and filed on SEDAR at www.sedar.com.

OFF BALANCE SHEET ARRANGEMENTS

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

SELECTED QUARTERLY INFORMATION

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

$ millions	**2019**			2018				2017
except per share amounts	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**94.9**	99.2	85.3	83.0	104.3	102.9	86.9	94.9
Net earnings (loss)	**7.5**	15.6	(1.8)	(1.5)	20.0	16.0	2.7	(1.8)
Net earnings (loss) attributable to:								
• Non-controlling interests	**(0.2)**	0.2	(0.3)	(0.2)	(0.3)	(0.4)	(0.0)	(0.4)
• Common shareholders	**7.7**	15.4	(1.5)	(1.3)	20.3	16.4	2.7	(1.4)
Net earnings (loss) per share	**0.04**	0.09	(0.01)	(0.01)	0.11	0.09	0.02	(0.01)
Net earnings (loss) diluted per share	**0.04**	0.09	(0.01)	(0.01)	0.11	0.09	0.02	(0.01)
Adjusted net earnings (loss)	**4.6**	15.2	(1.6)	(3.1)	17.8	13.7	0.6	3.4
Adjusted basic earnings (loss) per share	**0.03**	0.09	(0.01)	(0.02)	0.10	0.08	0.00	0.02

The variations in the Company's quarterly results were driven largely by fluctuations in gold grades and recoveries, volumes of complex concentrate smelted, gold and copper prices, foreign exchange rates, smelter toll rates, smelter metal recoveries and slag mill concentrate returns, depreciation, gains and losses related to Sabina special warrants, unrealized and realized gains and losses on commodity swap and option contracts related to hedging the Company's metal price exposures, realized and unrealized gains or losses on foreign exchange forward and option contracts, impairment charges and common share issuances. In addition, Ada Tepe achieved commercial production in June 2019 and first concentrate deliveries took place in the third quarter of 2019. Following the implementation of IFRS 9 on January 1, 2018, unrealized gains or losses on commodity swap and options contracts on Production Hedges and the time value of foreign exchange forward and option contracts are recognized in other comprehensive income (loss) rather than in other (income) expense.

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.

	2019			2018				2017
Average	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
LBMA gold *($/oz)*	**1,474**	1,310	1,304	1,228	1,213	1,307	1,330	1,275
LME settlement copper *($/lb)*	**2.63**	2.77	2.82	2.80	2.77	3.12	3.16	3.09
LBMA spot silver *($/oz)*	**17.02**	14.89	15.57	14.55	14.99	16.53	16.77	16.70

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities on the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. 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 condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 are the same as those described in the Company's MD&A for the year ended December 31, 2018, except for the changes in accounting policies as described below.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2019, the Company adopted IFRS 16, *Leases*, replacing IAS 17, *Leases*, which resulted in changes in accounting policies. In accordance with the transitional provisions in the standard, IFRS 16 was adopted retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at January 1, 2019. For more details on this change in accounting policy, refer to note 2.2 to DPM's condensed interim consolidated financial statements for the three and nine months ended September 30, 2019.

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 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 September 30, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	**549,624**	**154,356**	**-**		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	**27,021**	**25,314**	**-**		
Copper *(pounds)*	**10,142,040**	**-**	**-**		
Complex concentrate smelted *(mt)*	**-**	**-**	**42,186**		
Cost of sales	**21,531**	**12,522**	**34,181**	**3,524**	**71,758**
Add/(deduct):					
Depreciation, amortization & other	**(7,534)**	**(5,598)**	**(7,324)**		
Change in concentrate inventory	**5,395**	**889**	**-**		
Total cash cost before by-product credits	**19,392**	**7,813**	**26,857**		
By-product credits	**(782)**	**(178)**	**(5,101)**		
Total cash cost after by-product credits	**18,610**	**7,635**	**21,756**		
Cash cost per tonne ore processed	**35.28**	**50.62**	**-**		
Cash cost per pound copper produced[2]	**0.74**	**-**	**-**		
Cash cost per ounce gold produced[2]	**412**	**302**	**-**		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**516**		

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 September 30, 2018**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	578,914	-	-		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	32,307	-	-		
Copper *(pounds)*	10,308,518	-	-		
Complex concentrate smelted *(mt)*	-	-	68,431		
Cost of sales	29,519	-	37,847	2,578	69,944
Add/(deduct):					
Depreciation, amortization & other	(8,215)	-	(6,603)		
Change in concentrate inventory	(1,910)	-	-		
Total cash cost before by-product credits	19,394	-	31,244		
By-product credits	(729)	-	(6,495)		
Total cash cost after by-product credits	18,665	-	24,749		
Cash cost per tonne ore processed	33.50	-	-		
Cash cost per pound copper produced[2]	0.77	-	-		
Cash cost per ounce gold produced[2]	333	-	-		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	362		

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 nine months ended September 30, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	**1,655,408**	**253,056**	**-**		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	**90,827**	**30,665**	**-**		
Copper *(pounds)*	**27,219,129**	**-**	**-**		
Complex concentrate smelted *(mt)*	**-**	**-**	**166,675**		
Cost of sales	**78,215**	**12,522**	**108,573**	**8,898**	**208,208**
Add/(deduct):					
Depreciation, amortization & other	**(23,036)**	**(5,598)**	**(20,611)**		
Change in concentrate inventory	**2,947**	**5,605**	**-**		
Total cash cost before by-product credits	**58,126**	**12,529**	**87,962**		
By-product credits	**(1,764)**	**(209)**	**(19,926)**		
Total cash cost after by-product credits	**56,362**	**12,320**	**68,036**		
Cash cost per tonne ore processed	**35.11**	**49.51**	**-**		
Cash cost per pound copper produced[2]	**0.78**	**-**	**-**		
Cash cost per ounce gold produced[2]	**387**	**402**	**-**		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**408**		

1) Excludes metals 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 nine months ended September 30, 2018**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	1,692,060	-	-		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	107,910	-	-		
Copper *(pounds)*	28,114,419	-	-		
Complex concentrate smelted *(mt)*	-	-	168,982		
Cost of sales	86,360	-	112,202	8,682	207,244
Add/(deduct):					
Depreciation, amortization & other	(24,231)	-	(18,624)		
Change in concentrate inventory	(2,188)	-	-		
Total cash cost before by-product credits	59,941	-	93,578		
By-product credits	(2,380)	-	(16,359)		
Total cash cost after by-product credits	57,561	-	77,219		
Cash cost per tonne ore processed	35.42	-	-		
Cash cost per pound copper produced[2]	0.78	-	-		
Cash cost per ounce gold produced[2]	330	-	-		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	457		

1) Excludes metals 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, to its cost of sales:

$ thousands, unless otherwise indicated	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Cost of sales	**21,531**	29,519	**78,215**	86,360
Add/(deduct):				
Depreciation, amortization & other	**(7,534)**	(8,215)	**(23,036)**	(24,231)
Other charges, including freight[(1)]	**16,587**	28,225	**72,410**	81,257
By-product credits[(2)]	**(17,874)**	(28,446)	**(64,451)**	(76,342)
Cash cost of sales, net of by-product credits	**12,710**	21,083	**63,138**	67,044
Payable gold in concentrate sold *(ounces)*[(3)]	**28,054**	40,324	**109,037**	130,140
Cash cost per ounce of gold sold, net of by-product credits	**453**	523	**579**	515

1) Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $6.8 million (2018 – $4.9 million) and $19.1 million (2018 – $18.2 million) in the third quarter and first nine months of 2019, respectively.
2) Includes realized losses on copper swap and option contracts, entered to hedge a portion of projected payable production, of $0.5 million and $5.5 million in the third quarter and first nine months of 2018, respectively.
3) Includes payable gold in pyrite concentrate sold in the third quarter and first nine months of 2019 of 9,278 ounces (2018 – 7,667 ounces) and 27,220 ounces (2018 – 27,781 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, to its cost of sales:

$ thousands, unless otherwise indicated	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Cost of sales	**12,522**	-	**12,522**	-
Add/(deduct):				
Depreciation, amortization & other	**(5,598)**	-	**(5,598)**	-
Other charges, including freight	**408**	-	**408**	-
By-product credits	**(70)**	-	**(70)**	-
Cash cost of sales, net of by-product credits	**7,262**	-	**7,262**	-
Payable gold in concentrate sold *(ounces)[(1)]*	**10,094**	-	**10,094**	-
Cash cost per ounce of gold sold, net of by-product credits	**719**	-	**719**	-

1) Excludes 424 ounces of payable gold sold prior to achieving commercial production in June 2019.

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**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Cash cost of sales, net of by-product credits[(1)]	**19,972**	21,083	**70,400**	67,044
Accretion expenses[(1)]	**99**	97	**274**	308
General and administrative expenses[(2)]	**2,804**	2,001	**10,671**	8,014
Cash outlays for sustaining capital[(1)]	**4,904**	1,824	**8,075**	3,629
All-in sustaining costs	**27,779**	25,005	**89,420**	78,995
Payable gold in concentrate sold *(ounces)*	**38,148**	40,324	**119,131**	130,140
Cash cost per ounce of gold sold, net of by-product credits	**523**	523	**591**	515
All-in sustaining cost per ounce of gold	**728**	620	**751**	607

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

Adjusted net earnings and adjusted basic earnings per share

Adjusted net earnings and adjusted basic earnings per share 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 are defined as net earnings 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 2017 gains or losses on commodity swap and option contracts that settled in 2018;
- 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 attributable to common shareholders:

$ thousands, except per share amounts	**Three Months**		**Nine Months**	
Ended September 30,	**2019**	2018	**2019**	2018
Net earnings attributable to common shareholders	**7,678**	20,325	**21,579**	39,404
Add/(deduct) after-tax adjustments:				
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018, net of income tax recovery of $369 and $1,086[1]	**-**	(3,326)	**-**	(9,774)
Net (gains) losses related to Sabina special warrants, net of income taxes of $nil for all periods	**(3,150)**	782	**(3,420)**	2,458
Adjusted net earnings	**4,528**	17,781	**18,159**	32,088
Basic earnings per share	**0.04**	0.11	**0.12**	0.22
Adjusted basic earnings per share	**0.03**	0.10	**0.10**	0.18

1) These losses were recognized in net earnings attributable to common shareholders in 2017 but were never recognized in adjusted net earnings.

Adjusted EBITDA

Adjusted EBITDA 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, together with other measures, to set incentive compensation goals and assess performance.

Adjusted EBITDA excludes the following from earnings before income taxes:

- depreciation and amortization;
- interest income;
- finance cost;
- impairment charges or reversals thereof;
- unrealized 2017 gains or losses on commodity swap and option contracts that settled in 2018;
- 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 to earnings before income taxes:

$ thousands	Three Months		Nine Months	
Ended September 30,	**2019**	2018	**2019**	2018
Earnings before income taxes	**11,675**	21,657	**28,341**	46,050
Add/(deduct):				
Depreciation and amortization	**21,003**	15,417	**50,938**	44,132
Finance cost	**3,057**	1,791	**7,562**	5,455
Interest income	**(123)**	(71)	**(223)**	(226)
Net (gains) losses related to Sabina special warrants	**(3,150)**	782	**(3,420)**	2,458
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018(1)	**-**	(3,695)	**-**	(10,860)
Adjusted EBITDA	**32,462**	35,881	**83,198**	87,009

1) These losses were recognized in earnings before income taxes in 2017 but were never recognized in adjusted EBITDA.

Free cash flow

Free cash flow is defined as cash provided from operating activities, before changes in non-cash working capital, less cash outlays for sustaining capital, 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 calculation is set out in the following table:

$ thousands	Three Months		Nine Months	
Ended September 30,	**2019**	2018	**2019**	2018
Cash provided from operating activities	**22,734**	34,482	**46,504**	65,468
Add changes in non-cash working capital	**9,178**	(507)	**30,843**	15,573
Cash provided from operating activities, excluding changes in non-cash working capital	**31,912**	33,975	**77,347**	81,041
Cash outlays for sustaining capital	**(8,365)**	(7,458)	**(15,454)**	(17,029)
Principal repayments related to leases	**(1,029)**	(622)	**(2,799)**	(1,643)
Interest payments	**(1,483)**	(714)	**(3,627)**	(4,136)
Free cash flow	**21,035**	25,181	**55,467**	58,233

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

Cash provided from operating activities, before changes in non-cash working capital, is defined as cash provided from operating activities 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		Nine Months	
Ended September 30,	**2019**	2018	**2019**	2018
Total revenue	**94,890**	104,339	**279,421**	294,104
Add/(deduct):				
Tsumeb revenue	**(32,145)**	(47,304)	**(117,070)**	(112,513)
MineRP revenue	**(6,638)**	(2,507)	**(10,466)**	(9,173)
Treatment charges and other deductions	**16,995**	28,225	**72,818**	81,257
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018	**-**	(3,695)	**-**	(10,860)
Unfavourable (favourable) final settlements on provisionally priced concentrate sales	**564**	(1,852)	**1,984**	(1)
Silver revenue	**(480)**	(683)	**(1,437)**	(2,188)
Revenue from gold and copper	**73,186**	76,523	**225,250**	240,626
Revenue from gold	**55,722**	48,759	**162,166**	166,472
Payable gold in concentrate sold *(ounces)*	**38,148**	40,324	**119,131**	130,140
Average realized gold price per ounce	**1,461**	1,209	**1,361**	1,279
Revenue from copper	**17,464**	27,764	**63,084**	74,154
Payable copper in concentrate sold *('000s pounds)*	**6,604**	10,099	**23,071**	26,581
Average realized copper price per pound	**2.64**	2.75	**2.73**	2.79

RISKS AND UNCERTAINTIES

The operating results, financial condition and future prospects of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, financing, exploration, development, construction and operation of its mine, mill and concentrate processing facilities and the research, development and sales activities of MineRP, a software vendor for the mining industry. The operating results, financial condition and prospects of the Company are also subject to numerous external factors, which include economic, social, geo-political, regulatory, legal, tax and market risks impacting, among other things, precious metals and copper prices, acid prices, toll rates, foreign exchange rates, inflation and the availability and cost of capital to fund the capital requirements of 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. It is the responsibility of senior management, and the functional head of each business, to identify and to effectively manage the risks of each business. 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. These risks should be considered when evaluating the Company and its guidance.

A comprehensive discussion of the risks faced by the Company can be found in the Company's 2018 Annual MD&A and AIF found on the Company's website and filed with SEDAR at www.sedar.com. There has been no significant change in the Company's risks and uncertainties as disclosed in those documents.

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 National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") based on the Internal Control – Integrated Framework (2013) developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

DC&P are designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO during the reporting period and the information required to be disclosed by the Company in its reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.

The Company's management, under the supervision of the CEO and the CFO, has evaluated its DC&P and ICFR and concluded that, as of September 30, 2019, they have been designed effectively to provide reasonable assurance regarding required disclosures and the reliability of financial reporting and the preparation of financial statements for external purposes.

NI 52-109 also requires Canadian public companies to disclose any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to the internal controls in the first nine months of 2019.

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: certain statements with respect to the estimated capital costs, operating costs, key project operating costs and financial metrics and other project economics with respect to Ada Tepe; the ramp up to design capacity at Ada Tepe; the timing of the receipt of the operating permit in respect of Ada Tepe; the commencement of a PFS for Timok; timing of further optimization work at Tsumeb and potential benefits of the planned rotary furnace installation; price of gold, copper, silver and acid; toll rates; smelter metal recoveries and stockpile interest deductions; the estimation of Mineral Reserves and Mineral Resources and 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 cost measures, capital expenditures, rates of return at Ada Tepe and other deposits and timing of the development of new deposits; results of economic studies; success of exploration activities; success of permitting activities; permitting time lines; currency fluctuations; requirements for additional capital; government regulation of mining and smelting operations; success of permitting activities; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; and timing and possible outcome of pending litigation.

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:

the uncertainties with respect to 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; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; 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; social and non-governmental organizations opposition to mining projects and smelting operations; fluctuations in metal and acid prices, toll rates and foreign exchange rates; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber-attacks; risks related to the implementation, cost and realization of benefits from digital initiatives; 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 "2019 Guidance" 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 mined/milled: 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, and longer than anticipated ramp-up of the Ada Tepe gold mine.

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 concentrates 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 and longer than anticipated ramp-up of the Ada Tepe gold mine.

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; timing 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 and sustaining capital expenditures 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 and general and administrative expenses.

Complex concentrate smelted at Tsumeb: assumes no significant disruption in equipment availability or concentrate supply. Subject to a number of risks, the more significant of which are: unanticipated operational issues; lower than anticipated equipment availability; and disruptions to or changes in the supply of complex concentrate.

Cash cost per tonne of complex concentrate smelted, net of by-product credits: assumes complex concentrate smelted is consistent with the guidance provided; 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, longer than anticipated ramp-up of the Ada Tepe gold mine, 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 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.

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 ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This MD&A uses the terms "Measured", "Indicated" and "Inferred" Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal 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 pre-feasibility studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

	September 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash	**15,402**	17,043
Accounts receivable	**38,274**	31,170
Inventories	**50,352**	34,101
Other current assets *(note 4(c) & 4(d))*	**2,319**	1,919
	106,347	84,233
Non-Current Assets		
Investments at fair value *(note 4(a) & 4(b))*	**44,975**	29,997
Mine properties	**188,407**	337,022
Property, plant & equipment	**492,945**	347,822
Intangible assets	**38,555**	45,715
Deferred income tax assets	**10,079**	10,992
Other long-term assets *(note 3(b))*	**20,740**	3,804
	795,701	775,352
TOTAL ASSETS	**902,048**	859,585
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**51,352**	67,285
Income tax liabilities	**3,794**	1,216
Current portion of deferred revenue *(note 3(a))*	**50,383**	21,762
Current portion of long-term liabilities	**4,349**	3,183
	109,878	93,446
Non-Current Liabilities		
Long-term debt *(note 5(a))*	**27,000**	29,000
Deferred revenue *(note 3(a))*	**10,680**	36,399
Rehabilitation provisions	**40,989**	38,388
Share based compensation plans	**8,808**	7,962
Other long-term liabilities	**16,562**	16,209
	104,039	127,958
TOTAL LIABILITIES	**213,917**	221,404
EQUITY		
Share capital	**519,046**	515,658
Contributed surplus	**11,345**	12,085
Retained earnings	**137,488**	115,909
Accumulated other comprehensive loss	**(2,643)**	(11,652)
Equity attributable to common shareholders of the Company	**665,236**	632,000
Non-controlling interests	**22,895**	6,181
TOTAL EQUITY	**688,131**	638,181
TOTAL LIABILITIES AND EQUITY	**902,048**	859,585

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

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Revenue *(note 10)*	**94,890**	104,339	**279,421**	294,104
Costs and expenses				
Cost of sales	**71,758**	69,944	**208,208**	207,244
General and administrative expenses	**5,750**	6,251	**23,471**	20,195
Corporate social responsibility expenses	**289**	268	**1,231**	772
Exploration and evaluation expenses	**3,494**	3,089	**9,574**	8,177
Finance cost	**3,057**	1,791	**7,562**	5,455
Other (income) expense	**(1,133)**	1,339	**1,034**	6,211
Earnings before income taxes	**11,675**	21,657	**28,341**	46,050
Current income tax expense	**3,487**	1,867	**6,739**	8,231
Deferred income tax expense (recovery)	**674**	(217)	**296**	(914)
Net earnings	**7,514**	20,007	**21,306**	38,733
Net earnings (loss) attributable to:				
Common shareholders of the Company	**7,678**	20,325	**21,579**	39,404
Non-controlling interests	**(164)**	(318)	**(273)**	(671)
Net earnings	**7,514**	20,007	**21,306**	38,733
Earnings per share attributable to common shareholders of the Company				
- Basic	**0.04**	0.11	**0.12**	0.22
- Diluted	**0.04**	0.11	**0.12**	0.22

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

	Three months ended September 30, 2019	2018	Nine months ended September 30, 2019	2018
Net earnings	**7,514**	20,007	**21,306**	38,733
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 expense (recovery) of $nil (2018 - $0.2) and $(25) (2018 - $2), respectively	**(533)**	(1,187)	**206**	(6,242)
Deferred cost of hedging, net of income tax expense (recovery) of $nil (2018 - $15) and $(8) (2018 - $80), respectively	**(3,433)**	539	**(1,097)**	971
Realized (gains) losses transferred to cost of sales, net of income tax expense of $nil (2018 - $nil) and $nil (2018 - $nil), respectively	**(84)**	2,514	**(633)**	1,779
Cost of hedging transferred to cost of sales, net of income tax expense of $nil (2018 - $nil) and $nil (2018 - $nil), respectively	**-**	(702)	**-**	(1,330)
Commodity swap and option contracts designated as cash flow hedges				
Unrealized gains, net of income tax expense of $nil (2018 - $192) and $nil (2018 - $617), respectively	**-**	1,729	**-**	5,555
Deferred cost of hedging, net of income tax expense of $nil (2018 - $32) and $nil (2018 - $203), respectively	**-**	292	**-**	1,830
Realized gains transferred to revenue, net of income tax expense of $nil (2018 - $265) and $nil (2018 - $409), respectively	**-**	(2,384)	**-**	(3,682)
Cost of hedging transferred to revenue, net of income tax expense of $nil (2018 - $49) and $nil (2018 - $125), respectively	**-**	(441)	**-**	(1,123)
Currency translation adjustments	**(1,581)**	(835)	**(974)**	(3,890)
Other comprehensive income (loss) items that will not be reclassified subsequently to profit or loss:				
Unrealized gains (losses) on publicly traded securities, net of income tax recovery of $nil (2018 - $nil) and $nil (2018 - $1,198), respectively	**7,647**	(6,223)	**10,810**	(22,174)
	2,016	(6,698)	**8,312**	(28,306)
Comprehensive income	**9,530**	13,309	**29,618**	10,427
Comprehensive income (loss) attributable to:				
Common shareholders of the Company	**10,369**	13,806	**30,254**	11,960
Non-controlling interests	**(839)**	(497)	**(636)**	(1,533)
Comprehensive income	**9,530**	13,309	**29,618**	10,427

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

	Three months ended September 30,		NIne months ended September 30,	
	2019	2018	**2019**	2018
OPERATING ACTIVITIES				
Earnings before income taxes	**11,675**	21,657	**28,341**	46,050
Depreciation and amortization	**21,003**	15,417	**50,938**	44,132
Changes in non-cash working capital *(note 8(a))*	**(9,178)**	507	**(30,843)**	(15,573)
Other items not affecting cash *(note 8(b))*	**974**	(686)	**3,668**	3,109
Payments for settlement of derivative contracts	**(688)**	(885)	**(1,745)**	(5,267)
Income taxes paid	**(1,052)**	(1,528)	**(3,855)**	(6,983)
Cash provided from operating activities	**22,734**	34,482	**46,504**	65,468
INVESTING ACTIVITIES				
Purchase of publicly traded securities	**-**	-	**(748)**	(5,419)
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets	**13**	130	**8,201**	170
Expenditures on mine properties	**(1,608)**	(13,899)	**(31,022)**	(56,791)
Expenditures on property, plant and equipment	**(10,604)**	(7,962)	**(16,854)**	(18,354)
Expenditures on intangible assets	**(324)**	(79)	**(1,099)**	(252)
Cash used in investing activities	**(12,523)**	(21,810)	**(41,522)**	(80,646)
FINANCING ACTIVITIES				
Proceeds from share issuance	**21**	-	**2,291**	156
Drawdowns (repayments), net under credit facilities *(note 5(a) & 5(b))*	**(14,000)**	(1,806)	**(2,000)**	16,000
Financing fees on debt	**(488)**	-	**(488)**	(575)
Lease obligations	**(1,029)**	(622)	**(2,799)**	(1,643)
Interest paid	**(1,483)**	(714)	**(3,627)**	(4,136)
Cash provided from (used in) financing activities	**(16,979)**	(3,142)	**(6,623)**	9,802
Increase (decrease) in cash	**(6,768)**	9,530	**(1,641)**	(5,376)
Cash at beginning of period	**22,170**	13,861	**17,043**	28,767
Cash at end of period	**15,402**	23,391	**15,402**	23,391

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

	September 30, 2019		September 30, 2018	
	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 period	**178,547,639**	**515,658**	178,492,566	515,507
Shares issued on option agreement	**20,000**	**74**	15,000	37
Shares issued on exercise of stock options	**938,682**	**2,190**	6,239	12
Transferred from contributed surplus on exercise of stock options		**1,124**		6
Balance at end of period	**179,506,321**	**519,046**	178,513,805	515,562
Contributed surplus				
Balance at beginning of period		**12,085**		11,720
Share based compensation expense		**792**		882
Transferred to share capital on exercise of stock options		**(1,124)**		(6)
Gain on GHM Transaction *(note 3(b))*		**361**		-
Other changes in contributed surplus		**(769)**		(421)
Balance at end of period		**11,345**		12,175
Retained earnings				
Balance at beginning of period		**115,909**		57,115
Impact of adoption of IFRS 9		**-**		20,681
Adjusted balance at beginning of period		**115,909**		77,796
Net earnings attributable to common shareholders of the Company		**21,579**		39,404
Balance at end of period		**137,488**		117,200
Accumulated other comprehensive income (loss)				
Balance at beginning of period		**(11,652)**		41,820
Impact of adoption of IFRS 9		**-**		(20,681)
Adjusted balance at beginning of period		**(11,652)**		21,139
Other comprehensive income (loss)		**8,675**		(27,444)
Realized (gains) losses on foreign exchange forward contracts and cost of hedging transferred to Mine Properties, net of income tax expense (recovery) of $(33) (2018 - $298)		**334**		(2,679)
Balance at end of period		**(2,643)**		(8,984)
Total equity attributable to common shareholders of the Company		**665,236**		635,953
Non-controlling interests				
Balance at beginning of period		**6,181**		7,326
Net loss attributable to non-controlling interests		**(273)**		(671)
Other comprehensive loss attributable to non-controlling interests		**(363)**		(862)
GHM Transaction *(note 3(b))*		**17,239**		-
Other changes in non-controlling interests		**111**		421
Balance at end of period		**22,895**		6,214
Total equity at end of period		**688,131**		642,167

The accompanying notes are an integral part of the condensed interim 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 September 30, 2019, DPM’s condensed interim consolidated financial statements include DPM and its subsidiary companies (collectively, the “Company”).

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 (hereinafter referred to as “Ada Tepe”), which owns and operates a gold mine located in south eastern Bulgaria, near the town of Krumovgrad *(note 3(a))*; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited (“Tsumeb”), which owns and operates a custom smelter located in Tsumeb, Namibia *(note 3(b)).*

DPM holds interests in a number of exploration properties located in Canada, Serbia and Armenia, including:

- 10.3% of Sabina Gold and Silver Corp. (“Sabina”), which is focused on the development of the Back River project in southwestern Nunavut, Canada;
- 100% of Avala Resources Ltd., which is focused on the exploration and development of the Timok gold project, the Lenovac project, the Tulare copper and gold project and other early stage projects in Serbia; and
- through an option agreement, the right to earn up to a 71% interest in Pershimex Resources Corporation’s gold property located in the Archean Abitibi greenstone belt near Val-d’Or, Canada.

DPM also owns:

- 78% equity interest in 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

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, including International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all of the information required for full financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS.

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2018, except for the changes in accounting policies as described below in *note 2.2.* These condensed interim consolidated financial statements were approved by the Board of Directors on November 7, 2019.

2.2 CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2019, the Company adopted IFRS 16, *Leases*, replacing IAS 17, *Leases,* which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in the standard, IFRS 16 was adopted retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at January 1, 2019. The Company also utilized certain practical expedient elections whereby (i) there is no need to reassess whether an existing contract is a lease, or contains an embedded lease if previously determined under IAS 17, (ii) short term and low value leases are treated as operating leases, and (iii) there is no need to reassess the previous assessments in respect of onerous contracts that confirmed there were no existing onerous lease contracts.

Under IFRS 16, most leases are now recognized on the balance sheet for lessees, essentially eliminating the distinction between a finance lease and an operating lease under IAS 17, where operating leases were reflected in the consolidated statements of earnings (loss).

As a result, as at January 1, 2019, the Company recognized lease obligations and leased assets under existing operating leases of $3.6 million, with no impact on total shareholders' equity. Each lease obligation was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, the weighted average rate of which was 4.2%. Leased assets were recognized as right-of-use assets in property, plant and equipment and were measured at the amount equal to the lease obligations. Leases previously classified as finance leases and recognized in the carrying amounts of the Company's lease obligations and leased assets are now recognized in the carrying amounts of the lease obligations and the right-of-use assets as at January 1, 2019.

The effects of adopting IFRS 16 as at January 1, 2019 are summarized in the table below:

Operating lease commitments disclosed as at December 31, 2018	**4,367**
Add/(deduct):	
Effect of discounting operating lease commitments	**(433)**
Short-term leases	**(349)**
Low value leases	**(19)**
Finance lease obligations recognized as at December 31, 2018	**17,571**
Lease obligations recognized as at January 1, 2019	**21,137**
Lease obligations recognized in:	
Current portion of long-term liabilities	**3,574**
Other long-term liabilities	**17,563**
	21,137
Right-of-use assets recognized in property, plant and equipment:	
Buildings	**3,272**
Machinery and Equipment	**16,029**
	19,301

The following are the Company's new accounting policies for its leases under IFRS 16:

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.

3. SIGNIFICANT DEVELOPMENTS

(a) Ada Tepe

On June 8, 2019, the Company's Ada Tepe mine achieved commercial production and as a result, capitalized costs of $129.0 million and $170.0 million were transferred from mine properties - mine under construction to mine properties - producing mines and to property, plant and equipment, respectively.

Ada Tepe is now reported as a separate operating segment and the comparative segment information has been restated *(note 10).*

In March 2019, the Company amended its prepaid forward gold sales arrangement whereby gold deliveries originally scheduled from May 2019 to October 2019 will now be 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. These ounces will now be delivered over a 15-month period from November 2019 to January 2021 in satisfaction of the upfront cash prepayment of $50.0 million that was received in September 2016. This prepayment, together with a deemed financing component, is recorded as deferred revenue in the condensed interim consolidated statements of financial position, and will be recognized as revenue as deliveries are made to the counterparties of the prepaid forward gold sales, which will be in the form of unallocated gold credits that can be sourced from any of the Company's own mines.

(b) Tsumeb

On May 17, 2018, the Company entered into an agreement with Greyhorse Mining (Proprietary) Limited ("GHM") pursuant to which GHM was to acquire an indirect 8% interest in DPM's fully owned subsidiary Tsumeb (the "GHM Transaction"). This transaction was completed on May 30, 2019 for consideration of $17.6 million received in the form of preferred shares in GHM. The preferred shares are redeemable at the option of the Company and carry a cumulative dividend of 8% per annum. These preferred shares are classified as financial assets at amortized cost in other long-term assets in the condensed interim consolidated statements of financial position.

The following table summarizes the financial impact at the date of the GHM Transaction:

Consideration received	**17,600**
Carrying amount of non-controlling interests disposed of	**(17,239)**
Gain on GHM transaction recognized in contributed surplus	**361**

4. 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 condensed interim consolidated statements of financial position:

	Financial instrument classification	Carrying Amount September 30, 2019	Carrying Amount December 31, 2018
Financial assets			
Cash	Amortized cost	**15,402**	17,043
Accounts receivable on provisionally priced sales	Fair value through profit or loss	**3,829**	7,921
Other accounts receivable and assets	Amortized cost	**34,445**	23,249
Restricted cash	Amortized cost	**2,061**	2,140
Sabina special warrants *(a)*	Fair value through profit or loss	**6,037**	2,617
Publicly traded securities *(b)*	Fair value through other comprehensive income	**38,938**	27,380
Commodity swap contracts *(c)*	Derivatives for fair value hedges	**734**	197
Foreign exchange forward and option contracts *(d)*	Derivatives for cash flow hedges	**-**	351
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**49,524**	66,303
Debt *(note 5(a))*	Amortized cost	**27,000**	29,000
Commodity swap contracts *(c)*	Derivatives for fair value hedges	**-**	60
Foreign exchange forward and option contracts *(d)*	Derivatives for cash flow hedges	**1,828**	922

The carrying values of all the financial assets and liabilities measured at amortized cost approximate their fair values as at September 30, 2019 and December 31, 2018.

(a) Sabina special warrants

As at September 30, 2019, DPM held: (i) 30,119,913 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.

For the three and nine months ended September 30, 2019, the Company recognized unrealized gains on the Sabina special warrants of $3.2 million (2018 – unrealized losses of $0.6 million) and $3.5 million (2018 – unrealized losses of $2.4 million), respectively, in other (income) expense in the condensed interim 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 common shares. For the three and nine months ended September 30, 2019, the Company recognized unrealized gains on these publicly traded securities of $7.6 million (2018 – unrealized losses of $6.3 million) and $10.8 million (2018 – unrealized losses of $23.4 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

(c) Commodity swap and option 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 September 30, 2019, the Company's outstanding QP Hedges, all of which mature within three months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	15,665 ounces	1,510.07/ounce
Payable copper	3,229,768 pounds	2.62/pound

The Company also enters into cash settled commodity swap and option contracts from time to time to reduce its future metal price exposures ("Production Hedges"). 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 September 30, 2019, the Company had no outstanding Production Hedges.

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 was calculated based on the corresponding London Metal Exchange forward copper prices and New York Commodity Exchange forward gold and silver prices, as applicable. The fair value gain or loss on commodity option contracts was calculated based on the option prices quoted on the Commodity Exchange (a part of the Chicago Mercantile Exchange). As at September 30, 2019, the net fair value gain on all outstanding commodity swap contracts was $0.7 million (December 31, 2018 – $0.1 million), of which $0.7 million (December 31, 2018 – $0.2 million) was included in other current assets and $nil (December 31, 2018 – $0.1 million) in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $nil (2018 – $0.9 million) and $nil (2018 – unrealized gains of $2.9 million), respectively, in other comprehensive income (loss) on outstanding commodity swap and option contracts. The Company also recognized net gains of $0.3 million (2018 – $4.3 million) and net losses of $0.8 million (2018 – net gains of $6.7 million), respectively, for the three and nine months ended September 30, 2019 in revenue on settled 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 September 30, 2019, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected South African Rand ("ZAR") denominated operating expenses as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR *(i)*	Call options sold Average ceiling rate US$/ZAR	Put options purchased Average floor rate US$/ZAR
Balance of 2019	325,000,000	15.55	14.09
2020	1,324,719,996	16.13	14.63

(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 was calculated based on foreign exchange forward rates quoted in the market. As at September 30, 2019, the fair value loss on all outstanding foreign exchange forward and option contracts was $1.8 million (December 31, 2018 – $0.6 million), of which $nil (December 31, 2018 – $0.3 million) was included in other current assets, $0.9 million (December 31, 2018 – $0.9 million) in accounts payable and accrued liabilities, and $0.9 million (December 31, 2018 – $nil) in other long-term liabilities.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $0.6 million (2018 – unrealized gains of $0.6 million) and $0.3 million (2018 – $8.6 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange forward and option contracts. The Company also recognized realized gains of $0.1 million (2018 – realized losses of $2.5 million) and $0.7 million (2018 – realized losses of $1.8 million), respectively, for the three and nine months ended September 30, 2019 in cost of sales on the spot component of settled contracts in respect of foreign denominated operating expenses. The Company also recognized realized gains of $nil (2018 – $0.7 million) and realized losses of $0.1 million (2018 – realized gains of $4.1 million), respectively, for the three and nine months ended September 30, 2019 as additions (reductions) to mine properties on the spot component of settled contracts in respect of foreign denominated capital expenditures.

For the three and nine months ended September 30, 2019, the Company recognized unrealized losses of $3.4 million (2018 – unrealized gains of $0.2 million) and $0.9 million (2018 – unrealized gains of $0.7 million) on the time value component of the outstanding foreign exchange forward and option contracts, respectively, in other comprehensive income (loss) as a deferred cost of hedging. The Company also recognized realized gains of $nil (2018 – $0.7 million) and $nil (2018 – $1.3 million), respectively, for the three and nine months ended September 30, 2019 in cost of sales on the forward point component of settled contracts in respect of foreign denominated operating expenses. The Company also recognized realized losses of $nil (2018 – $0.3 million) and $0.2 million (2018 – $1.1 million), respectively, for the three and nine months ended September 30, 2019 as additions to mine properties on the forward point component of settled contracts in respect of foreign denominated capital expenditures.

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 September 30, 2019 and December 31, 2018:

				As at September 30, 2019
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable on provisionally priced sales	**-**	**3,829**	**-**	**3,829**
Sabina special warrants	**-**	**-**	**6,037**	**6,037**
Publicly traded securities	**38,938**	**-**	**-**	**38,938**
Commodity swap contracts	**-**	**734**	**-**	**734**
Financial liabilities				
Foreign exchange forward and option contracts	**-**	**1,828**	**-**	**1,828**

				As at December 31, 2018
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	7,921	-	7,921
Sabina special warrants	-	-	2,617	2,617
Publicly traded securities	27,380	-	-	27,380
Commodity swap contracts	-	197	-	197
Foreign exchange forward and option contracts	-	351	-	351
Financial liabilities				
Commodity swap contracts	-	60	-	60
Foreign exchange forward and option contracts	-	922	-	922

During the nine months ended September 30, 2019 and the year ended December 31, 2018, 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, 2018 to September 30, 2019:

Balance as at January 1, 2018	5,239
Purchase of other warrants	2
Unrealized losses included in net earnings	(2,624)
Balance as at December 31, 2018	2,617
Unrealized gains included in net earnings	**3,420**
Balance as at September 30, 2019	**6,037**

5. DEBT

(a) DPM Revolving Credit Facility ("RCF")

DPM has a committed RCF with a consortium of banks. In April 2019, the Company cancelled tranches A and C of the RCF. In June 2019, the Company further amended the RCF increasing tranche B of the facility from $150.0 million to $175.0 million, extending its maturity date from February 2021 to February 2022, and lowering the borrowing spread above LIBOR, which now varies 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 (losses).

As at September 30, 2019, DPM was in compliance with all financial covenants and $27.0 million (December 31, 2018 – $29.0 million) was drawn under the RCF.

(b) Tsumeb overdraft facility

In May 2019, Tsumeb renewed its Namibian $50.0 million ($3.3 million) demand overdraft facility that is guaranteed by DPM. This facility bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at September 30, 2019, $nil (December 31, 2018 – $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, 2019. This credit facility is guaranteed by DPM. As at September 30, 2019, $5.7 million (December 31, 2018 – $4.8 million) had been utilized against the 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 ($22.9 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2019 and is guaranteed by DPM. As at September 30, 2019, $22.8 million (December 31, 2018 – $24.0 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, 2019. This credit facility is guaranteed by DPM. As at September 30, 2019, $0.1 million (December 31, 2018 – $0.1 million) had been utilized against the 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.

6. SHARE BASED COMPENSATION PLANS

The following is a summary of the new grants under the Company's share based compensation plans during the nine months ended September 30, 2019:

	Number of units granted	Fair value granted
Restricted Share Units ("RSUs")	**1,292,573**	**4,223**
Performance Share Units ("PSUs")	**455,073**	**1,900**
Deferred Share Units ("DSUs")	**140,245**	**486**
DPM Stock Options	**701,683**	**1,219**

The following is a summary of the unfavourable (favourable) mark-to-market adjustments for the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
RSUs	**(31)**	(488)	**1,138**	112
PSUs	**(23)**	(147)	**410**	405
DSUs	**(322)**	(249)	**1,369**	(131)
Total mark-to-market adjustments	**(376)**	(884)	**2,917**	386

7. RELATED PARTY TRANSACTIONS

(a) 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 condensed interim consolidated statements of earnings (loss) for the three and nine months ended September 30, 2019 and 2018 was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
Salaries, management bonuses and director fees	**944**	1,180	**4,115**	3,690
Other benefits	**50**	70	**284**	262
Share based compensation	**464**	376	**6,156**	2,801
Total remuneration	**1,458**	1,626	**10,555**	6,753

(b) Transaction with a director

In January 2018, the Company purchased 2,200,000 common shares of Sabina from a director of the Company at the market price of $1.81 (Cdn$2.26) per share for a total cost of $4.0 million (Cdn$5.0 million) to maintain its ownership interest in Sabina (*note 4(a)*).

8. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Changes in non-cash working capital

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	**2019**	2018
(Increase) decrease in accounts receivable and other assets	**3,249**	2,596	**(6,201)**	(18,918)
(Increase) decrease in inventories	**(5,521)**	2,143	**(7,436)**	1,197
Increase (decrease) in accounts payable and accrued liabilities	**(6,406)**	(4,223)	**(17,325)**	2,148
Increase (decrease) in other liabilities	**(500)**	(9)	**119**	-
	(9,178)	507	**(30,843)**	(15,573)

(b) Other items not affecting cash

	Three months ended September 30,		NIne months ended September 30,	
	2019	2018	**2019**	2018
Net interest expense	**2,357**	1,178	**5,626**	3,511
Accretion expense related to rehabilitation provisions	**577**	542	**1,713**	1,718
Share based compensation expense	**235**	274	**792**	882
Net (gains) losses on Sabina special warrants	**(3,150)**	782	**(3,420)**	2,458
Net (gains) losses on commodity swap and option contracts	**(384)**	(4,399)	**756**	(6,731)
Net (gains) losses on foreign exchange forward and option contracts	**(84)**	1,812	**(633)**	449
Other, net	**1,423**	(875)	**(1,166)**	822
	974	(686)	**3,668**	3,109

9. COMMITMENTS AND OTHER CONTINGENCIES

(a) Commitments

The Company had the following minimum contractual commitments as at September 30, 2019:

	up to 1 year	1 - 5 years	Total
Capital commitments	19,972	-	**19,972**
Purchase commitments	6,548	8	**6,556**
Total commitments	**26,520**	**8**	**26,528**

As at September 30, 2019, Tsumeb had approximately $64.4 million (December 31, 2018 – $62.1 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 July 2017, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things, lower stockpile interest deductions on excess secondary materials, specified quarterly targeted reductions designed to eliminate excess secondary materials over a period that extends to December 31, 2020, the purchase of secondary materials in excess of established quarterly targeted levels, and the annual extension of the Tolling Agreement by one year until excess secondary materials are eliminated. Since July 2017, the Company has reduced the quantity of excess copper-in-secondaries by approximately 54%. As at September 30, 2019, the value of excess secondary materials was approximately $39.2 million (December 31, 2018 – $39.0 million), which was approximately $23.4 million above the targeted levels under the Tolling Agreement. As at September 30, 2019, IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels and the Company has agreed to waive the requirement for IXM to settle the metal exposure balance of approximately $10.2 million.

(b) 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.

10. 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 *(note 3(a))* 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, the results of MineRP 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.

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

The following table summarizes the relevant information by segment for the three and nine months ended September 30, 2019 and 2018:

Three months ended September 30, 2019	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	**41,321**	**14,786**	**32,145**	**6,638**	**94,890**
Earnings (loss) before income taxes	**19,049**	**1,642**	**(4,712)**	**(4,304)**	**11,675**
Capital expenditures	**6,768**	**3,037**	**3,486**	**40**	**13,331**

Three months ended September 30, 2018 (Restated)	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	54,528	-	47,304	2,507	104,339
Earnings (loss) before income taxes	24,483	(460)	8,757	(11,123)	21,657
Capital expenditures	3,952	18,098	3,761	728	26,539

Nine months ended September 30, 2019	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	**137,099**	**14,786**	**117,070**	**10,466**	**279,421**
Earnings (loss) before income taxes	**56,499**	**1,030**	**2,535**	**(31,723)**	**28,341**
Capital expenditures	**13,285**	**33,651**	**5,664**	**1,108**	**53,708**

Nine months ended September 30, 2018 (Restated)	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	172,418	-	112,513	9,173	294,104
Earnings (loss) before income taxes	82,695	(1,346)	(3,637)	(31,662)	46,050
Capital expenditures	8,286	61,836	12,595	1,061	83,778

(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, and revenues for Corporate and Other were generated from sale of software licenses and delivery of consulting services by MineRP.

The following table summarizes the Company's revenue recognized for the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		NIne months ended September 30,	
	2019	2018	**2019**	2018
Revenue recognized at a point in time from:				
Sale of concentrate	**55,539**	56,127	**150,323**	173,839
Processing concentrate	**27,129**	40,961	**97,527**	96,273
Acid sales	**5,016**	6,343	**19,543**	16,240
Sale of software licenses	**2,419**	412	**2,764**	1,162
Mark-to-market price adjustments on provisionally priced sales	**568**	(1,599)	**1,562**	(1,421)
Revenue recognized over time from:				
Software services	**4,219**	2,095	**7,702**	8,011
Total revenue	**94,890**	104,339	**279,421**	294,104

The following table summarizes the total assets and total liabilities by segment as at September 30, 2019 and December 31, 2018:

	As at September 30, 2019				
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Total current assets	**42,102**	**24,821**	**25,777**	**13,647**	**106,347**
Total non-current assets	**177,553**	**302,244**	**220,892**	**95,012**	**795,701**
Total assets	**219,655**	**327,065**	**246,669**	**108,659**	**902,048**
Total liabilities	**36,575**	**79,112**	**43,940**	**54,290**	**213,917**

	As at December 31, 2018 (Restated)				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	35,272	8,969	26,086	13,906	84,233
Total non-current assets	188,443	282,716	236,723	67,470	775,352
Total assets	223,715	291,685	262,809	81,376	859,585
Total liabilities	35,054	85,425	45,195	55,730	221,404

11. SUBSEQUENT EVENT

On October 28, 2019, DPM announced the completion of a non-brokered Cdn$10.0 million private placement in INV Metals Inc. ("INV"), following which the Company owns an approximate 19.5% equity interest in INV.

CORPORATE INFORMATION

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Hume Kyle
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David Rae
Executive Vice President and Chief Operating 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
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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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