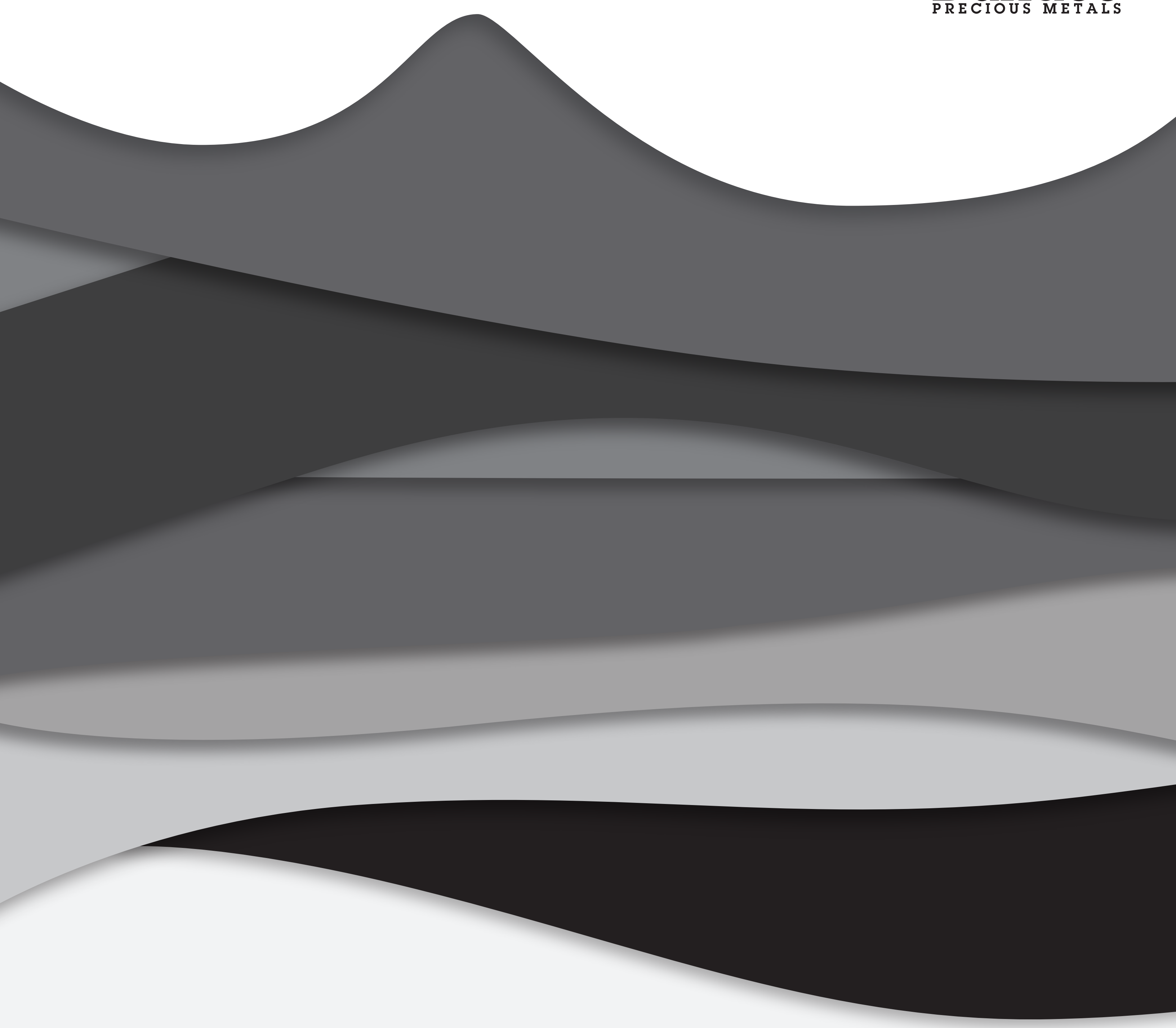
Dundee PRECIOUS METALS



Innovation. Growth. Value.

2019 Second Quarter Report

SECOND QUARTER REPORT – Q2 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations

for the Three and Six Months Ended June 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 six months ended June 30, 2019. This MD&A should be read in conjunction with DPM's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 prepared in accordance with International Financial Reporting Standards ("IFRS") 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 six months ended June 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 July 30, 2019.

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 June 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 refer 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 also 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 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:

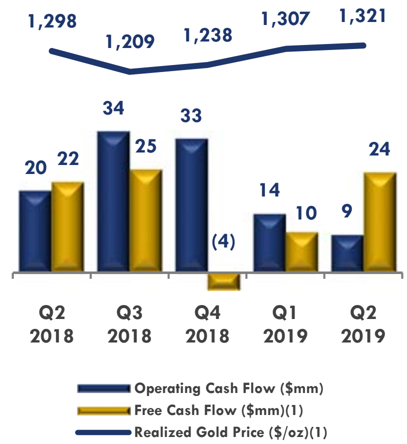
- a 78% equity interest in MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP").

Overview – Operational and Financial Highlights

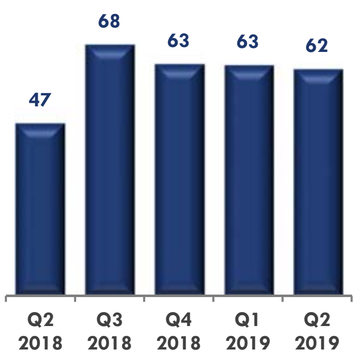
Revenue ($mm)

Cost of Sales ($mm)

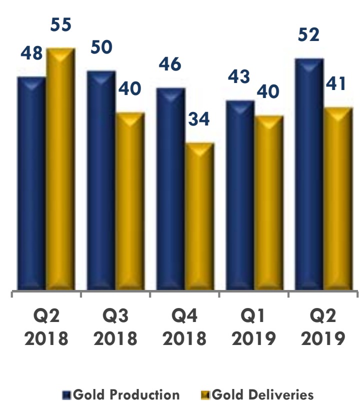
Realized Gold Price and Cash Flows



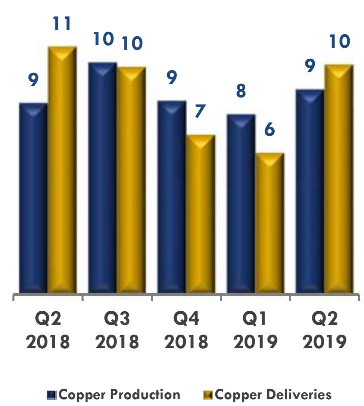
Complex Concentrate Smelted ('000s tonnes)



Gold Production and Deliveries ('000s ounces)

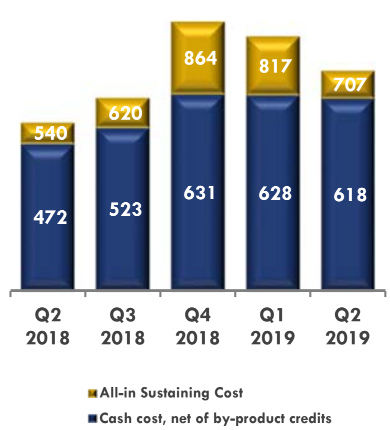


Copper Production and Deliveries (mm pounds)

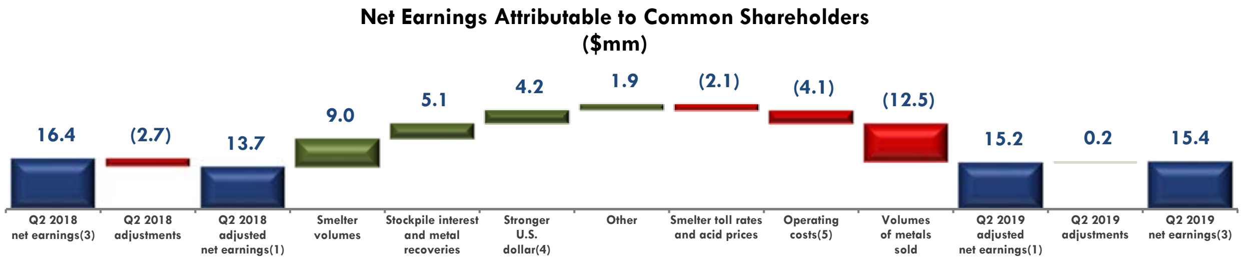


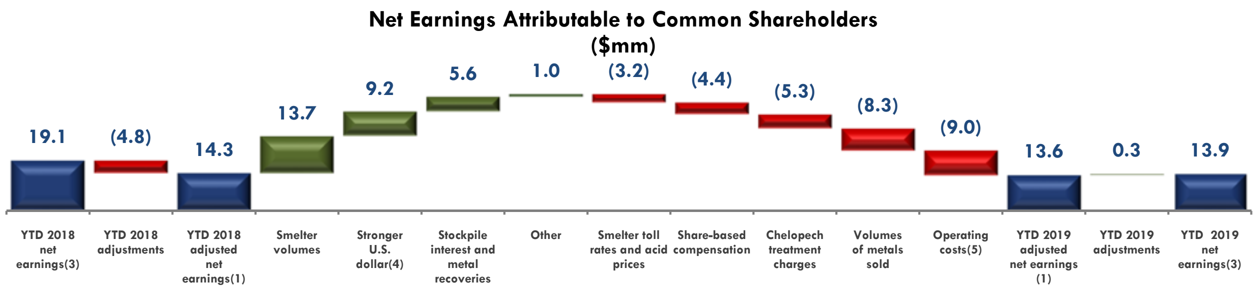
Smelter Cash Cost[1] ($/tonne)

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



Net Debt and Net Debt/Capitalization[2]





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 second quarter of 2019 reflected strong operating performance at Chelopech and Tsumeb. Both operations performed in line with second quarter operating plans and remain on track to achieve their 2019 production guidance. Commercial production at Ada Tepe was achieved in June 2019 with ramp-up to full design capacity expected in the third quarter of 2019. As a result of longer than expected tailings settlement time, which delayed the construction of additional cells in the integrated mine waste facility ("IMWF"), guidance for 2019 gold production at Ada Tepe was revised to 45,000 to 60,000 ounces from 55,000 to 75,000 ounces.

In the second quarter of 2019, the Company reported net earnings attributable to common shareholders of $15.4 million compared to $16.4 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable gold in concentrate sold as a result of lower gold grades at Chelopech, in line with its mine plan, partially offset by higher volumes of complex concentrate smelted, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, and the favourable impact of a stronger U.S. dollar relative to the ZAR and Euro, which offset higher local currency operating expenses.

In the first six months of 2019, the Company reported net earnings attributable to common shareholders of $13.9 million compared to $19.1 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable gold in concentrate sold, higher Chelopech related treatment charges and higher share-based compensation, partially offset by higher volumes of complex concentrate smelted, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, and a stronger U.S. dollar relative to the ZAR and Euro, which offset higher local currency operating expenses.

Cash resources, including DPM's long-term revolving credit facility ("RCF"), were $156.2 million as at June 30, 2019.

On May 17, 2018, the Company entered into an agreement with Greyhorse Mining (Proprietary) Limited ("GHM") pursuant to which GHM agreed to acquire an indirect 8% interest in Tsumeb. On May 30, 2019, this transaction was completed 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. At the date of this transaction, the Company recognized non-controlling interests of $17.2 million and a gain of $0.4 million through contributed surplus in the condensed interim consolidated statements of financial position.

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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Financial Results				
Revenue	**99,193**	102,877	**184,531**	189,765
Cost of sales	**71,717**	72,900	**136,450**	137,300
Depreciation and amortization	**15,181**	14,288	**29,935**	28,715
General and administrative expenses	**4,363**	4,331	**17,721**	13,944
Exploration and evaluation expenses	**3,175**	3,162	**6,080**	5,088
Finance cost	**1,473**	1,741	**4,505**	3,664
Other expense	**113**	1,740	**2,167**	4,872
Earnings before income taxes	**17,660**	18,758	**16,666**	24,393
Income tax expense	**2,066**	2,705	**2,874**	5,667
Net earnings attributable to common shareholders	**15,389**	16,372	**13,901**	19,079
Basic earnings per share	**0.09**	0.09	**0.08**	0.11
Adjusted EBITDA(1)	**34,058**	31,608	**50,736**	51,128
Adjusted net earnings(1)	**15,186**	13,662	**13,631**	14,307
Adjusted basic earnings per share(1)	**0.09**	0.08	**0.08**	0.08
Cash provided from operating activities	**9,317**	19,943	**23,770**	30,986
Free cash flow(1)	**24,405**	22,065	**34,432**	33,052
Capital expenditures incurred:				
Growth(1)	**15,026**	20,839	**32,732**	45,933
Sustaining(1)	**5,181**	5,966	**7,645**	11,306
Total capital expenditures	**20,207**	26,805	**40,377**	57,239
Operational Highlights				
Metals contained in concentrate produced:				
Gold *(ounces)*(2)	**52,425**	48,272	**95,459**	105,603
Copper *('000s pounds)*	**9,056**	8,545	**17,077**	17,806
Payable metals in concentrate sold:				
Gold *(ounces)*(3)	**41,424**	54,660	**80,983**	89,816
Copper *('000s pounds)*	**10,152**	10,398	**16,467**	16,482
Cash cost per ounce of gold sold, net of by-product credits(1),(4),(5),(6)	**618**	472	**623**	512
All-in sustaining cost per ounce of gold(1),(4),(6),(7)	**707**	540	**761**	601
Complex concentrate smelted at Tsumeb *(mt)*	**61,667**	46,409	**124,489**	100,551
Cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits(1),(8)	**373**	548	**372**	522

As at,	**June 30, 2019**	December 31, 2018
Financial Position and Available Liquidity		
Cash	**22,170**	17,043
Investments at fair value	**34,180**	29,997
Total assets	**909,471**	859,585
Debt	**41,000**	29,000
Equity	**678,141**	638,181
Number of common shares outstanding *('000s)*	**179,241**	178,548
Share price (Cdn$ per share)	**4.88**	3.60
Available liquidity(9)	**156,170**	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) *Includes gold contained in pyrite concentrate produced in the second quarter and first six months of 2019 of 13,053 ounces (2018 – 14,852 ounces) and 26,302 ounces (2018 – 30,000 ounces), respectively, and gold contained in gold concentrate produced at Ada Tepe in the second quarter and first six months of 2019 of 5,351 ounces.*

3) *Includes payable gold in pyrite concentrate sold in the second quarter and first six months of 2019 of 6,889 ounces (2018 – 9,559 ounces) and 17,942 ounces (2018 – 20,114 ounces), respectively.*
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 $5.2 million (2018 – $6.7 million) and $12.3 million (2018 – $13.3 million) in the second quarter and first six months of 2019, respectively.*
5) *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.*
6) *Includes realized losses on copper swap and option contracts, entered to hedge a portion of projected payable production, of $2.4 million and $5.0 million for the second quarter and first six months of 2018, respectively.*
7) *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.*
8) *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.*
9) *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 six months ended June 30, 2019 and 2018 and highlights the overall year over year change in commodity prices.

Metal Market Prices (Average)	**Three Months**			**Six Months**		
Ended June 30,	**2019**	2018	**Change**	**2019**	2018	**Change**
LBMA gold *($/ounce)*	**1,310**	1,307	**-**	**1,307**	1,318	**(1%)**
LME settlement copper *($/pound)*	**2.77**	3.12	**(11%)**	**2.80**	3.14	**(11%)**
LBMA spot silver *($/ounce)*	**14.89**	16.53	**(10%)**	**15.23**	16.65	**(9%)**

The average realized gold price for the second quarter and first six months of 2019 was $1,321 per ounce and $1,314 per ounce, respectively, compared to $1,298 per ounce and $1,311 per ounce in the corresponding periods in 2018. The average realized copper price for the second quarter and first six months of 2019 was $2.77 per pound compared to $2.84 per pound and $2.81 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	**Three Months**			**Six Months**		
Ended June 30,	**2019**	2018	**Change**	**2019**	2018	**Change**
US$/Cdn$	**1.3375**	1.2912	**4%**	**1.3333**	1.2780	**4%**
Euro/US$	**1.1237**	1.1924	**6%**	**1.1297**	1.2108	**7%**
US$/ZAR	**14.3604**	12.6233	**14%**	**14.1805**	12.2840	**15%**

As at June 30, 2019, approximately 96% and 59% of projected Namibian dollar operating expenses for the balance of 2019 and full year 2020, respectively, have been hedged.

Metals Production

In the second quarter of 2019, gold contained in concentrate produced increased by 9% to 52,425 ounces, including 5,351 ounces from Ada Tepe which is expected to ramp-up to full design capacity in the third quarter of 2019, and copper production increased by 6% to 9.1 million pounds, in each case, relative to the corresponding period in 2018.

In the first six months of 2019, gold contained in concentrate produced decreased by 10% to 95,459 ounces and copper production decreased by 4% to 17.1 million pounds, in each case, relative to the corresponding period in 2018. The decrease in gold production was due primarily to lower gold grades at Chelopech, in line with its 2019 mine plan, partially offset by gold production from the start-up of Ada Tepe. The decrease in copper production was due primarily to lower copper grades at Chelopech, in line with its 2019 mine plan.

Metals Sold

Payable gold in concentrate sold in the second quarter of 2019 decreased by 24% to 41,424 ounces relative to the corresponding period in 2018 due primarily to lower gold grades in the concentrate sold in 2019. Payable copper in concentrate sold in the second quarter of 2019 of 10.2 million pounds was comparable to the corresponding period in 2018.

In the first six months of 2019, payable gold in concentrate sold decreased by 10% to 80,983 ounces relative to the corresponding period in 2018 due primarily to lower gold grades in the concentrate sold in 2019. Payable copper in the first six months of 2019 of 16.5 million pounds was comparable to the corresponding period in 2018.

Complex concentrate smelted

Complex concentrate smelted at Tsumeb during the second quarter and first six months of 2019 of 61,667 tonnes and 124,489 tonnes, respectively, was 33% and 24% higher than the corresponding periods in 2018 due primarily to continued improved performance and the timing of the Ausmelt furnace maintenance shutdown, which, in 2018, took place in the second quarter.

The smelter is on course for a planned maintenance shutdown during the fourth quarter of 2019 following what is expected to be a record 18 months of operation. Tsumeb remains on track to meet its 2019 production guidance.

Revenue

Revenue during the second quarter of 2019 of $99.2 million was $3.7 million lower than the corresponding period in 2018 due primarily to lower volumes of payable gold in concentrate sold and lower toll rates at Tsumeb, partially offset by higher volumes of concentrate smelted, acid deliveries and prices, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb.

Revenue during the first six months of 2019 of $184.5 million was $5.3 million lower than the corresponding period in 2018 due primarily to lower volumes of payable gold in concentrate sold, higher Chelopech treatment charges and lower toll rates at Tsumeb, partially offset by higher volumes of complex concentrate smelted, acid deliveries and prices, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb.

Cost of sales

Cost of sales in the second quarter and first six months of 2019 of $71.7 million and $136.4 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.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold in the second quarter of 2019 of $707 was $167 higher than the corresponding period in 2018 due primarily to the unfavourable impact of lower gold grades in concentrate sold. All-in sustaining cost per ounce of gold in the first six months of 2019 of $761 was $160 higher than the corresponding period in 2018 due primarily to the unfavourable impact of lower gold grades in concentrate sold, higher treatment charges, higher allocated corporate general and administrative expenses as a result of the mark-to-market impact related to strong share price performance, higher cash outlays for sustaining capital expenditures and a higher cost per tonne of gold-copper concentrate sold as a result of lower copper grades, partially offset by 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 second quarter and first six months of 2019 of $373 and $372, respectively, was $175 and $150 lower than the corresponding periods in 2018 due primarily to higher volumes of complex concentrate smelted, the favourable impact of a weaker ZAR relative to the U.S. dollar and higher by-product credits as a result of increased acid deliveries and prices, partially offset by higher local currency operating expenses.

General and administrative expenses

General and administrative expenses in the second quarter of 2019 of $4.4 million were comparable to the corresponding period in 2018.

General and administrative expenses in the first six months of 2019 of $17.7 million were $3.8 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 six months of 2019.

Exploration and evaluation expenses

Exploration and evaluation expenses during the second quarter of 2019 of $3.2 million were comparable to the corresponding period in 2018.

Exploration and evaluation expenses during the first six months of 2019 of $6.1 million were $1.0 million higher than the corresponding period in 2018 due primarily to increased activities in Serbia and at Chelopech. 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, which are comprised of interest and other financing costs in respect of the Company's debt, lease obligations and asset retirement obligations, were $1.5 million and $4.5 million in the second quarter and first six months of 2019, respectively, compared to $1.7 million and $3.7 million in the corresponding periods in 2018. The increase in the first six months of 2019 relative to the corresponding period in 2018 was due primarily to expenses related to the cancellation of tranches A and C of the RCF.

Other expense

Other 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 expense:

$ thousands	**Three Months**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Net (gains) losses on Sabina special warrants	**(203)**	559	**(270)**	1,676
Net foreign exchange (gains) losses(1)	**1,158**	(1,303)	**2,276**	(157)
Interest income	**(53)**	(105)	**(100)**	(155)
Other (income) expense, net(2)	**(789)**	2,589	**261**	3,508
Total other expense	**113**	1,740	**2,167**	4,872

1) *Primarily related to the revaluation of foreign denominated monetary assets and liabilities.*
2) *Includes $0.3 million (2018 – $1.1 million) and $1.2 million (2018 – $1.6 million) in the second quarter and first six 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 six months ended June 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 development costs.

$ thousands, unless otherwise indicated	**Three Months**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Earnings before income taxes	**17,660**	18,758	**16,666**	24,393
Combined Canadian federal and provincial statutory income tax rates	**26.5%**	26.5%	**26.5%**	26.5%
Expected income tax expense	**4,679**	4,971	**4,416**	6,464
Lower rates on foreign earnings	**(3,018)**	(5,308)	**(7,510)**	(8,715)
Unrecognized tax benefits relating to losses	**805**	1,717	**5,747**	7,024
Non-taxable portion of capital (gains) losses	**(420)**	606	**164**	470
Non-deductible share based compensation expense	**60**	71	**148**	161
Other, net	**(40)**	648	**(91)**	263
Income tax expense	**2,066**	2,705	**2,874**	5,667
Effective income tax rates	**11.7%**	14.4%	**17.2%**	23.2%

Net earnings attributable to common shareholders and adjusted net earnings

Net earnings attributable to common shareholders in the second quarter of 2019 of $15.4 million compared to $16.4 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable gold in concentrate sold as a result of lower gold grades at Chelopech, in line with its mine plan, partially offset by higher volumes of complex concentrate smelted, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, and the favourable impact of a stronger U.S. dollar relative to the ZAR and Euro, which offset higher local currency operating expenses.

Net earnings attributable to common shareholders in the first six months of $13.9 million compared to $19.1 million in the corresponding period in 2018. This decrease was due primarily to lower volumes of payable gold in concentrate sold, higher Chelopech related treatment charges and higher share-based compensation, partially offset by higher volumes of complex concentrate smelted, reduced deductions for stockpile interest and higher estimated metal recoveries at Tsumeb, and a stronger U.S. dollar relative to the ZAR and Euro, which offset higher local currency operating expenses.

Adjusted net earnings in the second quarter and first six months of 2019 was $15.2 million and $13.6 million, respectively, compared to $13.7 million and $14.3 million in the corresponding periods in 2018 and exclude net after-tax gains of $0.2 million (2018 – $2.7 million) and $0.3 million (2018 – $4.8 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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Chelopech	**19,923**	29,708	**33,766**	45,905
Ada Tepe	**(535)**	42	**(384)**	(242)
Tsumeb	**3,481**	(7,740)	**6,667**	(12,394)
Corporate & Other	**(7,683)**	(8,348)	**(26,418)**	(18,962)
Total adjusted net earnings	**15,186**	13,662	**13,631**	14,307

On June 8, 2019, Ada Tepe achieved commercial production and, as a result, now qualifies as a reportable operating segment. The comparative segment information has been restated.

Adjusted EBITDA

Adjusted EBITDA in the second quarter and first six months of 2019 was $34.0 million and $50.7 million, respectively, compared to $31.6 million and $51.1 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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Chelopech	**30,426**	40,463	**53,348**	66,986
Ada Tepe	**(620)**	(242)	**(441)**	(808)
Tsumeb	**11,509**	(1,030)	**22,044**	1,163
Corporate & Other	**(7,257)**	(7,583)	**(24,215)**	(16,213)
Total adjusted EBITDA	**34,058**	31,608	**50,736**	51,128

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 second quarter and first six months of 2019 was $9.3 million and $23.8 million, respectively, compared to $19.9 million and $30.9 million in the corresponding periods in 2018 reflecting the same factors affecting net earnings 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 second quarter and first six months of 2019 was $24.4 million and $34.4 million, respectively, compared to $22.1 million and $33.1 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 and were lower in 2019.

Capital expenditures

Capital expenditures incurred during the second quarter and first six months of 2019 were $20.2 million and $40.4 million, respectively, compared to $26.8 million and $57.2 million in the corresponding periods in 2018.

Growth capital expenditures incurred during the second quarter and first six months of 2019 were $15.0 million and $32.7 million, respectively, compared to $20.8 million and $45.9 million in the corresponding periods in 2018. Growth capital expenditures were mostly related to the construction of the Ada Tepe gold mine. Sustaining capital expenditures incurred during the second quarter and first six months of 2019 were $5.2 million and $7.7 million, respectively, compared to $6.0 million and $11.3 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 and ramping up its new Ada Tepe gold mine, which achieved commercial production in the second quarter. 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. These opportunities will be assessed based on a disciplined capital allocation framework that balances reinvesting capital in the business in an accretive manner with building financial strength and returning capital to shareholders.

Chelopech and Tsumeb are on track to achieve annual guidance. At Ada Tepe, production and delivery guidance were reduced following longer than expected tailings settlement time, which delayed the construction of additional cells in the IMWF. As a result of this change, Ada Tepe's cash cost guidance has also been increased by $5 per tonne.

The Company's updated 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	55 – 65	-	-	-
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)	-	-	225 – 250	225 – 250	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 14.45 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. Gold production in the period was as expected and higher than the first quarter as a result of mining in higher grade zones. 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.

Tsumeb

Complex concentrate smelted in 2019 is expected to be between 225,000 and 250,000 tonnes, an increase of up to 8% over 2018 production levels. Work in the first half of 2019 focused on improving the availability and performance of all facilities, and to support the current 18-month Ausmelt furnace operating cycle. The smelter is on course for a planned maintenance shutdown during the fourth quarter of 2019. The success of these operational improvements means that the next shutdown is not expected until 2021 with the goal being to achieve a 24 month operating campaign. This reduced frequency of furnace maintenance is expected to support further increases in average annual throughput going forward.

Ada Tepe

Following construction of additional cells in the IMWF during July and August, the initial constraint that surfaced in the second quarter in respect of additional IMWF cell construction is expected to be released, allowing the operation to ramp-up to design capacity which is still expected to occur in the third quarter. There is also additional operating flexibility with the mill feed during this ramp-up phase given certain high grade stockpiles. As a result, 2019 gold production guidance for Ada Tepe was revised to 45,000 to 60,000 ounces from the original guidance of 55,000 to 75,000 ounces.

As at June 30, 2019, construction of the project was complete. The capital cost for this project was approximately $164 million, compared to the original estimate of $178 million.

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, but does expect to see an increase in new customers based on the pipeline of prospective customers. Chelopech anticipates finalizing the implementation of MineRP's planning software in the third quarter of 2019, which is expected to support further optimization initiatives being developed in the Smart Centre and 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 7,000 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, for a total 8,900 metres. Exploration and resource drilling at the Timok gold project in Serbia was increased by 3,000 metres to 5,000 metres to cover additional targets defined in the second quarter of 2019. In addition, metallurgical testwork will be undertaken on the Surnak prospect near Ada Tepe. The remaining exploration budget will be deployed primarily to other greenfield projects in Bulgaria, Serbia and Quebec.

Chelopech – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Ore mined *(mt)*	**561,258**	568,897	**1,115,907**	1,125,914
Ore processed *(mt)*	**553,975**	554,997	**1,105,784**	1,113,146
Head grade / recoveries in gold-copper concentrate (ore milled)				
Gold *(g/mt)* / %	**3.46 / 55.3**	3.35 / 55.9	**3.37 / 53.2**	3.90 / 54.1
Copper *(%)* / %	**0.91 / 81.8**	0.86 / 81.4	**0.85 / 82.2**	0.90 / 81.0
Silver *(g/mt)* / %	**5.22 / 36.5**	6.32 / 39.7	**5.30 / 34.3**	7.18 / 38.6
Gold-copper concentrate produced *(mt)*	**24,996**	23,521	**48,366**	50,495
Pyrite concentrate produced *(mt)*	**64,489**	68,973	**122,566**	127,225
Metals contained in concentrate produced:				
Gold in gold-copper concentrate *(ounces)*	**34,021**	33,420	**63,806**	75,603
Gold in pyrite concentrate *(ounces)*	**13,053**	14,852	**26,302**	30,000
Copper *(pounds)*	**9,056,533**	8,544,717	**17,077,089**	17,805,901
Silver *(ounces)*	**33,896**	44,708	**64,631**	99,075
Cash cost per tonne of ore processed(1),(2)	**35.35**	35.62	**35.03**	36.43
Cash cost per ounce of gold in gold-copper concentrate produced(1),(2),(3)	**356**	354	**376**	329
Cash cost per pound of copper in gold-copper concentrate produced(1),(2),(3)	**0.77**	0.84	**0.81**	0.79
Gold-copper concentrate delivered *(mt)*	**30,136**	31,409	**50,288**	50,705
Pyrite concentrate delivered *(mt)*	**50,381**	67,483	**121,858**	134,544
Payable metals in concentrate sold:				
Gold in gold-copper concentrate *(ounces)*(5)	**34,535**	45,101	**63,041**	69,702
Gold in pyrite concentrate *(ounces)*(5)	**6,889**	9,559	**17,942**	20,114
Copper *(pounds)*(5)	**10,151,583**	10,397,638	**16,467,037**	16,481,797
Silver *(ounces)*(5)	**37,765**	54,090	**62,826**	90,587
Cash cost per ounce of gold sold, net of by-product credits (2),(4),(6),(7)	**618**	472	**623**	512
Cost per tonne of gold-copper concentrate sold(8)	**1,033**	1,092	**1,127**	1,121
Financial Highlights				
Revenue(9)	**53,994**	72,017	**95,778**	117,890
Cost of sales(10)	**31,121**	34,295	**56,684**	56,841
Earnings before income taxes	**22,309**	36,172	**37,450**	58,212
Adjusted EBITDA(2)	**30,426**	40,463	**53,348**	66,986
Net earnings attributable to common shareholders	**19,923**	32,978	**33,766**	52,355
Adjusted net earnings(2)	**19,923**	29,708	**33,766**	45,905
Capital expenditures incurred:				
Growth(2)	**944**	1,256	**1,969**	2,066
Sustaining(2)	**3,011**	1,439	**4,548**	2,268
Total capital expenditures	**3,955**	2,695	**6,517**	4,334

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 $5.2 million (2018 – $6.7 million) and $12.3 million (2018 – $13.3 million) in the second quarter and first six 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 $2.4 million and $5.0 million in the second quarter and first six 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 favourable mark-to-market adjustments and*

final settlements of $1.2 million (2018 – unfavourable adjustments of $3.1 million) and unfavourable adjustments of $0.3 million (2018 – $2.0 million) were recognized during second quarter and first six months of 2019, respectively. Deductions during the second quarter and first six months of 2019 were $31.1 million (2018 – $29.9 million) and $55.8 million (2018 – $53.0 million), respectively.

10) *Cost of sales includes depreciation of $7.9 million (2018 – $7.8 million) and $15.5 million (2018 – $15.6 million) in the second quarter and first six months of 2019, respectively.*

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the second quarter of 2019 of 24,996 tonnes was 6% higher than the corresponding period in 2018 due primarily to higher copper grades. Gold-copper concentrate produced during the first six months of 2019 of 48,366 tonnes was 4% lower than the corresponding period in 2018 due primarily to lower copper grades, partially offset by higher copper recoveries.

Pyrite concentrate produced during the second quarter and first six months of 2019 of 64,489 tonnes and 122,566 tonnes, respectively, was 7% and 4% lower than the corresponding periods in 2018 in line with plans for the period.

In the second quarter of 2019, gold contained in gold-copper concentrate produced increased by 2% to 34,021 ounces, copper production increased by 6% to 9.1 million pounds and silver production decreased by 24% to 33,896 ounces, in each case, relative to the corresponding period in 2018. The increase in gold production was due primarily to higher gold grades, partially offset by lower gold recoveries. The increase in copper production was due primarily to higher copper grades.

In the first six months of 2019, gold contained in gold-copper concentrate produced decreased by 16% to 63,806 ounces, copper production decreased by 4% to 17.1 million pounds and silver production decreased by 35% to 64,631 ounces, in each case, relative to the corresponding period in 2018. The decreases in gold and copper production were due primarily to lower grades, in line with current mine plans.

Gold contained in pyrite concentrate produced during the second quarter and first six months of 2019 of 13,053 ounces and 26,302 ounces, respectively, was 12% lower than the corresponding periods in 2018 due primarily to lower gold grades.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate during the second quarter and first six months of 2019 of 30,136 tonnes and 50,288 tonnes, respectively, were comparable to the corresponding periods in 2018.

Deliveries of pyrite concentrate in the second quarter and first six months of 2019 of 50,381 tonnes and 121,858 tonnes, respectively, were 25% and 9% lower than the corresponding periods in 2018 due primarily to the timing of deliveries.

In the second quarter of 2019, payable gold in gold-copper concentrate sold decreased by 23% to 34,535 ounces and payable silver decreased by 30% to 37,765 ounces, in each case, relative to the corresponding period in 2018. Payable copper in gold-copper concentrate sold in the second quarter of 2019 of 10.2 million pounds was comparable to the corresponding period in 2018. The decrease in payable gold was due primarily to lower gold grades in gold-copper concentrate sold. Payable gold in pyrite concentrate sold in the second quarter of 2019 of 6,889 ounces was 28% lower than the corresponding period in 2018 consistent with the decrease in pyrite concentrate sold.

In the first six months of 2019, payable gold in gold-copper concentrate sold decreased by 10% to 63,041 ounces and payable silver decreased by 31% to 62,826 ounces, in each case, relative to the corresponding period in 2018. Payable copper in gold-copper concentrate sold in the first six months of 2019 of 16.5 million pounds was comparable to the corresponding period in 2018. The decrease in payable gold was due primarily to lower gold grades in gold-copper concentrate sold. Payable gold in pyrite concentrate sold in the first six months of 2019 of 17,942 ounces was 11% lower than the corresponding period in 2018 consistent with the decrease in pyrite concentrate sold.

Cash cost measures

Cash cost per tonne of ore processed in the second quarter of 2019 of $35.35 was comparable to the corresponding period in 2018. Cash cost per tonne of ore processed in the first six months of 2019 of $35.03 was 4% lower than the corresponding period in 2018 due primarily to the favourable impact of a stronger U.S. dollar relative to the Euro.

Cash cost per ounce of gold sold, net of by-product credits, during the second quarter and first six months of 2019 of $618 and $623, respectively, was $146 and $111 higher than the corresponding periods in 2018 due primarily to the unfavourable impact of lower gold grades in concentrate sold and higher treatment charges in the first six months of 2019, partially offset by the favourable impact of a stronger U.S. dollar relative to the Euro.

Net earnings attributable to common shareholders

Net earnings attributable to common shareholders in the second quarter of 2019 of $19.9 million were $13.1 million lower than the corresponding period in 2018 due primarily to lower volumes of payable gold in concentrate sold, partially offset by lower cost per tonne gold-copper concentrate produced and sold and the favourable impact of a weaker Euro relative to the U.S. dollar.

Net earnings attributable to common shareholders in the first six months of 2019 of $33.7 million were $18.7 million lower than the corresponding period in 2018 due primarily to lower volumes of payable gold in concentrate sold, higher treatment charges and higher cost per tonne gold-copper concentrate sold as a result of lower copper grades, partially offset by the favourable impact of a weaker Euro relative to the U.S. dollar.

Net earnings attributable to common shareholders in the second quarter and first six months of 2018 were also impacted by net after-tax gains of $3.3 million and $6.5 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 June 30,**	**Three Months**	**Six Months**
Adjusted net earnings - 2018	**29.7**	**45.9**
Lower volumes of metals sold	(12.5)	(8.3)
Higher treatment charges and freight[1]	(0.7)	(5.3)
Lower (higher) cost per tonne of concentrate produced and sold[2]	1.2	(2.9)
Lower realized metal prices[3]	(0.1)	(0.9)
Other	1.2	2.6
Weaker Euro	1.1	2.6
Adjusted net earnings - 2019	**19.9**	**33.7**

1) *The second quarter increase was due primarily to a greater proportion of gold-copper concentrate deliveries to Tsumeb and favourable adjustments of provisionally priced sales. The first six months increase was due primarily to a greater proportion of gold-copper concentrate deliveries to Tsumeb and unfavourable adjustments of provisionally priced sales.*
2) *Excludes impact of depreciation and foreign exchange.*
3) *Includes net gains and losses on commodity swap and option contracts.*

Capital expenditures

Capital expenditures during the second quarter and first six months of 2019 of $3.9 million and $6.5 million, respectively, were $1.2 million and $2.2 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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Ore mined *(mt)*	**73,172**	-	**89,414**	-
Ore processed *(mt)*	**98,700**	-	**98,700**	-
Head grade / recoveries in gold concentrate(1)				
Gold *(g/mt) / %*	**2.78 / 65.9**	-	**2.78 / 65.9**	-
Silver *(g/mt) / %*	**2.01 / 36.1**	-	**2.01 / 36.1**	-
Gold concentrate produced *(mt)*	**340**	-	**340**	-
Metals contained in concentrate produced:				
Gold *(ounces)*	**5,351**	-	**5,351**	-
Silver *(ounces)*	**2,114**	-	**2,114**	-
Cash cost per tonne of ore processed(2),(3)	**47.78**	-	**47.78**	-
Cash cost per ounce of gold in concentrate produced(2),(3),(4)	**875**	-	**875**	-
Gold concentrate delivered *(mt)*(9)	**41**	-	**41**	-
Payable metals in concentrate sold:				
Gold *(ounces)*(5),(9)	**424**	-	**424**	-
Silver *(ounces)*(5),(9)	**134**	-	**134**	-
Cash cost per ounce of gold sold, net of by-product credits (3),(6)	**-**	-	**-**	-
Cost per tonne of gold concentrate sold(7)	**-**	-	**-**	-
Financial Highlights				
Revenue(9)	**-**	-	**-**	-
Cost of sales(9)	**-**	-	**-**	-
Loss before income taxes(8)	**(688)**	(294)	**(612)**	(886)
Adjusted loss before interest, taxes, depreciation and amortization(3),(8)	**(620)**	(242)	**(441)**	(808)
Net earnings (loss) attributable to common shareholders/adjusted net earnings (loss)(3),(8)	**(535)**	42	**(384)**	(242)
Capital expenditures incurred:				
Growth(3)	**13,969**	19,523	**30,614**	43,738
Sustaining(3)	**-**	-	**-**	-
Total capital expenditures	**13,969**	19,523	**30,614**	43,738

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) Represents cost of sales divided by the volumes of gold concentrate delivered.
8) 2019 and 2018 financial results are comprised primarily of exploration expenses.
9) As these deliveries were made prior to achieving commercial production in June 2019, net revenue and associated cost of sales generated from these concentrate sales were recorded in mine properties in the second quarter of 2019.

Review of Ada Tepe Results

Commercial production, ramp-up to full capacity and 2019 guidance

Ada Tepe achieved commercial production on June 8, 2019 by exceeding an average of 60% of design throughput capacity and recovery over a period of 30 consecutive days. During this period, the plant demonstrated 100% design throughput capacity over several days and, since June 8, recoveries continued to ramp-up to its design level. Head grades during the quarter were not representative of what can be expected going forward, as lower than average grades were put through the mill during the commissioning and initial ramp-up phase. There is also additional operating flexibility with the mill feed for the remainder of the year given certain high grade stockpiles.

As previously reported, production at the mine and mill was lower than planned in the quarter as it was constrained by longer than expected tailings settlement time, which delayed the construction of additional cells in the IMWF. Achievement of full design capacity is still expected to occur in the third quarter of 2019 once additional capacity in the IMWF becomes available. Construction of the new cells is progressing as planned. The operation has also taken steps to increase available tailings capacity, including the construction of contingency cells and additional drainage structures, advancing test work to optimize settlement rates, and the sourcing of additional earthworks equipment and contractors to assist with construction of new cells. 2019 gold production guidance was reduced to 45,000 to 60,000 ounces, down from 55,000 to 75,000 ounces, due to the temporary constraints at the IMWF, which we anticipate will be resolved by the end of August 2019. For more details on Ada Tepe guidance, refer to the "2019 Guidance" section contained in this MD&A.

The Company continues to engage in an active dialogue with the municipality, government and other stakeholders to support the ongoing ramp-up to full design capacity, and receipt of the subsequent operating permit, which is expected in the third quarter of 2019.

As at June 30, 2019, construction of the project was complete. The capital cost for this project was approximately $164 million, compared to the original estimate of $178 million.

Concentrate and metals production

Gold concentrate produced during the second quarter and first six months of 2019 was 340 tonnes.

In the second quarter and first six months of 2019, gold contained in concentrate produced was 5,351 ounces and silver production was 2,114 ounces. Gold and silver production were lower than expected due to longer than expected tailings settlement time, which delayed the construction of additional cells in the IMWF.

Concentrate deliveries and metals sold

During the second quarter of 2019 and prior to achieving commercial production, 41 tonnes of gold concentrate were delivered containing payable gold of 424 ounces and payable silver of 134 ounces.

Cash cost measures

Cash cost per tonne of ore processed in the second quarter and first six months of 2019 was $47.78.

Capital expenditures

Capital expenditures during the second quarter and first six months of 2019 of $14.0 million and $30.6 million, respectively, were $5.6 million and $13.1 million lower than the corresponding periods in 2018 due primarily to the timing of expenditures and were in line with the 2019 capital expenditure guidance.

Prepaid 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 of the prepaid gold sales, which will be in the form of unallocated gold credits that can be sourced from any of the Company's own mines.

Tsumeb – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Operational Highlights				
Complex concentrate smelted *(mt):*				
Chelopech	**23,717**	21,184	**47,407**	41,327
Third parties	**37,950**	25,225	**77,082**	59,224
Total complex concentrate smelted	**61,667**	46,409	**124,489**	100,551
Cash cost per tonne of complex concentrate smelted, net of by-product credits[1],[2]	**373**	548	**372**	522
Acid production *(mt)*	**62,991**	46,749	**127,450**	102,460
Acid deliveries *(mt)*	**69,339**	40,482	**127,624**	103,616
Financial Highlights				
Toll revenue[3]	**35,440**	24,279	**70,398**	55,312
Acid revenue	**7,903**	4,101	**14,527**	9,897
Total revenue	**43,343**	28,380	**84,925**	65,209
Cost of sales[4]	**37,839**	35,363	**74,392**	74,355
Earnings (loss) before income taxes	**4,061**	(7,740)	**7,247**	(12,394)
Earnings (loss) before interest, taxes, depreciation and amortization[2]	**11,509**	(1,030)	**22,044**	1,163
Net earnings (loss) attributable to common shareholders/adjusted net earnings (loss)[2],[5]	**3,481**	(7,740)	**6,667**	(12,394)
Capital expenditures incurred:				
Growth[2]	**98**	-	**134**	-
Sustaining[2]	**1,745**	4,494	**2,044**	8,834
Total capital expenditures	**1,843**	4,494	**2,178**	8,834

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 $6.7 million (2018 – $5.9 million) and $13.3 million (2018 – $12.0 million) in the second quarter and first six months of 2019, respectively.
5) Net earnings attributable to common shareholders and adjusted net earnings exclude earnings attributable to non-controlling interests of $0.6 million in the second quarter and first six months of 2019 following GHM acquisition of an indirect 8% interest in Tsumeb in 2019.

Review of Tsumeb Results

Production & acid deliveries

Complex concentrate smelted during the second quarter and first six months of 2019 of 61,667 tonnes and 124,489 tonnes, respectively, was 33% and 24% higher than the corresponding periods in 2018 due primarily to continued improved performance and the timing of the Ausmelt furnace maintenance shutdown, which, in 2018, took place in the second quarter.

Acid production in the second quarter and first six months of 2019 of 62,991 tonnes and 127,450 tonnes, respectively, was 35% and 24% higher than the corresponding periods in 2018 consistent with the increase in volumes of complex concentrate smelted.

Acid deliveries in the second quarter and first six months of 2019 of 69,339 tonnes and 127,624 tonnes, respectively, were 71% and 23% higher than the corresponding periods in 2018 due primarily to increased production.

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

Cash cost per tonne of complex concentrate smelted, net of by-product credits, during the second quarter and first six months of 2019 of $373 and $372, respectively, was $175 and $150 lower than the corresponding periods in 2018 due primarily to higher volumes of complex concentrate smelted, the favourable impact of a weaker ZAR relative to the U.S. dollar and higher by-product credits as a result of increased acid deliveries and prices, partially offset by higher local currency operating expenses.

Net earnings (loss) attributable to common shareholders

Net earnings attributable to common shareholders in the second quarter and first six months of 2019 were $3.5 million and $6.7 million, respectively, compared to a net loss of $7.7 million and $12.4 million in the corresponding periods in 2018. This improvement was due primarily to higher volumes of complex concentrate smelted, higher acid deliveries and prices, the favourable impact of a weaker ZAR relative to the U.S. dollar, reduced deductions for stockpile interest and higher estimated metal recoveries, partially offset by higher local currency operating expenses and lower toll rates.

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

$ millions **Ended June 30,**	**Three Months**	**Six Months**
Net loss attributable to common shareholders – 2018	**(7.7)**	**(12.4)**
Higher volumes	9.0	13.7
Weaker ZAR[1]	3.2	6.6
Lower stockpile interest	2.5	4.6
Reduced deductions for slag mill concentrate returns	3.3	4.3
Higher estimated metal recoveries	2.6	1.0
Higher operating expenses[2]	(5.3)	(6.1)
Lower toll rates, net higher acid prices	(2.1)	(3.2)
Other	(1.4)	(1.2)
Non-controlling interests	(0.6)	(0.6)
Net earnings attributable to common shareholders – 2019	**3.5**	**6.7**

1) *Includes realized gains on foreign exchange forward contracts of $0.2 million and $0.6 million in the second quarter and first six months of 2019, respectively, compared to $0.2 million and $1.4 million in the corresponding periods in 2018.*
2) *Excludes impact of depreciation and foreign exchange.*

Capital expenditures

Capital expenditures during the second quarter and first six months of 2019 of $1.9 million and $2.2 million, respectively, were $2.6 million and $6.6 million lower than the corresponding periods in 2018 due primarily to the timing of executing planned projects and the annual maintenance shutdown, 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 is expected to be acquired by a newly established employee trust in the second half of 2019.

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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Financial Highlights				
Revenue[(1)]	**1,856**	2,480	**3,828**	6,666
Cost of sales[(1)]	**2,757**	3,242	**5,374**	6,104
General and administrative expenses[(2)]	**4,363**	4,331	**17,721**	13,944
Exploration and evaluation expenses[(3)]	**2,385**	2,343	**4,505**	3,626
Loss before income taxes	**(8,022)**	(9,380)	**(27,419)**	(20,539)
Adjusted loss before interest, taxes, depreciation and amortization[(5)]	**(7,257)**	(7,583)	**(24,215)**	(16,213)
Net loss attributable to common shareholders[(4)]	**(7,480)**	(8,907)	**(26,148)**	(20,638)
Adjusted net loss[(5)]	**(7,683)**	(8,348)	**(26,418)**	(18,962)

1) *Revenue and cost of sales are related to MineRP.*
2) *Includes MineRP general and administrative expenses of $1.5 million (2018 - $0.6 million) and $3.1 million (2018 - $3.1 million) in the second quarter and first six months of 2019, respectively.*
3) *Includes evaluation expenses related to Timok of $0.1 million (2018 - $nil million) and $0.3 million (2018 - $0.1 million) in the second quarter and first six months of 2019, respectively.*
4) *Excludes loss attributable to non-controlling interests of $0.4 million (2018 - $0.4 million) and $0.7 million (2018 - $0.4 million) in the second quarter and first six months of 2019, respectively.*
5) *Excludes net gains and losses on Sabina special warrants.*

MineRP

Revenue in the second quarter and first six months of 2019 of $1.8 million and $3.8 million, respectively, was $0.7 million and $2.9 million lower than the corresponding periods in 2018 due primarily to the timing associated with entering into contracts with several new customers, reduced revenue generated from support and service activities and the unfavourable impact of a weaker ZAR relative to the U.S. dollar.

The weakening of the ZAR relative to the U.S. dollar had a favourable impact on MineRP's cost of sales and general and administrative expenses. Cost of sales in the second quarter and first six months of 2019 was $2.8 million and $5.4 million, respectively, compared to $3.2 million and $6.1 million in the corresponding periods in 2018. General and administrative expenses in the second quarter and first six months of 2019 were $1.5 million and $3.1 million, respectively, compared to $0.6 million and $3.1 million in the corresponding periods in 2018.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2019, the Company had cash of $22.2 million, investments valued at $34.2 million primarily related to its 10.3% interest in Sabina, and $134 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.

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 June 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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Cash provided from operating activities, before changes in non-cash working capital	**29,662**	28,622	**45,435**	47,066
Changes in non-cash working capital	**(20,345)**	(8,679)	**(21,665)**	(16,080)
Cash provided from operating activities	**9,317**	19,943	**23,770**	30,986
Cash used in investing activities	**(13,176)**	(25,859)	**(28,999)**	(58,836)
Cash provided from financing activities	**12,071**	5,011	**10,356**	12,944
Increase (decrease) in cash	**8,212**	(905)	**5,127**	(14,906)
Cash at beginning of period	**13,958**	14,766	**17,043**	28,767
Cash at end of period	**22,170**	13,861	**22,170**	13,861

Cash at June 30, 2019 of $22.2 million was $8.3 million higher 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 second quarter and first six months of 2019 was $9.3 million and $23.8 million, respectively, compared to $19.9 million and $30.9 million in the corresponding periods in 2018 reflecting the same factors affecting net earnings and an increase in working capital.

The unfavourable change in non-cash working capital in the second quarter of 2019 of $20.4 million was due primarily to a decrease in accounts payable and accrued liabilities as a result of the timing of payments to suppliers and for share-based compensation and an increase in accounts receivable as a result of the timing of receipts from customers.

The unfavourable change in non-cash working capital in the first six months of 2019 of $21.7 million was due primarily to a decrease in accounts payable and accrued liabilities as a result of the timing of payments to suppliers and for share-based compensation, an increase in accounts receivable as a result of the timing of receipts from customers and an increase in ore and concentrate inventories at Ada Tepe following the commencement of mining and milling activities in 2019.

Cash provided from operating activities, before changes in non-cash working capital, during the second quarter and first six months of 2019 was $29.7 million and $45.5 million, respectively, compared to $28.6 million and $47.0 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 second quarter and first six months of 2019 was $13.2 million and $29.0 million, respectively, compared to $25.8 million and $58.8 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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Chelopech	**2,911**	1,799	**5,662**	3,475
Tsumeb	**1,650**	3,406	**2,946**	7,649
Ada Tepe(1)	**10,779**	19,173	**26,758**	42,104
Other	**440**	75	**1,073**	229
Total cash capital expenditures	**15,780**	24,453	**36,439**	53,457

1) Includes payments for the settlement of foreign exchange forward contracts of $0.1 million (2018 – proceeds of $1.3 million) and $0.5 million (2018 – proceeds of $2.9 million) in the second quarter and first six months of 2019, respectively.

Cash outlays for capital expenditures in the second quarter and first six months of 2019 of $15.7 million and $36.4 million, respectively, were $8.7 million and $17.0 million lower than the corresponding periods in 2018 due primarily to reduced outlays in connection with the construction of the Ada Tepe gold mine and the timing of sustaining capital expenditures.

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

In the first six 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 provided from financing activities in the second quarter and first six months of 2019 was $12.1 million and $10.4 million, respectively, compared to $5.0 million and $13.0 million in the corresponding periods in 2018. The primary factors impacting the movement in financing activities are summarized below.

Drawdowns under the RCF in the second quarter and first six months of 2019 were $12.0 million compared to $6.0 million and $16.0 million in the corresponding periods in 2018.

Interest and other related borrowing costs paid in the second quarter and first six months of 2019 was $0.7 million and $2.1 million, respectively, compared to $1.7 million and $3.4 million in the corresponding periods in 2018. These decreases were due primarily to the cancellation of tranches A and C of the RCF.

Financial Position

$ thousands **As at,**	**June 30, 2019**	December 31, 2018	**Increase/ (Decrease)**
Cash	**22,170**	17,043	**5,127**
Accounts receivable, inventories and other current assets	**83,107**	67,190	**15,917**
Investments at fair value	**34,180**	29,997	**4,183**
Non-current assets, excluding investments at fair value	**770,014**	745,355	**24,659**
Total assets	**909,471**	859,585	**49,886**
Current liabilities	**102,578**	93,446	**9,132**
Non-current liabilities	**128,752**	127,958	**794**
Equity attributable to common shareholders	**653,586**	632,000	**21,586**
Non-controlling interests	**24,555**	6,181	**18,374**

Cash increased by $5.1 million to $22.2 million during the first six months of 2019 due primarily to the timing of drawdowns and repayments under the RCF. Accounts receivable, inventories and other current assets increased by $15.9 million to $83.1 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. Non-current assets, excluding investments at fair value, increased by $24.7 million to $770.0 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 $9.1 million to $102.6 million during the first six months of 2019 due primarily to the reclassification of deferred revenue related to prepaid forward gold sales 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 and for share-based compensation. Non-current liabilities increased by $0.8 million to $128.8 million due primarily to the drawdowns under the RCF and the increase in rehabilitation provisions, partially offset by the reclassification of deferred revenue related to prepaid forward gold sales to be settled in 2019 from non-current liabilities to current liabilities. Equity attributable to common shareholders increased by $21.6 million to $653.6 million due primarily to the current year earnings. Non-controlling interests increased by $18.4 million to $24.6 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 June 30, 2019:

$ thousands	**up to 1 year**	**1 – 5 years**	**over 5 years**	**Total**
Debt	-	41,000	-	41,000
Lease obligations	5,560	15,666	3,890	25,116
Capital commitments	19,262	-	-	19,262
Purchase commitments	6,188	8	-	6,196
Other obligations	3,540	14,088	7,373	25,001
Total contractual obligations and commitments	**34,550**	**70,762**	**11,263**	**116,575**

As at June 30, 2019, Tsumeb had approximately $57.9 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 to provide for, among other things, lower stockpile interest deductions on excess secondary materials, specified quarterly targeted reductions designed to eliminate excess secondary materials, representing at that time approximately $90.0 million, over a period that extends to December 31, 2020, the purchase of secondary materials in excess of established quarterly targeted levels, and the extension of the tolling agreement by one year. During the six months ended June 30, 2019, no purchase of secondary materials was required. Since July 2017, the Company has reduced the quantity of excess copper-in-secondaries by approximately 64%. As at June 30, 2019, the value of excess secondary materials was approximately $32.8 million (December 31, 2018 – $39.0 million).

Debt

As at June 30, 2019, the Company’s total outstanding debt was $41.0 million (December 31, 2018 – $29.0 million) and the Company was in compliance with all of its debt covenants.

As at June 30, 2019, the Company’s total debt, as a percentage of total capital, was 6% (December 31, 2018 – 4%) and the Company’s total debt, net of cash, as a percentage of total capital, was 3% (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 3.5:1, (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 June 30, 2019, $41.0 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 ($3.6 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 June 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 June 30, 2019, $4.7 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 ($23.9 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 June 30, 2019, $23.9 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 June 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 July 30, 2019, 179,240,592 common shares were issued and outstanding.

DPM also has 4,416,876 stock options outstanding as at July 30, 2019 with exercise prices ranging from Cdn$2.05 to Cdn$4.44 per share (weighted average exercise price – Cdn$3.02 per share).

Normal Course Issuer Bid

On May 16, 2018, DPM renewed its normal course issuer bid (the "Bid") to repurchase up to 8.9 million of its common shares through the facilities of the TSX. The Bid expired on May 15, 2019 and the Company intends to assess reinstatement of the Bid in the context of its ongoing capital requirements and the market value of DPM's common shares relative to management's view of the underlying value of the Company.

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 June 30, 2019, the Company's investments at fair value were $34.2 million, the vast majority of which related to the value of its investment in Sabina common shares and special warrants. As at June 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 six months ended June 30, 2019, the Company recognized unrealized gains on the Sabina special warrants of $0.2 million (2018 – unrealized losses of $0.2 million) and $0.3 million (2018 – unrealized losses of $1.8 million), respectively, in other 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 June 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	5,005 ounces	$1,338.30/ounce

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 June 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 June 30, 2019, the net fair value loss on all outstanding commodity swap contracts was $0.4 million (December 31, 2018 – a net fair value gains of $0.1 million), of which $nil (December 31, 2018 – $0.2 million) was included in other current assets and $0.4 million (December 31, 2018 – $0.1 million) in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2019, the Company recognized unrealized gains of $nil (2018 – unrealized losses $1.0 million) and $nil (2018 – $3.8 million), respectively, on outstanding commodity swap and option contracts in other comprehensive income (loss). The Company also recognized net gains of $0.5 million (2018 – $1.4 million) and net losses of $1.1 million (2018 – net gains of $2.4 million) for the three and six months ended June 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 June 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	780,000,000	15.46	14.00
2020	952,560,000	16.15	14.64

Approximately 96% and 59% of projected Namibian dollar operating expenses for the balance of 2019 and full year 2020, respectively, 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 June 30, 2019, the fair value gain on all outstanding foreign exchange forward and option contracts was $2.3 million (December 31, 2018 – a net fair value loss of $0.6 million), of which $1.6 million (December 31, 2018 – $0.3 million) was included in other current assets, $nil (December 31, 2018 – $0.9 million) in accounts payable and accrued liabilities, and $0.7 million (December 31, 2018 – $nil) in other long-term assets.

For the three and six months ended June 30, 2019, the Company recognized unrealized gains of $0.7 million (2018 – unrealized losses of $9.5 million) and $0.3 million (2018 – unrealized losses of $9.2 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 $0.2 million (2018 – realized losses of $0.3 million) and $0.6 million (2018 – $0.7 million) for the three and six months ended June 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 losses of $0.06 million (2018 – realized gains of $1.2 million) and $0.1 million (2018 – realized gains of $3.4 million) for the three and six months ended June 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 six months ended June 30, 2019, the Company recognized unrealized gains of $1.9 million (2018 – $0.3 million) and $2.5 million (2018 – $0.5 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 – $0.4 million) and $nil (2018 – $0.6 million) for the three and six months ended June 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 $0.1 million (2018 – $0.5 million) and $0.2 million (2018 – $0.8 million) for the three and six months ended June 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.

Chelopech Overview

In the second quarter of 2019, a total of 17,628 metres of resource development diamond drilling was completed within the Chelopech mine area, which comprised of:

- 6,474 metres of grade control drilling aimed to better define the shape and volume of existing ore bodies; and
- 11,154 metres of extensional drilling, designed to explore for new mineralization along modelled trends.

Resource development drilling focused on the upper levels of Target 700 and Blocks 18, 151, 5 and 8, 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 Blocks 147, 149 South and 151 and Target 'North' were also drilled during the second quarter of 2019. A detailed review of the resource development drilling program results is discussed below.

Central Area

Block 8

In the second quarter of 2019, the Block 8 drilling program was concluded, which had been planned with the goal of delineating the ore body contours in upper levels of Block 8 and to test the surrounding host rock. The area around Block 8 had been poorly explored in the past and structural and geologic models developed by onsite technical personnel indicated that un-tested mineralization may be present in this area. Significant results are presented in the table below within hole "EXT8_505_09". Additional assay results are pending.

Block 18

Due to the positive drill results received in the first quarter of 2019, a follow-up program commenced toward Block 18 from position G51-405-DDC. The aim of this program was to discover new mineralization and expand the current orebody contours. The significant intervals received from this program are shown in the table below from drillholes "EXT18_405_02" and "EXT18_405_03".

Western Area

Block 147

During the second quarter of 2019, a drilling program targeting Block 147 was completed. As a result, the ore contours of the block were extended between 210 mRL and 140 mRL elevations. Significant intervals from this program are presented in the table below from drill holes "EXT147_200_06" and "EXT147_200_07".

Block 150

A series of exploration drillholes, collared from 400 level, were directed to the upper levels of Block 150. The drillholes were designed to test for extensions of the western boundary of mineralization. Drilling was successful, extending the current contours of mineralization. A significant intersection from drillhole "EXT148_400_12" is shown in the table below.

Surface Drilling

The Target 700 surface drilling program was concluded during the period. A total of 678 metres of extensional drilling was completed. Visible mineralization was observed in one hole "EXT765_11" that corresponds to Target 700, presented as a network of quartz-barite-sphalerite-galena-pyrite veins and disseminated mineralization. Assay results are pending.

Subsequently, underground drilling commenced during the quarter, aiming to test the continuity of mineralization and to permit this exploration target to be included in future Mineral Resource estimates.

Grade control

Grade control drilling progressed as planned during the period, providing infill to existing drilling grids within Blocks 149 South and 151. Of particular success was grade control drilling in Block 151 which expanded the current orebody contours between 440 mRL and 340 mRL elevations.

Outlook

In the third quarter of 2019, the Mineral Resource development strategy for Chelopech will be focused on the upper levels of Block 10 and prospective areas in the vicinity of Block 8. Extensional drilling will continue toward Blocks 5, 25 and 17. Furthermore, a short drilling program to define the down dip extents of Block 153 will be undertaken.

Based on the positive results from the previous quarter, grade control drilling in Block 151 will also continue between levels 460 mRL and 360 mRL. The aim is to further define the current ore contours and potentially extend them in a southwesterly direction.

Additionally, DPM plans to test the following targets:

- Extensional drilling towards Target 700 will continue with the aim to test the continuity of mineralization and to permit this exploration target to be included in future Mineral Resource estimates;
- Three surface drillholes from the westernmost part of the concession area. The aim is to test the upper extensions of Block 151 which appears to extend into an area documented as hosting indications of mineralization within advanced argillic alteration envelope, between 610 mRL and 440 mRL; and
- A series of extensional drillholes are planned towards the southeastern part of the concession from level 405. Additional drilling is required to improve the data coverage and improve the geological model in this area.

Significant intercepts (gold equivalent ("AuEq") cut-off grade of 3 g/t) received during the second 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 (%)
EXT147_200_06	5540	29912	201	312.4	-22.6	91.5	127.5	32.0	20.05	15.55	14.12	2.18
EXT147_200_07	5540	29912	202	307.0	-0.5	88.5	103.8	15.3	6.87	6.12	5.06	0.36
EXT148_400_12	5257	29394	397	68.3	-1.2	301.5	309.0	7.5	6.29	2.40	8.80	1.89
EXT18_405_02	6351	29758	409	286.8	-5.9	148.5	160.5	12.0	3.08	1.61	8.39	0.72
EXT18_405_03	6351	29758	410	275.0	15.3	189.0	205.8	16.5	4.44	1.64	6.46	1.36
EXT8_505_09	6388	29857	509	216.8	-23.6	169.5	177.0	7.3	4.74	2.66	8.52	1.01

1) *Significant 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 1.5 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.*

Sampling and Analysis

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 CRM's (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. Samples are routinely assayed for copper, gold, silver, sulphur and arsenic.

Chelopech Brownfield Exploration

During the second quarter of 2019, 3,156 metres of diamond drilling was carried out from surface on the Sveta Petka and Brevene exploration licenses. In addition, 3,710 metres of underground diamond drilling was carried out on the mine concession.

At the Krasta prospect, located approximately two kilometres northeast of the Chelopech mine, three holes totaling 1,140 metres were drilled. Holes EX_KR_17 and EX_KR_18 intersected estimated true widths of 42m at 1.53 g/t AuEq and 10m at 1.38 g/t AuEq respectively and Hole EX_KR_19 intersected over 150 metres of altered diorite and phreatomagmatic breccia with low gold grades. These drill holes indicate the high sulphidation system plunges towards the southwest into the Chelopech mine concession. The Krasta prospect remains open along strike in both directions as well as at depth and above the level of existing drilling. Drilling at Krasta is planned to resume in the third quarter of 2019.

Exploration drilling was also carried out north and northwest of the Chelopech mine at the Brevene West target and at the Vozdol prospect, a complex polymetallic vein system drilled by the State between 1969 and 1984. A single hole was drilled at Vozdol to better understand the style and continuity of reported mineralization. Several intervals with higher gold grades were intersected, including 10 metres with 7.55 g/t Au from 434m downhole with an estimated true width of 9 metres. Gold is associated with intermediate sulphidation quartz-pyrite-chalcopyrite veins hosted by steep northeast to east striking structures near the contact between the pre-mineral Turonian conglomerates and the metamorphic basement.

Surface exploration plans for the second half of the year include geophysical surveying, geological mapping, rock sampling and diamond drilling.

At the Chelopech mine, three target areas within the SEBPZ were drilled from underground positions: 8 South extension, 10 Northeast extension and the 555 Level target area. At the 10 Northeast extension target area, hole EX_NE10_04 intersected 1.5 metres with 4.7 g/t AuEq in phreatomagmatic breccia with pyrite, sulphosalts, sphalerite and advanced argillic alteration at 204 metres downhole. Although the interval is narrow (true width between 1 and 1.5 metres) and structurally controlled, it indicates mineralization is open to the northeast towards the Sharlo Dere prospect. Interpretation is ongoing and assay results are pending for the surrounding holes drilled during the quarter.

Additional assays received for holes drilled during the first quarter include 11 metres (8 metres true width) at 4.3 g/t AuEq from 121 metres down hole EX_SEBP_31_505_03 from a zone of pyrite and sulphosalts hosted by diorite in the 8 South extension area, representing a 50 metre along-strike extension of the previously intercepted mineralization in nearby holes EX_SEBP_31_01 and EX_SEBP_31_02, with the mineralization remaining open towards the east and northeast, and with depth. From the 153 southeast extension area, highlights include 3 metres (estimated 2 metres true width) with 10.3 g/t AuEq in hole EX_SEBP_103_08 near the start of the hole and 7 metres (5 metres true width) at 5.0 g/t AuEq in hole EX_SEBP_103_11 from a zone of pyrite-sulphosalts-chalcopyrite-sphalerite-barite mineralization hosted by breccia that starts 158 metres down the hole and is open to the northeast. Drilling along the SEBPZ is planned to continue to the end of the year.

Significant intercepts from SEBPZ within the Chelopech Mine Concession received during the second 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 (%)
EX_NE10_04	6639	30085	558	350	-30	204	205.5	1 – 1.5	4.70	1.47	81.00	1.57
31_505_03	6437	29603	502	19	-56	121	132	8	4.34	4.20	2.90	0.07
103_08	5970	29269	451	145	-45	1	4	2	10.27	4.14	8.47	2.98
103_11	5971	29274	451	32	-65	158	165	5	5.04	3.31	2.77	0.84

1) *AuEq calculation is based on the following formula: Au g/t + 2.06 x Cu %.*
2) *Cut-off grade of 3.0 g/t AuEq.*
3) *Coordinates are in mine-grid.*
4) *Full hole IDs for 31_505_03, 103_08 and 103_11 are pre-fixed with EX_SEBP_.*
5) *True widths are estimates.*

Ada Tepe Brownfield Exploration

During the second quarter of 2019, geological mapping, soil sampling and trenching defined additional gold targets for drill testing on the Chiirite, Elhovo, Lada and Dalbokata Reka exploration licenses and at the Synap and Kuklitsa prospects within the Khan Krum mining concession. An initial 3,000 metre drill program at Chatal Kaya on the Chiirite exploration license is expected to commence in August 2019.

Timok Gold Project, Serbia

Exploration Activities

Exploration during the second quarter of 2019 included infill soil sampling and geological mapping to the north and west of the Korkan deposit and on the northern half of Umka license. A technical review, including an artificial intelligence targeting exercise, identified high-priority near resource drill targets as well as other targets within geochemical and geophysical anomalies that occur over a distance of five kilometres north of the Korkan deposit.

Exploration plans for the third and fourth quarters of 2019 include up to 2,000 metres of trenching and 5,000 metres of diamond drilling with the aim of increasing near surface oxide resources. Applications to extend Potaj Cuka and Bigar Istok exploration licenses for an additional two years were approved on July 19, 2019.

Preliminary Economic Assessment

On July 15, 2019, DPM announced the results of a 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 being optimized for mining and processing strategies, including an economic evaluation of the larger sulphide resource.

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 commencing 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 Environmental and Social Impact Assessment ("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 press release entitled "Dundee Precious Metals Announces Preliminary Economic Assessment for the Timok Gold Project, Serbia" dated July 15, 2019 found on DPM's website and filed on SEDAR at www.sedar.com.

Tulare Copper-Gold Project, Serbia

During the second quarter of 2019, exploration at the Tulare Project, consisting of the Tulare, Trn and Degrmen exploration licenses, included follow up induced-polarization ("IP") profiles over chargeability and conductivity anomalies identified by a Vector IP survey in late 2018. Infill soil sampling over IP anomalies is in progress and the results will be integrated with geophysical and geological data to define drill targets.

Relogging of core from the Kiseljak and Yellow Creek porphyry deposits continued during the quarter. A new geological interpretation is being developed to evaluate the potential for higher grade copper-gold mineralization below the current resource.

Malartic Project, Quebec

The winter drill program at the Malartic project that commenced in the first quarter of 2019 was completed during the second quarter. The drill program totalled 5,833 metres in nine holes of which 2,059 metres in three holes were drilled in the second quarter.

Two target areas were drilled between 360-420 metres from surface and all results were received. At the Revillard target area highlights include: hole MLDD010 with 1.1 g/t Au over a core length of 16.5 metres including 2.9 g/t Au over 5.4 metres and hole MLDD014 with 1.7 g/t Au over a core length of 12.4 metres including 3.7 g/t Au over 1.2 metres and 3.9 g/t Au over 3.7 metres. The mineralization is associated with the gold-bearing Parfouru deformation zone.

At the Malrobic-ASPI target area highlights include hole MLD015 with 4.2 g/t Au over a core length of 6.8 metres including 12.7 g/t Au over 2.0 metres and hole MLDD016 with 27.9 g/t Au over 0.6 metres. The mineralization in these holes is associated with a subsidiary structure located about 325 metres south of the Parfouru deformation zone. During the third quarter of 2019, a detailed review of the drilling results will be completed.

At the end of June, the Company completed the second anniversary payment of Cdn $80,000 and issuance of 20,000 common shares to Pershimex Resources Corporation under the terms of the option agreement.

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. The core samples from the Malartic project were processed using identical quality assurance and quality control ("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, additional cooling 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, which includes the filing of an ESIA. Public access to the draft ESIA was provided during the second quarter of 2017. The Company updated the technical study 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, which closed on July 16, 2019. Submission of the updated ESIA for approval is scheduled for the third quarter of 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.

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	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	**99.2**	85.3	83.0	104.3	102.9	86.9	94.9	92.3
Net earnings (loss)	**15.6**	(1.8)	(1.5)	20.0	16.0	2.7	(1.8)	3.0
Net earnings (loss) attributable to:								
• Non-controlling interests	**0.2**	(0.3)	(0.2)	(0.3)	(0.4)	(0.0)	(0.4)	(0.1)
• Common shareholders	**15.4**	(1.5)	(1.3)	20.3	16.4	2.7	(1.4)	3.1
Net earnings (loss) per share	**0.09**	(0.01)	(0.01)	0.11	0.09	0.02	(0.01)	0.02
Net earnings (loss) diluted per share	**0.09**	(0.01)	(0.01)	0.11	0.09	0.02	(0.01)	0.02
Adjusted net earnings (loss)	**15.2**	(1.6)	(3.1)	17.8	13.7	0.6	3.4	7.6
Adjusted basic earnings (loss) per share	**0.09**	(0.01)	(0.02)	0.10	0.08	0.00	0.02	0.04

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. 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 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	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
LBMA gold *($/oz)*	**1,310**	1,304	1,228	1,213	1,307	1,330	1,275	1,278
LME settlement copper *($/lb)*	**2.77**	2.82	2.80	2.77	3.12	3.16	3.09	2.88
LBMA spot silver *($/oz)*	**14.89**	15.57	14.55	14.99	16.53	16.77	16.70	16.83

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 six months ended June 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 six months ended June 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 June 30, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	**553,975**	**98,700**	**-**		
Metals contained in concentrate produced[(1)]:					
Gold *(ounces)*	**34,021**	**5,351**	**-**		
Copper *(pounds)*	**9,056,533**	**-**	**-**		
Complex concentrate smelted *(mt)*	**-**	**-**	**61,667**		
Cost of sales	**31,121**	**-**	**37,839**	**2,757**	**71,717**
Add/(deduct):					
Depreciation, amortization & other	**(7,917)**	**-**	**(6,692)**		
Change in concentrate inventory	**(3,620)**	**4,716**	**-**		
Total cash cost before by-product credits	**19,584**	**4,716**	**31,147**		
By-product credits	**(504)**	**(31)**	**(8,122)**		
Total cash cost after by-product credits	**19,080**	**4,685**	**23,025**		
Cash cost per tonne ore processed	**35.35**	**47.78**	**-**		
Cash cost per pound copper produced[(2)]	**0.77**	**-**	**-**		
Cash cost per ounce gold produced[(2)]	**356**	**875**	**-**		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**373**		

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 June 30, 2018**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	554,997	-	-		
Metals contained in concentrate produced[(1)]:					
Gold *(ounces)*	33,420	-	-		
Copper *(pounds)*	8,544,717	-	-		
Complex concentrate smelted *(mt)*	-	-	46,409		
Cost of sales	34,295	-	35,363	3,242	72,900
Add/(deduct):					
Depreciation, amortization & other	(8,006)	-	(5,957)		
Change in concentrate inventory	(6,522)	-	-		
Total cash cost before by-product credits	19,767	-	29,406		
By-product credits	(740)	-	(3,972)		
Total cash cost after by-product credits	19,027	-	25,434		
Cash cost per tonne ore processed	35.62	-	-		
Cash cost per pound copper produced[(2)]	0.84	-	-		
Cash cost per ounce gold produced[(2)]	354	-	-		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	548		

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 six months ended June 30, 2019**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	**1,105,784**	**98,700**	**-**		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	**63,806**	**5,351**	**-**		
Copper *(pounds)*	**17,077,089**	**-**	**-**		
Complex concentrate smelted *(mt)*	**-**	**-**	**124,489**		
Cost of sales	**56,684**	**-**	**74,392**	**5,374**	**136,450**
Add/(deduct):					
Depreciation, amortization & other	**(15,502)**	**-**	**(13,287)**		
Change in concentrate inventory	**(2,448)**	**4,716**	**-**		
Total cash cost before by-product credits	**38,734**	**4,716**	**61,105**		
By-product credits	**(982)**	**(31)**	**(14,825)**		
Total cash cost after by-product credits	**37,752**	**4,685**	**46,280**		
Cash cost per tonne ore processed	**35.03**	**47.78**	**-**		
Cash cost per pound copper produced[2]	**0.81**	**-**	**-**		
Cash cost per ounce gold produced[2]	**376**	**875**	**-**		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**372**		

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 six months ended June 30, 2018**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**MineRP**	**Total**
Ore processed *(mt)*	1,113,146	-	-		
Metals contained in concentrate produced[1]:					
Gold *(ounces)*	75,603	-	-		
Copper *(pounds)*	17,805,901	-	-		
Complex concentrate smelted *(mt)*	-	-	100,551		
Cost of sales	56,841	-	74,355	6,104	137,300
Add/(deduct):					
Depreciation, amortization & other	(16,016)	-	(12,021)		
Change in concentrate inventory	(278)	-	-		
Total cash cost before by-product credits	40,547	-	62,334		
By-product credits	(1,651)	-	(9,864)		
Total cash cost after by-product credits	38,896	-	52,470		
Cash cost per tonne ore processed	36.43	-	-		
Cash cost per pound copper produced[2]	0.79	-	-		
Cash cost per ounce gold produced[2]	329	-	-		
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	522		

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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Cost of sales	**31,121**	34,295	**56,684**	56,841
Add/(deduct):				
Depreciation, amortization & other	**(7,917)**	(8,006)	**(15,502)**	(16,016)
Other charges, including freight(1)	**31,100**	29,943	**55,823**	53,032
By-product credits(2)	**(28,703)**	(30,434)	**(46,577)**	(47,896)
Cash cost of sales, net of by-product credits	**25,601**	25,798	**50,428**	45,961
Payable gold in concentrate sold *(ounces)*(3)	**41,424**	54,660	**80,983**	89,816
Cash cost per ounce of gold sold, net of by-product credits	**618**	472	**623**	512

1) Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $5.2 million (2018 – $6.7 million) and $12.3 million (2018 – $13.3 million) in the second quarter and first six months of 2019, respectively.
2) Includes realized losses on copper swap and option contracts, entered to hedge a portion of projected payable production, of $2.4 million and $5.0 million in the second quarter and first six months of 2018, respectively.
3) Includes payable gold in pyrite concentrate sold in the second quarter and first six months of 2019 of 6,889 ounces (2018 – 9,559 ounces) and 17,942 ounces (2018 – 20,114 ounces), respectively.

DPM's all-in sustaining cost per ounce of gold calculation is set out in the following table:

$ thousands, unless otherwise indicated	Three Months		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Cash cost of sales, net of by-product credits(1)	**25,601**	25,798	**50,428**	45,961
Accretion expenses(1)	**84**	105	**175**	211
General and administrative expenses(2)	**2,090**	2,777	**7,867**	6,013
Cash outlays for sustaining capital(1)	**1,532**	842	**3,171**	1,805
All-in sustaining costs	**29,307**	29,522	**61,641**	53,990
Payable gold in concentrate sold *(ounces)*(3)	**41,424**	54,660	**80,983**	89,816
All-in sustaining cost per ounce of gold	**707**	540	**761**	601

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. Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $5.2 million (2018 – $6.7 million) and $12.3 million (2018 – $13.3 million) in the second quarter and first six months of 2019, respectively.
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.
3) Includes payable gold in pyrite concentrate sold in the second quarter and first six months of 2019 of 6,889 ounces (2018 – 9,559 ounces) and 17,942 ounces (2018 – 20,114 ounces), respectively.

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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Net earnings attributable to common shareholders	**15,389**	16,372	**13,901**	19,079
Add/(deduct) after-tax adjustments:				
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018, net of income tax recovery of $364 and $717[1]	**-**	(3,269)	**-**	(6,448)
Net (gains) losses related to Sabina special warrants, net of income taxes of $nil for all periods	**(203)**	559	**(270)**	1,676
Adjusted net earnings	**15,186**	13,662	**13,631**	14,307
Basic earnings per share	**0.09**	0.09	**0.08**	0.11
Adjusted basic earnings per share	**0.09**	0.08	**0.08**	0.08

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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Earnings before income taxes	**17,660**	18,758	**16,666**	24,393
Add/(deduct):				
Depreciation and amortization	**15,181**	14,288	**29,935**	28,715
Finance cost	**1,473**	1,741	**4,505**	3,664
Interest income	**(53)**	(105)	**(100)**	(155)
Net (gains) losses related to Sabina special warrants	**(203)**	559	**(270)**	1,676
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018[1]	**-**	(3,633)	**-**	(7,165)
Adjusted EBITDA	**34,058**	31,608	**50,736**	51,128

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		Six Months	
Ended June 30,	**2019**	2018	**2019**	2018
Cash provided from operating activities	**9,317**	19,943	**23,770**	30,986
Add changes in non-cash working capital	**20,345**	8,679	**21,665**	16,080
Cash provided from operating activities, excluding changes in non-cash working capital	**29,662**	28,622	**45,435**	47,066
Cash outlays for sustaining capital	**(3,602)**	(4,282)	**(7,089)**	(9,571)
Principal repayments related to leases	**(896)**	(579)	**(1,770)**	(1,021)
Interest payments	**(759)**	(1,696)	**(2,144)**	(3,422)
Free cash flow	**24,405**	22,065	**34,432**	33,052

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**		**Six Months**	
Ended June 30,	**2019**	2018	**2019**	2018
Total revenue	**99,193**	102,877	**184,531**	189,765
Add/(deduct):				
Tsumeb revenue	**(43,343)**	(28,380)	**(84,925)**	(65,209)
MineRP revenue	**(1,856)**	(2,480)	**(3,828)**	(6,666)
Treatment charges and other deductions	**31,100**	29,943	**55,823**	53,032
Unrealized 2017 losses on commodity swap and option contracts that settled in 2018	**-**	(3,633)	**-**	(7,165)
Unfavourable (favourable) final settlements on provisionally priced concentrate sales	**(1,656)**	3,052	**1,420**	1,851
Silver revenue	**(563)**	(888)	**(957)**	(1,505)
Revenue from gold and copper	**82,875**	100,491	**152,064**	164,103
Revenue from gold	**54,736**	70,946	**106,444**	117,713
Payable gold in concentrate sold *(ounces)*	**41,424**	54,660	**80,983**	89,816
Average realized gold price per ounce	**1,321**	1,298	**1,314**	1,311
Revenue from copper	**28,139**	29,545	**45,620**	46,390
Payable copper in concentrate sold *('000s pounds)*	**10,152**	10,398	**16,467**	16,482
Average realized copper price per pound	**2.77**	2.84	**2.77**	2.81

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. 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 June 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 six 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 are: 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, 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; maintaining 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.**

	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash	**22,170**	17,043
Accounts receivable	**40,683**	31,170
Inventories	**39,414**	34,101
Other current assets *(note 4(c) & 4(d))*	**3,010**	1,919
	105,277	84,233
Non-Current Assets		
Investments at fair value *(note 4(a) & 4(b))*	**34,180**	29,997
Mine properties	**184,275**	337,022
Property, plant & equipment	**512,367**	347,822
Intangible assets	**40,373**	45,715
Deferred income tax assets	**11,375**	10,992
Other long-term assets *(note 3(b))*	**21,624**	3,804
	804,194	775,352
TOTAL ASSETS	**909,471**	859,585
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**55,864**	67,285
Income tax liabilities	**1,432**	1,216
Current portion of deferred revenue *(note 3(a))*	**40,800**	21,762
Current portion of long-term liabilities	**4,482**	3,183
	102,578	93,446
Non-Current Liabilities		
Long-term debt *(note 5(a))*	**41,000**	29,000
Deferred revenue *(note 3(a))*	**19,342**	36,399
Rehabilitation provisions	**42,602**	38,388
Share based compensation plans	**8,728**	7,962
Other long-term liabilities	**17,080**	16,209
	128,752	127,958
TOTAL LIABILITIES	**231,330**	221,404
EQUITY		
Share capital	**518,225**	515,658
Contributed surplus	**10,880**	12,085
Retained earnings	**129,810**	115,909
Accumulated other comprehensive loss	**(5,329)**	(11,652)
Equity attributable to common shareholders of the Company	**653,586**	632,000
Non-controlling interests	**24,555**	6,181
TOTAL EQUITY	**678,141**	638,181
TOTAL LIABILITIES AND EQUITY	**909,471**	859,585

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and six months ended June 30, 2019 and 2018

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

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Revenue *(note 10)*	**99,193**	102,877	**184,531**	189,765
Costs and expenses				
Cost of sales	**71,717**	72,900	**136,450**	137,300
General and administrative expenses	**4,363**	4,331	**17,721**	13,944
Corporate social responsibility expenses	**692**	245	**942**	504
Exploration and evaluation expenses	**3,175**	3,162	**6,080**	5,088
Finance cost	**1,473**	1,741	**4,505**	3,664
Other expense	**113**	1,740	**2,167**	4,872
Earnings before income taxes	**17,660**	18,758	**16,666**	24,393
Current income tax expense	**1,533**	3,263	**3,252**	6,364
Deferred income tax expense (recovery)	**533**	(558)	**(378)**	(697)
Net earnings	**15,594**	16,053	**13,792**	18,726
Net earnings (loss) attributable to:				
Common shareholders of the Company	**15,389**	16,372	**13,901**	19,079
Non-controlling interests	**205**	(319)	**(109)**	(353)
Net earnings	**15,594**	16,053	**13,792**	18,726
Earnings per share attributable to common shareholders of the Company				
- Basic	**0.09**	0.09	**0.08**	0.11
- Diluted	**0.09**	0.09	**0.08**	0.11

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

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Net earnings	**15,594**	16,053	**13,792**	18,726
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 $(4) (2018 - ($167)) and $(25) (2018 - $2), respectively	**837**	(8,353)	**739**	(5,055)
Deferred cost of hedging, net of income tax expense (recovery) of $(2) (2018 - $20) and $(8) (2018 - $65), respectively	**1,872**	298	**2,336**	432
Realized (gains) losses transferred to cost of sales, net of income tax expense of $nil (2018 - $nil) and $nil (2018 - $nil), respectively	**(165)**	224	**(549)**	(735)
Cost of hedging transferred to cost of sales, net of income tax expense of $nil (2018 - $nil) and $nil (2018 - $nil), respectively	**-**	(416)	**-**	(628)
Commodity swap and option contracts designed as cash flow hedges				
Unrealized gains (losses), net of income tax expense (recovery) of $nil (2018 - ($18)) and $nil (2018 - $425), respectively	**-**	(164)	**-**	3,826
Deferred cost of hedging, net of income tax expense of $nil (2018 - $43) and $nil (2018 - $171), respectively	**-**	389	**-**	1,538
Realized gains transferred to revenue, net of income tax expense of $nil (2018 - $83) and $nil (2018 - $144), respectively	**-**	(748)	**-**	(1,298)
Cost of hedging transferred to revenue, net of income tax expense of $nil (2018 - $43) and $nil (2018 - $76), respectively	**-**	(387)	**-**	(682)
Currency translation adjustments	**813**	(5,107)	**607**	(3,055)
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	**2,165**	(2,620)	**3,163**	(15,951)
	5,522	(16,884)	**6,296**	(21,608)
Comprehensive income (loss)	**21,116**	(831)	**20,088**	(2,882)
Comprehensive income (loss) attributable to:				
Common shareholders of the Company	**20,550**	617	**19,885**	(1,846)
Non-controlling interests	**566**	(1,448)	**203**	(1,036)
Comprehensive income (loss)	**21,116**	(831)	**20,088**	(2,882)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and six months ended June 30, 2019 and 2018

(unaudited, in thousands of U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
OPERATING ACTIVITIES				
Earnings before income taxes	**17,660**	18,758	**16,666**	24,393
Depreciation and amortization	**15,181**	14,288	**29,935**	28,715
Changes in non-cash working capital *(note 8(a))*	**(20,345)**	(8,679)	**(21,665)**	(16,080)
Other items not affecting cash *(note 8(b))*	**4**	2,420	**2,694**	3,795
Payments for settlement of derivative contracts	**(423)**	(1,943)	**(1,057)**	(4,382)
Income taxes paid	**(2,760)**	(4,901)	**(2,803)**	(5,455)
Cash provided from operating activities	**9,317**	19,943	**23,770**	30,986
INVESTING ACTIVITIES				
Purchase of publicly traded securities	**-**	(1,425)	**(748)**	(5,419)
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets	**2,604**	19	**8,188**	40
Expenditures on mine properties	**(12,304)**	(19,200)	**(29,414)**	(42,892)
Expenditures on property, plant and equipment	**(3,143)**	(5,093)	**(6,250)**	(10,392)
Expenditures on intangible assets	**(333)**	(160)	**(775)**	(173)
Cash used in investing activities	**(13,176)**	(25,859)	**(28,999)**	(58,836)
FINANCING ACTIVITIES				
Proceeds from share issuance	**1,726**	55	**2,270**	156
Drawdowns under credit facilities *(note 5(a) & 5(b))*	**12,000**	7,806	**12,000**	17,806
Financing fees on debt	**-**	(575)	**-**	(575)
Lease obligations	**(896)**	(579)	**(1,770)**	(1,021)
Interest paid	**(759)**	(1,696)	**(2,144)**	(3,422)
Cash provided from financing activities	**12,071**	5,011	**10,356**	12,944
Increase (decrease) in cash	**8,212**	(905)	**5,127**	(14,906)
Cash at beginning of period	**13,958**	14,766	**17,043**	28,767
Cash at end of period	**22,170**	13,861	**22,170**	13,861

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

	June 30, 2019		June 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	**672,953**	**1,659**	6,239	12
Transferred from contributed surplus on exercise of stock options		**834**		6
Balance at end of period	**179,240,592**	**518,225**	178,513,805	515,562
Contributed surplus				
Balance at beginning of period		**12,085**		11,720
Share based compensation expense		**557**		608
Transferred to share capital on exercise of stock options		**(834)**		(6)
Gain on GHM Transaction *(note 3(b))*		**361**		-
Other changes in contributed surplus		**(1,289)**		(471)
Balance at end of period		**10,880**		11,851
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		**13,901**		19,079
Balance at end of period		**129,810**		96,875
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)		**5,984**		(20,925)
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 - $261)		**339**		(2,351)
Balance at end of period		**(5,329)**		(2,137)
Total equity attributable to common shareholders of the Company		**653,586**		622,151
Non-controlling interests				
Balance at beginning of period		**6,181**		7,326
Net loss attributable to non-controlling interests		**(109)**		(353)
Other comprehensive income (loss) attributable to non-controlling interests		**312**		(683)
GHM Transaction *(note 3(b))*		**17,239**		-
Other changes in non-controlling interests		**932**		471
Balance at end of period		**24,555**		6,761
Total equity at end of period		**678,141**		628,912

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 June 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 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 July 30, 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 $118.4 million and $180.6 million were transferred from mine properties - mine under construction to mine properties - producing mines and to property, plant and equipment, respectively.

During the six months ended June 30, 2019, Ada Tepe did not recognize any revenues from the sale of concentrate in the condensed interim consolidated statements of earnings (loss) as the sale that was completed occurred prior to achieving commercial production and was recognized, together with the associated costs of sale, in mine properties in the condensed interim consolidated statements of financial position.

With the commencement of commercial production, Ada Tepe now qualifies as a reportable 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**

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

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 June 30, 2019	Carrying Amount December 31, 2018
Financial assets			
Cash	Amortized cost	**22,170**	17,043
Accounts receivable on provisionally priced sales	Fair value through profit or loss	**5,353**	7,921
Other accounts receivable and assets	Amortized cost	**52,965**	23,249
Restricted cash	Amortized cost	**2,176**	2,140
Sabina special warrants *(a)*	Fair value through profit or loss	**2,887**	2,617
Publicly traded securities *(b)*	Fair value through other comprehensive income	**31,293**	27,380
Commodity swap contracts *(c)*	Derivatives for fair value hedges	**-**	197
Foreign exchange forward and option contracts *(d)*	Derivatives for cash flow hedges	**2,254**	351
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**55,502**	66,303
Debt *(note 5(a))*	Amortized cost	**41,000**	29,000
Commodity swap contracts *(c)*	Derivatives for fair value hedges	**362**	60
Foreign exchange forward and option contracts *(d)*	Derivatives for cash flow hedges	**-**	922

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

(a) Sabina special warrants

As at June 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 six months ended June 30, 2019, the Company recognized unrealized gains on the Sabina special warrants of $0.2 million (2018 – unrealized losses of $0.2 million) and $0.3 million (2018 – unrealized losses of $1.8 million), respectively, in other 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 six months ended June 30, 2019, the Company recognized unrealized gains on these publicly traded securities of $2.2 million (2018 – unrealized losses of $2.6 million) and $3.2 million (2018 – unrealized losses of $17.1 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 June 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	5,005 ounces	$1,338.30 /ounce

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 June 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 June 30, 2019, the net fair value loss on all outstanding commodity swap contracts was $0.4 million (December 31, 2018 – a net fair value gain of $0.1 million), of which $nil (December 31, 2018 – $0.2 million) was included in other current assets and $0.4 million (December 31, 2018 – $0.1 million) in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2019, the Company recognized unrealized gains of $nil (2018 – unrealized losses of $1.0 million) and $nil (2018 – $3.8 million), respectively, in other comprehensive income (loss) on outstanding commodity swap and option contracts. The Company also recognized net gains of $0.5 million (2018 – $1.4 million) and net losses of $1.1 million (2018 – net gains of $2.4 million), respectively, for the three and six months ended June 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.

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

As at June 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	780,000,000	15.46	14.00
2020	952,560,000	16.15	14.64

(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 June 30, 2019, the fair value gain on all outstanding foreign exchange forward and option contracts was $2.3 million (December 31, 2018 – a net fair value loss of $0.6 million), of which $1.6 million (December 31, 2018 – $0.3 million) was included in other current assets, $nil (December 31, 2018 – $0.9 million) in accounts payable and accrued liabilities, and $0.7 million (December 31, 2018 – $nil) in other long-term assets.

For the three and six months ended June 30, 2019, the Company recognized unrealized gains of $0.7 million (2018 – unrealized losses of $9.5 million) and $0.3 million (2018 – unrealized losses of $9.2 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 $0.2 million (2018 – realized losses of $0.3 million) and $0.6 million (2018 – $0.7 million), respectively, for the three and six months ended June. 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 losses of $0.06 million (2018 – realized gains of $1.2 million) and $0.1 million (2018 – realized gains of $3.4 million), respectively, for the three and six months ended June 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 six months ended June 30, 2019, the Company recognized $1.9 million (2018 – $0.3 million) and $2.5 million (2018 – $0.5 million) of unrealized gains 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 – $0.4 million) and $nil (2018 – $0.6 million), respectively, for the three and six months ended June 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 $0.1 million (2018 – $0.5 million) and $0.2 million (2018 – $0.8 million), respectively, for the three and six months ended June 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 June 30, 2019 and December 31, 2018:

				As at June 30, 2019
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable on provisionally priced sales	**-**	**5,353**	**-**	**5,353**
Sabina special warrants	**-**	**-**	**2,887**	**2,887**
Publicly traded securities	**31,293**	**-**	**-**	**31,293**
Foreign exchange forward and option contracts	**-**	**2,254**	**-**	**2,254**
Financial liabilities				
Commodity swap contracts	**-**	**362**	**-**	**362**

				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 six months ended June 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.

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

The following table reconciles Level 3 fair value measurements from January 1, 2018 to June 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	**270**
Balance as at June 30, 2019	**2,887**

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 3.5:1, (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 June 30, 2019, DPM was in compliance with all financial covenants and $41.0 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 ($3.6 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 June 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 June 30, 2019, $4.7 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 ($23.9 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 June 30, 2019, $23.9 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 June 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 six months ended June 30, 2019:

	Number of units granted	Fair value granted
Restricted Share Units ("RSUs")	**1,285,920**	**3,287**
Performance Share Units ("PSUs")	**452,320**	**1,585**
Deferred Share Units ("DSUs")	**92,227**	**324**
DPM Stock Options	**676,533**	**1,189**

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

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
RSUs	**(867)**	(6)	**1,169**	600
PSUs	**(2,039)**	(85)	**433**	552
DSUs	**365**	(62)	**1,691**	118
Total mark-to-market adjustments	**(2,541)**	(153)	**3,293**	1,270

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 six months ended June 30, 2019 and 2018 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Salaries, management bonuses and director fees	**1,957**	1,213	**3,171**	2,510
Other benefits	**141**	92	**234**	192
Share based compensation	**1,861**	853	**5,692**	2,425
Total remuneration	**3,959**	2,158	**9,097**	5,127

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

(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 June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Increase in accounts receivable and other assets	**(6,410)**	(12,929)	**(9,450)**	(21,514)
(Increase) decrease in inventories	**372**	6,127	**(1,915)**	(946)
Increase (decrease) in accounts payable and accrued liabilities	**(11,501)**	(619)	**(10,919)**	6,371
Increase (decrease) in other liabilities	**(2,806)**	(1,258)	**619**	9
	(20,345)	(8,679)	**(21,665)**	(16,080)

(b) Other items not affecting cash

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Net interest expense	**851**	1,029	**3,269**	2,333
Accretion expense related to rehabilitation provisions	**569**	607	**1,136**	1,176
Share based compensation expense	**224**	271	**557**	608
Net (gains) losses on Sabina special warrants	**(203)**	559	**(270)**	1,676
Net (gains) losses on commodity swap and option contracts	**(454)**	(1,318)	**1,140**	(2,332)
Net gains on foreign exchange forward and option contracts	**(165)**	(191)	**(549)**	(1,363)
Other, net	**(818)**	1,463	**(2,589)**	1,697
	4	2,420	**2,694**	3,795

9. COMMITMENTS AND OTHER CONTINGENCIES

(a) Commitments

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

	up to 1 year	1 - 5 years	Total
Capital commitments	19,262	-	**19,262**
Purchase commitments	6,188	8	**6,196**
Total commitments	**25,450**	**8**	**25,458**

As at June 30, 2019, Tsumeb had approximately $57.9 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 to provide for, among other things, lower stockpile interest deductions on excess secondary materials, specified quarterly targeted reductions designed to eliminate excess secondary materials representing at that time approximately $90.0 million over a period that extends to December 31, 2020, the purchase of secondary materials in excess of established quarterly targeted levels, and the extension of the tolling agreement by one year. During the six months ended June 30, 2019, no purchase of secondary materials was required. As at June 30, 2019, the value of excess secondary materials was approximately $32.8 million (December 31, 2018 – $39.0 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.

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

	Three months ended June 30, 2019				
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Revenue *(a)*	**53,994**	**-**	**43,343**	**1,856**	**99,193**
Earnings (loss) before income taxes	**22,309**	**(688)**	**4,061**	**(8,022)**	**17,660**
Capital expenditures	**3,955**	**13,969**	**1,843**	**440**	**20,207**

	Three months ended June 30, 2018 (Restated)				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	72,017	-	28,380	2,480	102,877
Earnings (loss) before income taxes	36,172	(294)	(7,740)	(9,380)	18,758
Capital expenditures	2,695	19,523	4,494	93	26,805

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

	Six months ended June 30, 2019				
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Revenue *(a)*	**95,778**	**-**	**84,925**	**3,828**	**184,531**
Earnings (loss) before income taxes	**37,450**	**(612)**	**7,247**	**(27,419)**	**16,666**
Capital expenditures	**6,517**	**30,614**	**2,178**	**1,068**	**40,377**

	Six months ended June 30, 2018 (Restated)				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue *(a)*	117,890	-	65,209	6,666	189,765
Earnings (loss) before income taxes	58,212	(886)	(12,394)	(20,539)	24,393
Capital expenditures	4,334	43,738	8,834	333	57,239

(a) Chelopech's revenues were generated from the sale of concentrate, Ada Tepe's sale of concentrate did not generate any revenue as it occurred prior to achieving commercial production *(see note 3(a))*, 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 six months ended June 30, 2019 and 2018:

	Three months ended June 30,		**Six months ended June 30,**	
	2019	2018	**2019**	2018
Revenue recognized at a point in time from:				
Sale of concentrate	**54,693**	71,947	**94,784**	117,712
Processing concentrate	**35,440**	24,279	**70,398**	55,312
Acid sales	**7,903**	4,101	**14,527**	9,897
Sale of software licenses	**277**	499	**345**	750
Mark-to-market price adjustments on provisionally priced sales	**(699)**	70	**994**	178
Revenue recognized over time from:				
Software services	**1,579**	1,981	**3,483**	5,916
Total revenue	**99,193**	102,877	**184,531**	189,765

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

				As at June 30, 2019	
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Total current assets	**37,892**	**15,615**	**38,693**	**13,077**	**105,277**
Total non-current assets	**178,622**	**311,579**	**226,985**	**87,008**	**804,194**
Total assets	**216,514**	**327,194**	**265,678**	**100,085**	**909,471**
Total liabilities	**35,811**	**86,438**	**43,916**	**65,165**	**231,330**

				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

CORPORATE INFORMATION

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David Rae
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Michael Dorfman
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Kelly Stark-Anderson
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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.

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