



2022 SECOND QUARTER REPORT

**UNLOCKING
VALUE.**

**DELIVERING
RESULTS.**





SECOND QUARTER REPORT – Q2 2022

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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, 2022
(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") as at June 30, 2022 and for the three and six months ended June 30, 2022. 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, 2022 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional Company information, including the Company's most recent annual information form ("AIF") and other continuous disclosure documents, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.dundeeprecious.com. To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Capitalized terms used in this MD&A that have not been defined have the same meanings attributed to them as in DPM's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022. 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.

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as non-GAAP financial measures or ratios. 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 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 and ratios, 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.

The Company uses the following non-GAAP financial measures and ratios in this MD&A:

- mine cash cost
- cash cost per tonne of ore processed
- mine cash cost of sales
- cash cost per ounce of gold sold
- all-in sustaining cost
- all-in sustaining cost per ounce of gold sold
- smelter cash cost
- cash cost per tonne of complex concentrate smelted
- adjusted earnings (loss) before interest, taxes, depreciation and amortization (“EBITDA”)
- adjusted net earnings (loss)
- adjusted basic earnings per share
- cash provided from operating activities, before changes in working capital
- free cash flow
- average realized metal prices

For a detailed description of each of the non-GAAP financial measures and ratios used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the “Non-GAAP Financial Measures” section commencing on page 45 of this MD&A.

The technical and scientific information in this MD&A 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 adopted by CIM Council on May 10, 2014 (the “CIM Definition Standards”) for Mineral Resources and Mineral Reserves, and has been reviewed and approved by Ross Overall, B.Sc. (Applied Geology), Corporate Mineral Resource Manager of DPM, who is a Qualified Person (“QP”) as defined under NI 43-101, and who is not independent of the Company.

This MD&A has been prepared as at July 28, 2022.

OVERVIEW

Our Business

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

The Company’s purpose is to unlock resources and generate value to thrive and grow together. As illustrated in the graphic below, this overall purpose is supported by a foundation of core values, which guide how the Company conducts its business and informs a set of complementary strategic pillars and objectives relating to Environmental Social Governance (“ESG”), innovation, optimizing our existing portfolio, and growth. The Company’s resources are allocated in-line with its strategy to ensure that DPM delivers value for all of its stakeholders.



Continuing Operations:

As at June 30, 2022, DPM's principal subsidiaries include:

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

As at June 30, 2022, DPM holds interests, directly or indirectly, in a number of exploration and development properties located in Ecuador, Serbia and Canada including:

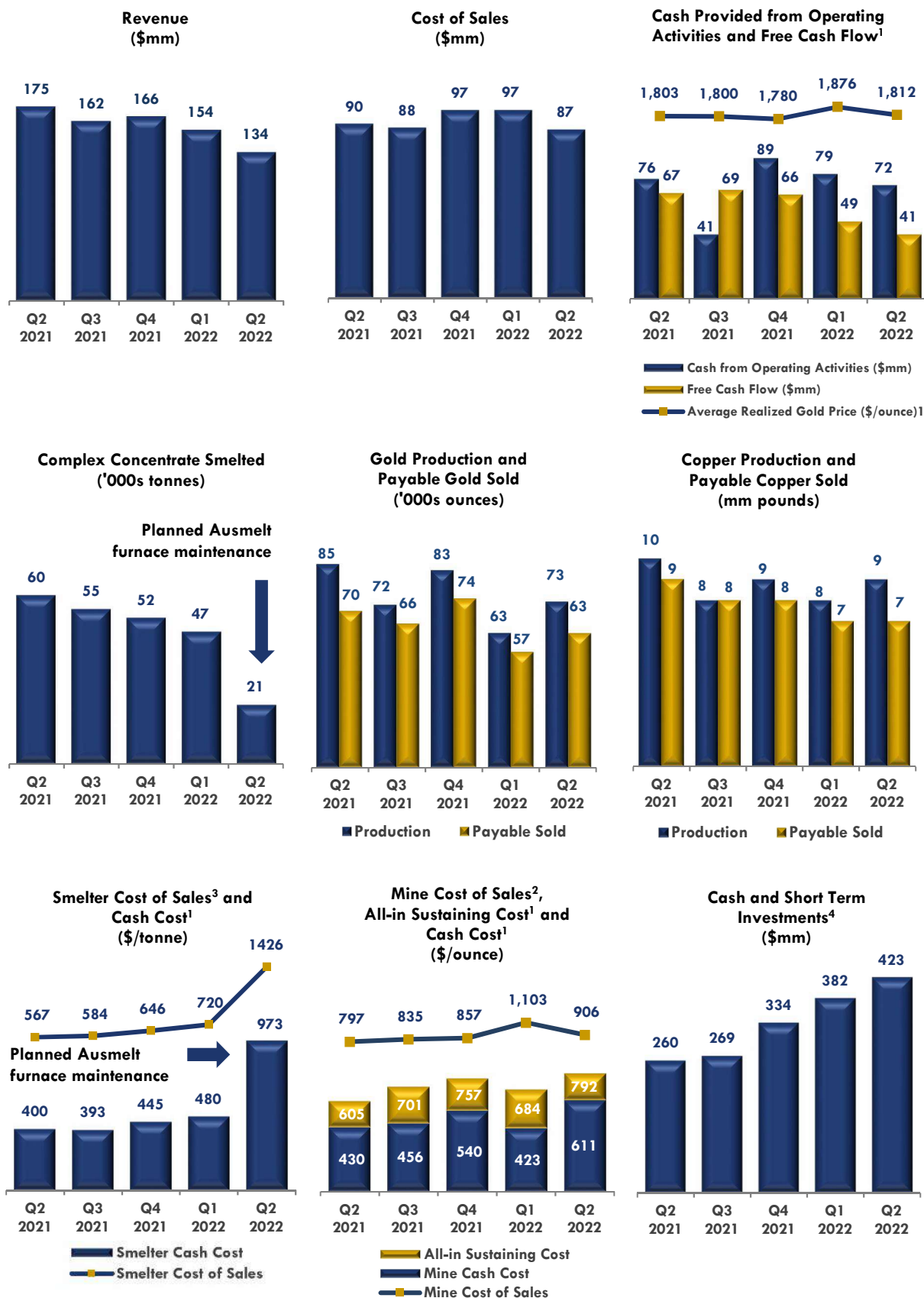
- 100% of DPM Ecuador S.A. ("DPM Ecuador"), which is focused on the exploration and development of the Loma Larga gold project located in Ecuador;
- 100% of DPM Avala d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia; and
- 5.8% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

Discontinued Operations:

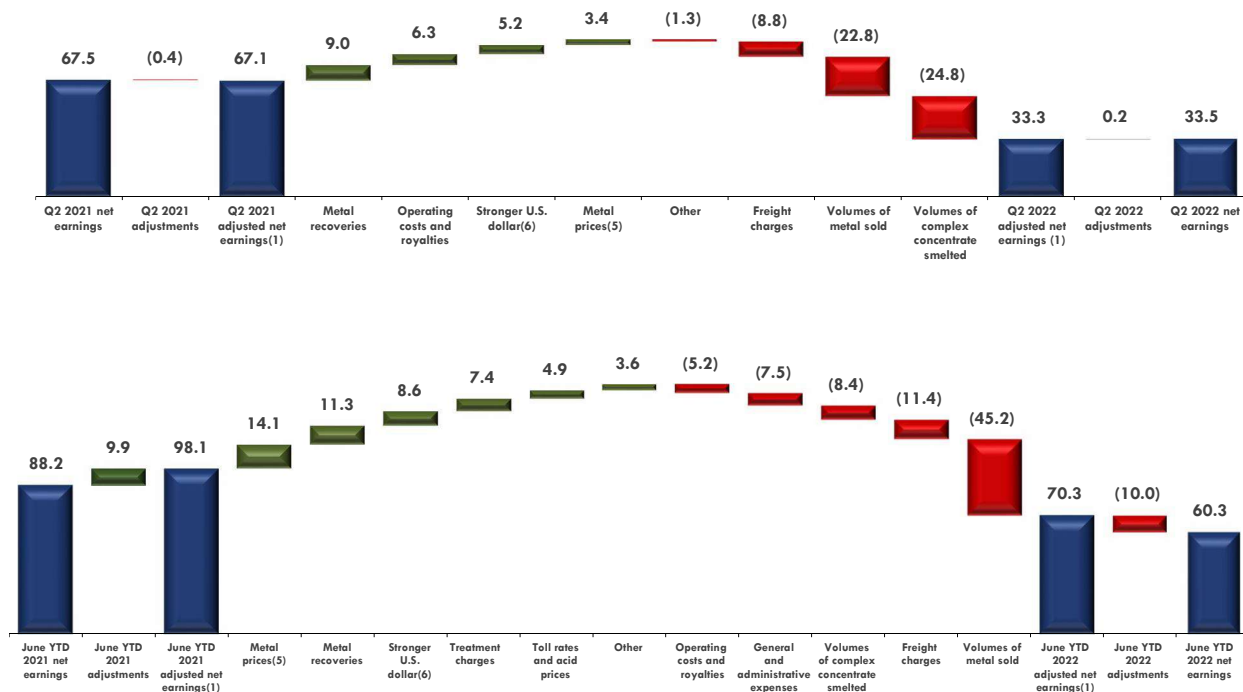
On May 3, 2021, DPM sold its 73.7% ownership interest in MineRP Holdings Inc. ("MineRP"), which owns MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile ("MineRP Disposition"). As a result of the MineRP Disposition, DPM no longer owns any shares of MineRP and the operating results and cash flows of MineRP have been presented as discontinued operations in the condensed interim consolidated statements of earnings (loss) and cash flows for the three and six months ended June 30, 2021.

All operational and financial information contained in this MD&A are related to continuing operations, unless otherwise stated.

Overview – Operational and Financial Highlights



**Net Earnings Attributable to Common Shareholders
from Continuing Operations
(\$mm)**



- 1) Free cash flow; average realized metal prices; cash cost per tonne of complex concentrate smelted; all-in sustaining cost per ounce of gold sold; cash cost per ounce of gold sold; and adjusted net earnings are non-GAAP financial measures or ratios. Refer to the "Non-GAAP Financial Measures" section commencing on page 45 of this MD&A for more information, including reconciliations to IFRS measures.
- 2) Cost of sales per ounce of gold sold represents cost of sales for Chelopech and Ada Tepe divided by payable gold in concentrate sold. This measure is before by-product credits while all-in sustaining cost and cash cost per ounce of gold sold are net of by-product credits.
- 3) Cost of sales per tonne of complex concentrate smelted represents cost of sales for Tsumeb divided by tonnes of complex concentrate smelted. This measure is before by-product credits while cash cost per tonne of complex concentrate smelted is net of by-product credits.
- 4) Net cash and short-term investments represent cash and short-term investments less total debt at the end of each reporting period. The Company had no debt at the end of all reporting periods presented above.
- 5) Includes net gains and losses on commodity swap contracts recognized in net earnings.
- 6) Includes realized gains and losses on foreign exchange option contracts.

Conflict in Ukraine

On February 24, 2022, Russia launched an invasion of Ukraine which, as of the date hereof, is still ongoing. Given the role each country plays around global energy and agricultural trade, the international community's imposition of a variety of sanctions on Russia, and the withdrawal of foreign products and services to Russia, this invasion is putting further strains on the global supply chain and adding additional pricing pressure above and beyond what previously was attributable to the coronavirus ("COVID-19") pandemic.

The Company's Chelopech and Ada Tepe mines are located in Eastern Europe in Bulgaria. Bulgaria does not share a border with either Russia or Ukraine and is part of the North Atlantic Treaty Organization and the European Union. The main sources of Bulgaria's electric energy are nuclear and coal facilities, which together comprise approximately 80% of Bulgaria's total energy generation. Although Russia has halted natural gas deliveries to Bulgaria, approximately 5% of Bulgaria's total energy supply is generated from natural gas and DPM has not experienced and does not anticipate any disruption of power supply to its mines as a result. Furthermore, the Company does not source any supplies from Russia or Russian companies. In June 2022, the Council of Europe adopted a sixth package of sanctions that, among other things, prohibits the purchase, import or transfer of crude oil and certain petroleum products from Russia to the European Union ("EU"). The restrictions will apply gradually, within six months for crude oil and within eight months for other refined petroleum products. A temporary exemption is available for those EU member states that, due to their geographic situation, suffer from a specific dependence on Russian supplies and have no viable alternative options. Bulgaria secured this exemption until end of 2024.

As a result, the impact of the conflict in Ukraine on the Company has been limited to increased costs for energy, fuel and other direct materials. Further escalation of the conflict, including an outbreak of and/or expansion of hostilities into other countries or regions within Europe could have a material adverse effect on the Company's operations due to, among other factors, disruption in the Company's supply chain, increased input costs, and increased risk (or perception of increased risk) in the profile of the Company's operations in Eastern Europe. The Company continues to monitor and will proactively manage the situation, although there is no assurance that the Company's operations will not be adversely affected by current geopolitical tensions.

For additional details, refer to the news release entitled "Dundee Precious Metals' Bulgarian Operations Unaffected by Reduced Natural Gas Supply to Bulgaria" dated April 27, 2022, which has been posted on the Company's website at www.dundeeprecious.com.

Response to COVID-19

In March 2020, the World Health Organization classified the COVID-19 epidemic as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19 and all operations are currently operating at full capacity.

The Company continues to closely assess and monitor the COVID-19 situation in the jurisdictions in which it operates. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location, which are directed at safeguarding employees, managing potential supply chain disruptions and maintaining production at each of its operations. These precautionary steps include, but are not limited to, the use of personal protective equipment, workplace and social distancing practices, remote and rotational working options, health hygiene protocols, management of non-essential business travel and site access, widespread workforce education on COVID-19 and the benefits of getting vaccinated as well as the support for vaccination programs in the Company's areas of operations.

Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations. DPM continues to engage with local communities and authorities in Bulgaria, Namibia, Serbia and Ecuador as they respond to the challenges of the pandemic. To date, the Company has contributed approximately \$1.2 million to support numerous COVID-19 related initiatives to benefit local communities. This financial support has primarily focused on local hospitals to provide additional medical facilities, supplies, transportation and protective equipment.

The Company continues to experience several positive cases of COVID-19 within its workforce which are being effectively managed with isolation measures and, to date, the vast majority of employees have recovered. Multiple COVID-19 variants have emerged and are circulating globally. These variants spread more easily and quickly than the original virus resulting in a surge in the number of cases, including in regions in which the Company operates. Given the management protocols in effect, the impact on production has been minimal.

Certain vaccines have received regulatory approval in the countries in which the Company operates, and the respective governments are progressing vaccination of their populations although vaccination rates remain low in some jurisdictions. The timing and speed of vaccination in each jurisdiction is uncertain at this time and depends on several factors including supply of the vaccines and increasing the levels of vaccine acceptance.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results. There is no assurance that the pandemic will not have a material adverse impact on the future results of the Company.

Summary of significant operational and financial highlights

In the second quarter of 2022, the Company delivered strong operating performance at Chelopech and Ada Tepe, benefitting from higher than expected gold grades and recoveries. Gold grades at Ada Tepe are expected to increase further in the fourth quarter in line with the mine plan and both mines remain on track to achieve their 2022 production guidance. At Tsumeb, the Company completed the planned Ausmelt furnace maintenance shutdown in the quarter and resumed full operations at the beginning of July. This 45-day maintenance shutdown included additional maintenance to the off-gas and baghouse systems which is expected to improve the operating performance for the smelter moving forward. 2022 guidance for complex concentrate smelted and cash cost per tonne of complex concentrate smelted was updated to reflect lower than expected year-to-date performance.

Net earnings attributable to common shareholders from continuing operations in the second quarter of 2022 were \$33.5 million compared to \$67.5 million in the corresponding period in 2021. This decrease was due primarily to the maintenance shutdown at Tsumeb, lower volumes of metal sold and higher freight charges at Chelopech, partially offset by higher estimated metal recoveries at Tsumeb, a stronger U.S. dollar and higher realized gold and copper prices.

Net earnings attributable to common shareholders from continuing operations in the first six months of 2022 were \$60.3 million compared to \$88.2 million in the corresponding period in 2021. This decrease was due primarily to lower volumes of metal sold, higher freight charges at Chelopech, lower volumes of complex concentrate smelted at Tsumeb and higher share-based compensation, as well as Tsumeb restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter, partially offset by higher realized metal and sulphuric acid prices, higher estimated metal recoveries at Tsumeb, a stronger U.S. dollar and lower treatment charges at Chelopech.

Available liquidity, including cash of \$423.3 million, as well as DPM's \$150.0 million available capacity under its long-term revolving credit facility ("RCF"), was \$573.3 million as at June 30, 2022.

REVIEW OF FINANCIAL AND OPERATIONAL CONSOLIDATED RESULTS

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

<i>\$ thousands, unless otherwise indicated</i>	Three Months		Six Months	
	2022	2021	2022	2021
Ended June 30,				
Financial Highlights				
Revenue	134,483	174,736	288,284	312,766
Cost of sales	86,834	89,941	184,117	175,584
Depreciation and amortization	27,248	24,247	51,502	48,425
General and administrative expenses	6,235	2,982	14,766	6,847
Corporate social responsibility expenses	757	654	1,511	1,133
Exploration and evaluation expenses	5,817	5,055	9,099	9,685
Finance cost	1,475	1,314	2,838	2,717
Other (income) expense	(7,507)	(142)	1,191	6,591
Earnings before income taxes	40,872	74,932	74,762	110,209
Income tax expense	7,380	7,443	14,445	22,006
Net earnings attributable to common shareholders				
from continuing operations	33,492	67,502	60,317	88,221
Net earnings attributable to common shareholders ⁽¹⁾	33,492	88,153	60,317	108,215
Basic earnings per share from continuing operations	0.18	0.37	0.32	0.49
Basic earnings per share ⁽¹⁾	0.18	0.48	0.32	0.60
Adjusted EBITDA ⁽²⁾	68,653	100,632	138,128	166,797
Adjusted net earnings	33,266	67,116	70,308	98,138
Adjusted basic earnings per share ⁽²⁾	0.17	0.37	0.37	0.54
Cash provided from operating activities	71,838	75,697	150,377	123,288
Free cash flow	41,206	67,045	89,930	118,052
Dividend distributions	7,632	5,461	15,263	10,920
Share repurchases	565	-	9,464	-
Capital expenditures incurred:				
Growth ⁽³⁾	7,592	3,901	13,740	5,492
Sustaining ⁽⁴⁾	21,139	11,893	29,971	29,333
Total capital expenditures	28,731	15,794	43,711	34,825
Operational Highlights				
Metals contained in concentrate produced:				
Gold (<i>ounces</i>)	72,904	85,128	135,819	155,386
Copper (<i>'000s pounds</i>)	8,809	10,013	16,502	17,187
Payable metals in concentrate sold:				
Gold (<i>ounces</i>)	62,709	70,430	120,090	138,997
Copper (<i>'000s pounds</i>)	7,242	9,468	13,783	16,747
Cost of sales per ounce of gold sold	906	797	1,000	811
Cash cost per ounce of gold sold	611	430	521	429
All-in sustaining cost per ounce of gold sold	792	605	741	583
Complex concentrate smelted (<i>mt</i>)	21,054	59,627	68,297	82,636
Cost of sales per tonne of complex concentrate smelted	1,426	567	938	761
Cash cost per tonne of complex concentrate smelted	973	400	632	558

As at,	June 30, 2022	December 31, 2021
Financial Position and Available Liquidity		
Cash	423,319	334,377
Investments at fair value	35,833	47,983
Total assets	1,184,366	1,168,410
Total equity	1,030,867	1,004,413
Number of common shares outstanding ('000s)	190,791	191,441
Share price (Cdn\$ per share)	6.41	7.82
Available liquidity ⁽⁵⁾	573,319	484,377

- 1) These measures include discontinued operations for the second quarter and first six months of 2021.
- 2) Adjusted EBITDA and adjusted basic earnings per share are non-GAAP financial measures or ratios. Refer to the "Non-GAAP Financial Measures" section commencing on page 45 of this MD&A for more information, including reconciliations to IFRS measures.
- 3) 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.
- 4) 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.
- 5) Available liquidity is defined as cash and short-term investments plus the available capacity under DPM's RCF 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 and copper based on the London Bullion Market Association ("LBMA") for gold and the London Metal Exchange ("LME") for copper (Grade A) for the three and six months ended June 30, 2022 and 2021 and highlights the overall year over year change in commodity prices.

Metal Prices (Market Average) Ended June 30,	Three Months			Six Months		
	2022	2021	Change	2022	2021	Change
LBMA gold (\$/ounce)	1,867	1,815	3%	1,870	1,808	3%
LME settlement copper (\$/pound)	4.32	4.40	(2%)	4.43	4.12	7%

The average realized gold price for the second quarter and first six months of 2022 of \$1,812 per ounce and \$1,843 per ounce, respectively, was 1% and 3% higher than the corresponding periods in 2021, reflecting year over year market movements. The average realized copper price for the second quarter and first six months of 2022 of \$4.42 per pound and \$4.50 per pound, respectively, was 11% and 16% higher than the corresponding periods in 2021. These increases were higher than the year over year market movements as a result of DPM hedging substantially all of payable copper sold during the first six months of 2021 with an average hedge price of \$3.63 per pound.

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

Foreign Exchange Rates (Market Average) Ended June 30,	Three Months			Six Months		
	2022	2021	Change	2022	2021	Change
US\$/Cdn\$	1.2765	1.2279	4%	1.2714	1.2472	2%
Euro/US\$	1.0656	1.2047	12%	1.0938	1.2052	9%
US\$/ZAR	15.5569	14.1256	10%	15.3941	14.5363	6%

As at June 30, 2022, approximately 82% of projected Namibian dollar operating expenses for the balance of 2022 have been hedged with option contracts providing a weighted average floor price of 15.13 and a weighted average ceiling price of 17.04. In addition, approximately 83% of projected Namibian dollar

operating expenses for 2023 have been hedged with option contracts providing a weighted average floor price of 15.50 and a weighted average ceiling price of 17.50.

Metals production

Gold contained in concentrate produced in the second quarter and first six months of 2022 of 72,904 ounces and 135,819 ounces, respectively, was 14% and 13% lower than the corresponding periods in 2021 due primarily to lower expected gold grades at Ada Tepe as a result of mining in lower gold grade zones, partially offset by improved gold recoveries at Chelopech.

Copper production in the second quarter of 2022 decreased by 12% to 8.8 million pounds due primarily to lower copper grades and recoveries, and copper production in the first six months of 2022 decreased by 4% to 16.5 million pounds due primarily to lower copper grades, partially offset by higher copper recoveries, relative to the corresponding periods in 2021.

Metals sold

Payable gold in concentrate sold in the second quarter and first six months of 2022 of 62,709 ounces and 120,090 ounces, respectively, was 11% and 14% lower than the corresponding periods in 2021 consistent with lower gold production.

Payable copper in concentrate sold in the second quarter and first six months of 2022 of 7.2 million pounds and 13.7 million pounds, respectively, was 24% and 18% lower than the corresponding periods in 2021 due primarily to lower copper production and timing of deliveries.

Complex concentrate smelted

Complex concentrate smelted at Tsumeb during the second quarter of 2022 of 21,054 tonnes was 65% lower than the corresponding period in 2021 due primarily to the planned Ausmelt furnace maintenance shutdown, which was completed during the second quarter of 2022. Originally planned for 30 days, the maintenance shutdown was extended to 45 days for additional maintenance to the off-gas and baghouse systems, which is expected to improve operational performance moving forward.

Complex concentrate smelted at Tsumeb during the first six months of 2022 of 68,297 tonnes was 17% lower than the corresponding period in 2021 due primarily to unplanned downtime as a result of maintenance to the off-gas and baghouse systems during the first six months of 2022.

Revenue

Revenue in the second quarter of 2022 of \$134.5 million was \$40.2 million lower than the corresponding period in 2021 due primarily to the planned Ausmelt furnace maintenance shutdown at Tsumeb and lower volumes of metal sold, partially offset by higher estimated metal recoveries at Tsumeb as a result of extensive clean-up and measurement activities during the shutdown resulting in higher estimated levels of material-in-circuit.

Revenue in the first six months of 2022 of \$288.3 million was \$24.4 million lower than the corresponding period in 2021 due primarily to lower volumes of metal sold and lower volumes of complex concentrate smelted, partially offset by higher realized metal and sulphuric acid prices, higher estimated metal recoveries at Tsumeb and lower treatment charges at Chelopech as a result of increased deliveries to third-party smelters.

Cost of sales

Cost of sales in the second quarter of 2022 of \$86.8 million was \$3.1 million lower than the corresponding period in 2021 due primarily to lower volumes of complex concentrate smelted at Tsumeb and a stronger U.S. dollar, partially offset by higher prices for electricity and direct materials in Bulgaria.

Cost of sales in the first six months of 2022 of \$184.1 million was \$8.6 million higher than the corresponding period in 2021 due primarily to higher prices for electricity and direct materials in Bulgaria, partially offset by a stronger U.S. dollar and lower royalties at Ada Tepe.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold sold in the second quarter of 2022 of \$792 was 31% higher than the corresponding period in 2021 due primarily to higher freight charges at Chelopech, lower by-product credits reflecting lower copper production, lower volumes of gold sold and higher allocated general and administrative expenses as a result of changes in DPM's share price, partially offset by a stronger U.S. dollar.

All-in sustaining cost per ounce of gold sold in the first six months of 2022 of \$741 was 27% higher than the corresponding period in 2021 due primarily to higher freight charges at Chelopech, lower volumes of gold sold, higher allocated general and administrative expenses and higher prices for electricity and direct materials in Bulgaria, partially offset by a stronger U.S. dollar and lower treatment charges at Chelopech.

Cash cost per tonne of complex concentrate smelted

Cash cost per tonne of complex concentrate smelted in the second quarter of 2022 of \$973 was \$573 higher than the corresponding period in 2021 reflecting the fixed cost nature of the facility and the impact of lower volumes of complex concentrate smelted resulting from the maintenance shutdown, which was completed during the second quarter of 2022.

Cash cost per tonne of complex concentrate smelted in the first six months of 2022 of \$632 was \$74 higher than the corresponding period in 2021 due primarily to lower volumes of complex concentrate smelted, partially offset by higher by-product credits reflecting higher sulphuric acid prices.

General and administrative expenses

General and administrative expenses in the second quarter and first six months of 2022 were \$6.2 million and \$14.8 million, respectively, compared to \$3.0 million and \$6.9 million in the corresponding periods in 2021 due primarily to higher share-based compensation as a result of changes in DPM's share price.

Exploration and evaluation expenses

Exploration and evaluation expenses in the second quarter and first six months of 2022 of \$5.8 million and \$9.1 million, respectively, were comparable to the corresponding periods in 2021.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section of this MD&A.

Finance cost

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

Finance cost in the second quarter and first six months of 2022 of \$1.4 million and \$2.8 million were comparable to the corresponding periods in 2021.

Other (income) expense

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

\$ thousands Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Net losses on Sabina special warrants ⁽¹⁾	1,797	231	2,185	5,630
Tsumeb restructuring costs ⁽²⁾	(2,023)	-	7,806	-
Bulgarian government subsidy for electricity	(3,390)	-	(7,543)	-
Net foreign exchange (gains) losses ⁽³⁾	(2,975)	340	(301)	1,205
Interest income	(716)	(92)	(965)	(184)
Other, net	(200)	(621)	9	(60)
Total other (income) expense	(7,507)	(142)	1,191	6,591

1) Refer to the "Financial Instruments" section of this MD&A for more details.

2) Represents costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter.

3) Primarily related to the revaluation of foreign denominated monetary assets and liabilities.

Income tax expense

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, 2022 and 2021, the Company's effective tax rate was impacted primarily by the Company's overall earnings, mix of foreign earnings or losses, which are subject to lower tax rates in certain jurisdictions, and changes in unrecognized tax benefits relating to corporate operating, exploration and evaluation costs, as well as unrealized gains or losses on the Company's publicly traded securities recognized in other comprehensive income (loss).

\$ thousands, unless otherwise indicated Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Earnings before income taxes	40,872	74,932	74,762	110,209
Combined Canadian federal and provincial statutory income tax rates	26.5%	26.5%	26.5%	26.5%
Expected income tax expense	10,831	19,857	19,812	29,205
Lower rates on foreign earnings	(9,224)	(12,429)	(14,755)	(18,474)
Changes in unrecognized tax benefits	3,701	(216)	6,424	8,536
Non-deductible portion of capital (gains) losses	2,236	(378)	2,903	1,798
Non-deductible share-based compensation expense	72	69	154	135
Other, net	(236)	540	(93)	806
Income tax expense	7,380	7,443	14,445	22,006
Effective income tax rates	18.1%	9.9%	19.3%	20.0%

In December 2020, the Namibian Ministry of Finance announced that tax incentives under the Export Processing Zones ("EPZ") Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The Ministry also announced that the EPZ regime will be replaced by a new regime known as the Sustainable Special Economic Zone ("SSEZ"). In September 2021, the Namibian Ministry of Industrialisation and Trade issued a draft document entitled "National Policy on Sustainable Special Economic Zones" for public consultation prior to moving forward to finalize this new policy.

Net earnings attributable to common shareholders from continuing operations

Net earnings attributable to common shareholders from continuing operations in the second quarter of 2022 were \$33.5 million (\$0.18 per share) compared to \$67.5 million (\$0.37 per share) in the corresponding period in 2021 due primarily to the planned Ausmelt furnace maintenance shutdown at Tsumeb completed in the quarter, lower volumes of metal sold and higher freight charges at Chelopech, partially offset by higher estimated metal recoveries at Tsumeb as a result of extensive clean-up and measurement activities during the shutdown resulting in higher estimated levels of material-in-circuit, a stronger U.S. dollar and higher realized gold and copper prices.

Net earnings attributable to common shareholders from continuing operations in the first six months of 2022 were \$60.3 million (\$0.32 per share) compared to \$88.2 million (\$0.49 per share) in the corresponding period in 2021 due primarily to lower volumes of metal sold, higher share-based compensation as a result of changes in DPM's share price, higher freight charges at Chelopech, and lower volumes of complex concentrate smelted at Tsumeb, as well as Tsumeb restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter, partially offset by higher realized metal and sulphuric acid prices, higher estimated metal recoveries at Tsumeb, lower treatment charges at Chelopech as a result of increased deliveries to third party smelters and a stronger U.S. dollar.

The following table summarizes net earnings (loss) attributable to common shareholders from continuing operations by segment:

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Chelopech	30,916	40,587	73,231	73,536
Ada Tepe	12,807	26,875	24,302	54,449
Tsumeb	(1,032)	6,087	(16,173)	(14,369)
Corporate & Other	(9,199)	(6,047)	(21,043)	(25,395)
Net earnings attributable to common shareholders	33,492	67,502	60,317	88,221

Adjusted net earnings (loss)

Adjusted net earnings in the second quarter and first six months of 2022 were \$33.3 million (\$0.17 per share) and \$70.3 million (\$0.37 per share), respectively, compared to \$67.1 million (\$0.37 per share) and \$98.1 million (\$0.54 per share) in the corresponding periods in 2021. These decreases were due primarily to the same factors affecting net earnings attributable to common shareholders from continuing operations, with the exception of the adjusting items detailed below.

Adjusted net earnings in the second quarter of 2022 excluded a reduction in Tsumeb's restructuring cost of \$2.0 million (2021 – \$nil), unrealized losses on Sabina special warrants of \$1.8 million (2021 – \$0.3 million) and a deferred income tax recovery adjustment not related to current period earnings of \$nil (2021 – \$0.6 million), each of which are not reflective of the Company's underlying operating performance.

Adjusted net earnings in the first six months of 2022 excluded Tsumeb restructuring costs of \$7.8 million (2021 – \$nil), unrealized losses on Sabina special warrants of \$2.2 million (2021 – \$5.6 million) and a deferred income tax expense adjustment of \$nil (2021 – \$4.3 million), each of which are not reflective of the Company's underlying operating performance.

For more details on these adjustments, refer to the "Non-GAAP Financial Measures" section commencing on page 45 of this MD&A.

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

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Chelopech	30,916	40,587	73,231	73,536
Ada Tepe	12,807	26,875	24,302	54,449
Tsumeb	(3,055)	6,087	(8,367)	(14,369)
Corporate & Other	(7,402)	(6,433)	(18,858)	(15,478)
Total adjusted net earnings	33,266	67,116	70,308	98,138

Earnings before income taxes

Earnings before income taxes in the second quarter and first six months of 2022 was \$40.9 million and \$74.8 million, respectively, compared to \$74.9 million and \$110.2 million in the corresponding periods in 2021, reflecting the same factors that affected net earnings attributable to common shareholders from continuing operations, except for income tax, which is excluded.

The following table summarizes earnings before income taxes by segment:

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Chelopech	35,452	44,834	82,676	81,639
Ada Tepe	15,626	30,586	29,246	63,929
Tsumeb	(1,032)	6,087	(16,173)	(14,369)
Corporate & Other	(9,174)	(6,575)	(20,987)	(20,990)
Earnings before income taxes	40,872	74,932	74,762	110,209

Adjusted EBITDA

Adjusted EBITDA in the second quarter and first six months of 2022 was \$68.6 million and \$138.1 million, respectively, compared to \$100.6 million and \$166.8 million in the corresponding periods in 2021, reflecting the same factors that affected adjusted net earnings, except for interest, income tax, depreciation and amortization, which are excluded from adjusted EBITDA.

The following table summarizes adjusted EBITDA by segment:

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Chelopech	41,603	50,077	94,931	93,025
Ada Tepe	29,800	43,778	57,100	91,230
Tsumeb	4,135	12,555	3,808	(3,308)
Corporate & Other	(6,885)	(5,778)	(17,711)	(14,150)
Total adjusted EBITDA	68,653	100,632	138,128	166,797

In the adjusted net earnings (loss) and adjusted EBITDA tables above, the “Corporate & Other” segment includes corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

For a more detailed discussion of Chelopech, Ada Tepe, Tsumeb and Corporate & Other results, refer to the “Review of Operating Results by Segment” section of this MD&A.

Cash provided from operating activities

Cash provided from operating activities in the second quarter and first six months of 2022 of \$71.8 million and \$150.3 million was \$3.9 million lower and \$27.0 million higher than the corresponding periods in 2021, respectively, due primarily to the same factors impacting earnings before income taxes, as well as timing of deliveries and subsequent receipt of cash.

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

Free cash flow

Free cash flow in the second quarter and first six months of 2022 of \$41.2 million and \$89.9 million, respectively, was \$25.9 million and \$28.2 million lower than the corresponding periods in 2021, due primarily to the same factors impacting earnings before income taxes, partially offset by lower cash outlays for sustaining capital expenditures.

Capital expenditures

Capital expenditures incurred during the second quarter and first six months of 2022 were \$28.8 million and \$43.7 million, respectively, compared to \$15.8 million and \$34.8 million in the corresponding periods in 2021.

Sustaining capital expenditures incurred during the second quarter and first six months of 2022 were \$21.2 million and \$30.0 million, respectively, compared to \$11.9 million and \$29.3 million in the corresponding periods in 2021, due primarily to the timing of the Ausmelt furnace maintenance shutdown at Tsumeb which occurred in the second quarter of 2022 and in the first quarter of 2021. Growth capital expenditures incurred during the second quarter and first six months of 2022 were \$7.6 million and \$13.7 million, respectively, compared to \$3.9 million and \$5.5 million in the corresponding periods in 2021, due primarily to capitalized costs related to the development of the Loma Larga and Timok gold projects.

THREE-YEAR OUTLOOK

DPM continues to focus on increasing the profitability of its business by optimizing existing operating assets, which are expected to maintain high levels of gold production as highlighted in the 2022 to 2024 outlook and supplemental detailed 2022 guidance below.

2022 to 2024 Outlook

The outlook is based on historical performance and experience at DPM's operations and is consistent with the production schedules outlined in the technical report for Chelopech entitled "NI 43-101 Technical Report - Mineral Resource and Reserve Update, Chelopech Mine, Chelopech, Bulgaria" dated March 31, 2022 (the "Chelopech Technical Report"), and the technical report for Ada Tepe entitled "NI 43-101 Technical Report – Mineral Reserve and Mineral Resource Update for the Ada Tepe Mine, Krumovgrad, Bulgaria" dated November 23, 2020 (the "Ada Tepe Technical Report"). For 2023 and 2024, all production and cost estimates do not yet incorporate operating performance improvements in respect of mine and smelter throughput and potential improvements to mine grades and recoveries. The Chelopech Technical Report and the Ada Tepe Technical Report have been filed on SEDAR (www.sedar.com) and are posted on the Company's website (www.dundeeprecious.com). The following outlook is forward looking and based on certain estimates and assumptions which 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 three-year outlook previously issued in DPM's MD&A for the year ended December 31, 2021 remains unchanged, except for the following updates:

- **All-in sustaining cost per ounce of gold:** In the first quarter of 2022, the 2023 and 2024 outlook in respect of all-in sustaining cost per ounce of gold sold was lowered to reflect expected grades in concentrate produced and volumes of gold-copper concentrate deliveries to third party smelters outlined in the most recently issued Chelopech Technical Report;
- **Complex concentrate smelted:** In the second quarter of 2022, the 2022 guidance in respect of complex concentrate smelted was lowered due to water leaks resulting in unplanned downtime and additional maintenance to the off-gas and baghouse systems in the first six months of 2022; and
- **Cash cost per tonne of complex concentrate smelted:** In the second quarter of 2022, the 2022 guidance in respect of cash cost per tonne of complex concentrate smelted was increased as a result of lower than expected volumes of complex concentrate smelted.

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

<i>\$ millions, Unless otherwise indicated</i>	2022 Guidance	2023 Outlook	2024 Outlook
Gold contained in concentrate produced ('000s ounces) ^{(1),(2)}			
Chelopech	169 – 191	150 – 170	161 – 182
Ada Tepe	81 – 99	115 – 140	69 – 83
Total	250 – 290	265 – 310	230 – 265
Copper contained in concentrate produced (<i>million pounds</i>)			
Chelopech	32 – 37	32 – 39	30 – 35
All-in sustaining cost per ounce of gold sold ^{(3),(4)}	750 – 890	590 – 700	690 – 800
Complex concentrate smelted ('000s tonnes) ⁽⁵⁾	185 – 200	210 – 240	220 – 250
Cash cost per tonne of complex concentrate smelted ^{(3),(6)}	420 – 480	350 – 450	340 – 440
Sustaining capital expenditures ⁽³⁾			
Chelopech	24 – 27	20 – 22	16 – 17
Ada Tepe	11 – 13	9 – 10	9 – 10
Tsumeb	15 – 18	15 – 18	15 – 18
Corporate	7 – 8	2 – 4	2 – 4
Consolidated	57 – 66	46 – 54	42 – 49

- 1) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces for 2022, and 50,000 to 57,000 ounces in each of 2023 and 2024.
- 2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
- 3) All costs and capital expenditures are based on, where applicable, a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.70 for 2022 and 15.00 for 2023 and 2024, a copper price of \$4.25 per pound, and a sulphuric acid price of \$105 per tonne in 2022, \$95 per tonne in 2023 and \$75 per tonne in 2024, and have not been adjusted for inflation in 2023 and 2024.
- 4) Previous outlook in respect of all-in sustaining cost per ounce of gold sold was \$630 to \$760 and \$690 to \$850, respectively, for 2023 and 2024.
- 5) Previous outlook in respect of complex concentrate smelted was 210,000 to 240,000 tonnes for 2022.
- 6) Previous outlook in respect of cash cost per tonne of complex concentrate smelted was \$380 to \$460 for 2022.

The Company's detailed guidance for 2022 is set out in the following table:

<i>\$ millions, unless otherwise indicated</i>	Chelopech	Ada Tepe	Tsumeb	Consolidated Guidance
Ore processed ('000s tonnes)	2,090 – 2,200	810 – 900	-	2,900 – 3,100
Cash cost per tonne of ore processed ⁽¹⁾	48 – 53	54 – 60	-	-
Metals contained in concentrate produced ^{(2),(3)}				
Gold ('000s ounces)	169 – 191	81 – 99	-	250 – 290
Copper (million pounds)	32 – 37	-	-	32 – 37
Payable metals in concentrate sold ⁽²⁾				
Gold ('000s ounces)	140 – 160	80 – 95	-	220 – 255
Copper (million pounds)	28 – 32	-	-	28 – 32
All-in sustaining cost per ounce of gold sold ⁽⁴⁾	740 – 900	770 – 880	-	750 – 890
Complex concentrate smelted ('000s tonnes)	-	-	185 – 200	185 – 200
Cash cost per tonne of complex concentrate smelted ⁽⁴⁾	-	-	420 – 480	420 – 480
Corporate general and administrative expenses ⁽⁵⁾	-	-	-	26 – 30
Exploration expenses ⁽⁴⁾	-	-	-	16 – 19
Sustaining capital expenditures ^{(4),(6)}	24 – 27	11 – 13	15 – 18	57 – 66
Growth capital expenditures ^{(4),(7)}	2 – 4	-	1 – 2	31 – 49

- 1) Cash cost per tonne of ore processed is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures" section commencing on page 45 of this MD&A for more information, including reconciliations to IFRS measures.
- 2) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 31,000 to 36,000 ounces.
- 3) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
- 4) Based on a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.70, a copper price of \$4.25 per pound and a sulphuric acid price of \$105 per tonne, where applicable.
- 5) Excludes mark-to-market adjustments on share-based compensation.
- 6) Consolidated sustaining capital expenditures include \$7 million to \$8 million related to corporate new office lease and digital initiatives.
- 7) Consolidated growth capital expenditures include estimated costs related to the technical and permitting work for the Loma Larga gold project of \$21 million to \$31 million and estimated costs related to the feasibility study ("FS") for the Timok gold project of \$8 million to \$12 million (as detailed below).

The foregoing three-year outlook and supplemental detailed 2022 guidance are not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced, payable metals in concentrate sold and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages, including furnace maintenance shutdowns at Tsumeb. The rate of capital expenditures is also expected to vary from quarter to quarter based on the schedule for, and execution of, each capital project.

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

Chelopech

Gold contained in concentrate produced is expected to be between 169,000 and 191,000 ounces in 2022, between 150,000 and 170,000 ounces in 2023, and between 161,000 and 182,000 ounces in 2024. Copper contained in concentrate produced is expected to be between 32 and 37 million pounds in 2022, between 32 and 39 million pounds in 2023, and between 30 and 35 million pounds in 2024. In each case, this outlook is consistent with the production schedules and expected grades outlined in the most recently issued technical report.

Cash cost per tonne of ore processed is expected to be between \$48 and \$53 in 2022 primarily reflecting elevated prices for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$24 million and \$27 million, including approximately \$6 million for the next phase of work to continue the upgrade of Chelopech's tailings management facility, a portion of which represents 2021 capital deferred to 2022. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be between \$2 million and \$4 million in 2022. Sustaining capital expenditures are expected to trend lower in 2023, ranging between \$20 million and \$22 million, including approximately \$4 million to complete the upgrade of the tailings management facility. In 2024, sustaining capital expenditures are expected to decline further to between \$16 million and \$17 million.

Ada Tepe

Gold contained in concentrate produced in 2022 is expected to be between 81,000 and 99,000 ounces, between 115,000 and 140,000 ounces in 2023, and between 69,000 and 83,000 ounces in 2024, which will be reviewed and updated, if necessary, following the completion of the assessment of the accelerated grade control drilling program in the third quarter of 2022.

Cash cost per tonne of ore processed is expected to be between \$54 and \$60 in 2022 primarily reflecting elevated prices for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$11 million and \$13 million, including approximately \$7 million related to Ada Tepe's integrated waste management facility. Sustaining capital expenditures are expected to decline to between \$9 million and \$10 million in 2023 and remain at this level in 2024.

Tsumeb

Guidance in respect of complex concentrate to be smelted in 2022 is expected to be between 185,000 and 200,000 tonnes, down from the previous guidance of 210,000 and 240,000 tonnes reflecting increased maintenance activities and capacity issues in the off-gas system in the first six months of 2022. Complex concentrate smelted is expected to be between 210,000 and 240,000 tonnes in 2023 and between 220,000 and 250,000 tonnes in 2024, reflecting a scheduled Ausmelt furnace maintenance shutdown at the end of 2023 and no shutdown in 2024 based on an expected 18-month operating cycle. Over 80% of concentrate feed is currently contracted through to the end of 2023, with the remaining feed in 2023 and additional feed thereafter expected to be contracted in the normal course.

Cash cost per tonne of complex concentrate smelted is expected to range between \$420 and \$480, up from \$380 and \$460 in 2022, reflecting the impact of reduced throughput, while cash cost per tonne of complex concentrate smelted is expected to range between \$350 and \$450 in 2023, and between \$340 and \$440 in

2024, reflecting the impact of increased throughput. In addition, the Company continues to engage in a comprehensive initiative directed at optimizing the cost structure of the Tsumeb smelter to enhance its ability to compete for additional third-party supply of complex concentrate and improve overall business profitability.

Sustaining capital expenditures are expected to be between \$15 million and \$18 million for each of 2022, 2023 and 2024.

Loma Larga gold project

Growth capital expenditures for 2022 associated with advancing permitting for the Loma Larga project, as well as optimizing and updating the FS completed by the previous owner, prior to its acquisition by DPM, are expected to be between \$21 million and \$31 million.

See the “Development and Other Major Projects – Loma Larga Gold Project” section contained in this MD&A for further details.

Timok gold project

The Company is progressing FS work in respect of the Timok gold project which is expected to cost between \$8 million and \$12 million in 2022 and is included in growth capital expenditures.

See the “Development and Other Major Projects – Timok Gold Project” section contained in this MD&A for further details.

Exploration and evaluation expenditures

Expenditures related to exploration in 2022 are expected to be between \$16 million and \$19 million and will be directed primarily toward a 75,000 metre brownfield drilling program on mine concessions and exploration licences at, or around, the Chelopech and Ada Tepe mines in Bulgaria and the Timok project in Serbia.

At Chelopech, exploration efforts will concentrate on near mine exploration drilling related to the Sveta Petka commercial discovery application, with 50,000 metres of drilling planned in 2022.

At Ada Tepe, where 20,000 metres of drilling is planned, almost half of which is dedicated to near-mine target delineation and drilling within the mining concession and the surrounding Krumovitza exploration licence. The rest of the budget will be allocated to scout and target delineation drilling on the other regional licences in the Krumovgrad district, with a focus on the Chiriite exploration licence, where several new vein targets were identified in 2021.

At Timok, studies to progress the Potaj Čuka-Tisnica exploration licence to a mining concession are underway, with exploration activities focusing on the nearby Umka exploration licence as well as other early-stage licences in Serbia.

At Loma Larga, all geological data will be integrated and reviewed to develop a drilling program focused on extending the existing Mineral Resources, which are open in all directions. The change in status of the Tierras Coloradas project from an early to advanced stage exploration is in progress, and all necessary permits have been received and drilling activities for a 2,650 metre scout drilling program have commenced and are expected to be completed in 2022.

Conflict in Ukraine

To date, other than increased costs for energy, fuel and direct materials, which have been partially offset by the Bulgarian government subsidy for electricity currently secured to the end of 2022, the Company's operations have been unaffected by the conflict in Ukraine. With Bulgaria being a net exporter of power, Chelopech and Ada Tepe are not reliant on Russia for their power needs. DPM also does not source any supplies from Russia or Russian companies. The Company continues to monitor and proactively manage

this evolving situation. The Company's 2022 guidance and outlook for 2023 and 2024 are predicated on the conflict in Ukraine having no material impact on DPM's production and costs.

COVID-19

To date, with the proactive measures taken by each of the Company's operations, the COVID-19 pandemic has had minimal impact on DPM's production. DPM is closely monitoring the COVID-19 situation and has put measures in place to safeguard the health of its workforce and support the continuity of its operations. Given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's future operating and financial results. As a result, the three-year outlook provided is predicated on the COVID-19 pandemic continuing to be effectively managed with minimal impact on DPM's operations.

For additional details on COVID-19, as well as the conflict in Ukraine, including the related risks faced by the Company, refer to the "Overview – Operational and Financial Highlights" section of this MD&A.

REVIEW OF OPERATING RESULTS BY SEGMENT

Chelovech – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Financial Highlights				
Revenue ⁽¹⁾	66,917	78,810	150,514	150,515
Cost of sales ⁽²⁾	30,268	32,313	67,559	65,177
Earnings before income taxes	35,452	44,834	82,676	81,639
Adjusted EBITDA	41,603	50,077	94,931	93,025
Net earnings/Adjusted net earnings	30,916	40,587	73,231	73,536
Capital expenditures incurred:				
Growth	1,037	818	2,219	1,516
Sustaining	4,152	5,529	6,125	9,123
Total capital expenditures	5,189	6,347	8,344	10,639
Operational Highlights				
Ore mined (mt)	536,516	539,786	1,071,075	1,081,185
Ore processed (mt)	529,003	535,576	1,069,895	1,079,178
Gold recoveries:				
Gold-copper concentrate (%)	52.9	52.2	56.7	48.5
Pyrite concentrate (%)	26.3	27.2	24.5	25.6
Head grade / recoveries:				
Gold (g/mt) / combined recoveries (%)	3.66 / 79.2	3.85 / 79.4	3.25 / 81.3	3.48 / 74.1
Copper (%) / %	0.94 / 80.7	1.02 / 83.1	0.85 / 82.8	0.89 / 81.2
Gold-copper concentrate produced (mt)	28,091	29,503	64,183	51,618
Pyrite concentrate produced (mt)	68,403	74,263	127,540	129,153
Metals contained in concentrate produced:				
Gold in gold-copper concentrate (ounces)	32,877	34,616	63,333	58,551
Gold in pyrite concentrate (ounces)	16,368	18,022	27,412	30,966
Total gold production	49,245	52,638	90,745	89,517
Copper (pounds)	8,808,713	10,012,917	16,501,878	17,186,543
Cost of sales per tonne of ore processed	57.22	60.33	63.15	60.40
Cash cost per tonne of ore processed	48.39	50.09	48.23	45.83
Gold-copper concentrate delivered (mt)	24,772	29,998	62,219	55,288
Pyrite concentrate delivered (mt)	76,585	48,753	135,607	113,074
Payable metals in concentrate sold:				
Gold in gold-copper concentrate (ounces) ⁽³⁾	27,593	31,990	56,115	58,140
Gold in pyrite concentrate (ounces) ⁽³⁾	12,088	7,239	19,879	16,623
Total payable gold in concentrate sold	39,681	39,229	75,994	74,763
Copper (pounds)	7,241,532	9,468,188	13,783,003	16,746,813
Cost of sales per ounce of gold sold	763	824	889	872
Cash cost per ounce of gold sold	658	482	508	507
All-in sustaining cost per ounce of gold sold	838	638	707	649
Cost of sales per tonne of gold-copper concentrate sold ⁽⁴⁾	1,222	1,077	1,086	1,179

1) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net unfavourable final settlements of \$2.6 million (2021 – \$1.6 million) and \$3.7 million (2021 – \$4.1 million) were recognized in the second quarter and first six months of 2022. Deductions during the second quarter and first six months of 2022 were \$34.6 million (2021 – \$28.9 million) and \$49.0 million (2021 – \$46.7 million), respectively.

2) Cost of sales includes depreciation of \$6.1 million (2021 – \$5.1 million) and \$12.0 million (2021 – \$11.1 million) in the second quarter and first six months of 2022.

3) Represents payable metals in gold-copper and pyrite concentrate sold based on provisional invoices.

4) Represents cost of sales for Chelovech, divided by gold-copper concentrate delivered.

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the second quarter of 2022 of 28,091 tonnes was 5% lower than the corresponding period in 2021 due primarily to lower copper grades and recoveries. Gold-copper concentrate produced during the first six months of 2022 of 64,183 tonnes was 24% higher than the corresponding period in 2021 due primarily to the production of a low copper grade concentrate for deliveries to third party smelters in the first quarter of 2022, in line with the mine plan, combined with improved recovery performance mainly attributed to the higher concentrate mass recovery to achieve the lower concentrate grade specification.

Pyrite concentrate produced during the second quarter of 2022 of 68,403 tonnes was 8% lower than the corresponding period in 2021 due primarily to lower gold grades and recoveries. Pyrite concentrate produced during the first six months of 2022 of 127,540 tonnes was comparable to the corresponding period in 2021 due primarily to lower gold grades offset by higher gold recoveries.

In the second quarter and first six months of 2022, gold contained in gold-copper and pyrite concentrate produced was 49,245 ounces and 90,745 ounces, respectively, compared to 52,638 ounces and 89,517 ounces in the corresponding periods in 2021.

Relative to the second quarter of 2021, gold contained in gold-copper concentrate produced in the second quarter of 2022 decreased by 5% to 32,877 ounces due primarily to lower gold grades, and gold contained in pyrite concentrate produced decreased by 9% to 16,368 ounces due primarily to lower gold grades and recoveries. Relative to the first six months of 2021, gold contained in gold-copper concentrate produced in the first six months of 2022 increased by 8% to 63,333 ounces due primarily to higher gold recoveries, partially offset by lower gold grades, and gold contained in pyrite concentrate produced decreased by 11% to 27,412 ounces due primarily to lower gold grades and recoveries, which was more than offset by higher recoveries of gold contained in gold-copper concentrate produced.

Copper production decreased by 12% to 8.8 million pounds in the second quarter of 2022 due primarily to lower copper grades and recoveries, and copper production decreased by 4% to 16.5 million pounds in the first six months of 2022 due primarily to lower copper grades, partially offset by higher copper recoveries, in each case, relative to the corresponding periods in 2021.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate in the second quarter of 2022 of 24,772 tonnes were 17% lower than the corresponding period in 2021 due primarily to the timing of shipments and lower gold-copper concentrate production. Deliveries of gold-copper concentrate during the first six months of 2022 of 62,219 tonnes were 13% higher than the corresponding period in 2021 due primarily to higher gold-copper concentrate production, partially offset by the timing of shipments.

Deliveries of pyrite concentrate in the second quarter of 2022 of 76,585 tonnes were 57% higher than the corresponding period in 2021 due primarily to the timing of 2021 shipments, partially offset by lower pyrite concentrate production. Deliveries of pyrite concentrate during the first six months of 2022 of 135,607 tonnes was 20% higher than the corresponding period in 2021 due primarily to the timing of shipments.

In the second quarter of 2022, payable gold in gold-copper concentrate sold decreased by 14% to 27,593 ounces and payable copper decreased by 24% to 7.2 million pounds, respectively, relative to the corresponding period in 2021. These decreases were due primarily to the timing of deliveries and lower gold-copper concentrate production. Payable gold in pyrite concentrate sold in the second quarter of 2022 of 12,088 ounces was 67% higher than the corresponding period in 2021 due primarily to the timing of 2021 shipments, partially offset by lower 2022 pyrite concentrate production.

In the first six months of 2022, payable gold in gold-copper concentrate sold decreased by 3% to 56,115 ounces, and payable copper decreased by 18% to 13.7 million, respectively, relative to the corresponding period in 2021. The decrease in payable gold was due primarily to the timing of deliveries. The decrease in payable copper was due primarily to the timing of deliveries and lower copper production. Payable gold in

pyrite concentrate sold in the first six months of 2022 of 19,879 ounces was 20% higher than the corresponding period in 2021 due primarily to the timing of 2021 shipments.

Inventory

Gold-copper concentrate inventory totalled 4,820 tonnes as at June 30, 2022, up from 2,856 tonnes as at December 31, 2021 due primarily to the timing of deliveries. Pyrite concentrate inventory totalled 5,234 tonnes as at June 30, 2022, down from 13,301 tonnes as at December 31, 2021 due primarily to the timing of deliveries.

Cost of sales

Cost of sales during the second quarter of 2022 of \$30.3 million was \$2.0 million lower than the corresponding period in 2021 due primarily to a stronger U.S. dollar, and timing of maintenance, partially offset by higher prices for electricity and direct materials. Cost of sales during the first six months of 2022 of \$67.6 million was \$2.4 million higher than the corresponding period in 2021 due primarily to higher prices for electricity and direct materials, partially offset by a stronger U.S. dollar.

Cash cost measures

Cash cost per tonne of ore processed in the second quarter of 2022 of \$48.39 was 3% lower than the corresponding period in 2021 due primarily to a stronger U.S. dollar, partially offset by higher prices for electricity and direct materials. Cash cost per tonne of ore processed in the first six months of 2022 of \$48.23 was 5% higher than the corresponding period in 2021 due primarily to higher prices for electricity and direct materials, partially offset by a stronger U.S. dollar.

Cash cost per ounce of gold sold in the second quarter of 2022 of \$658 was 37% higher than the corresponding period in 2021 due primarily to higher freight charges, partially offset by a stronger U.S. dollar. Cash cost per ounce of gold sold in the first six months of 2022 of \$508 was comparable to the corresponding period in 2021 due primarily to higher freight charges and lower by-product credits as a result of lower copper production, offset by a stronger U.S. dollar.

All-in sustaining cost per ounce of gold sold in the second quarter of 2022 of \$838 compared to \$638 in the corresponding period in 2021 due primarily to higher freight charges and higher allocated general and administrative expenses as a result of changes in DPM's share price, partially offset by a stronger U.S. dollar. All-in sustaining cost per ounce of gold sold in the first six months of 2022 of \$707 compared to \$649 in the corresponding period in 2021 due primarily to higher freight charges and higher allocated general and administrative expenses, partially offset by a stronger U.S. dollar, lower treatment charges as a result of increased deliveries to third party smelters and lower by-product credits.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the second quarter of 2022 of \$30.9 million were \$9.7 million lower than the corresponding period in 2021 due primarily to higher freight charges and lower volumes of metal sold, partially offset by a stronger U.S. dollar and higher realized gold and copper prices.

Net earnings and adjusted net earnings in the first six months of 2022 of \$73.2 million were comparable to the corresponding period in 2021 due primarily to higher freight charges and lower volumes of metal sold, offset by higher realized copper and gold prices, a stronger U.S. dollar and lower treatment charges.

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

<i>\$ millions</i>	Three	Six
Ended June 30,	Months	Months
Adjusted net earnings – 2021	40.6	73.5
Higher freight charges	(8.8)	(11.5)
Lower volumes of metal sold	(8.0)	(9.3)
Other	(4.0)	(4.5)
(Higher) lower operating expenses ⁽¹⁾	3.0	(1.1)
Higher realized metal prices	2.9	11.2
Stronger U.S. dollar	5.0	7.9
Lower treatment charges, including final settlements	0.2	7.0
Adjusted net earnings – 2022	30.9	73.2

1) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the second quarter and first six months of 2022 of \$5.2 million and \$8.4 million, respectively, were \$1.1 million and \$2.2 million lower than the corresponding periods in 2021 due primarily to the timing of expenditures.

Mineral Reserve and Mineral Resource update

On March 31, 2022, the Company announced a mine life extension to 2030, an optimized life of mine plan and updated Mineral Resource and Mineral Reserve estimates for the Chelopech mine. The updated Mineral Reserve Estimates for Chelopech, effective as of December 31, 2021, consists of 5.8 million tonnes Proven Mineral Reserves grading 2.72 g/t Au, 0.85% Cu and 6.8 g/t Ag, for 0.51 million ounces of gold, 108.9 million pounds of copper and 1.27 million ounces of silver. Probable Mineral Reserves are 13.6 million tonnes grading 2.72 g/t Au, 0.78% Cu and 7.9 g/t Ag, for 1.19 million ounces of gold, 233 million pounds of copper and 3.45 million ounces of silver. Total Proven and Probable Mineral Reserves are 19.3 million tonnes grading 2.72 g/t Au, 0.80% Cu and 7.6 g/t Ag, for 1.70 million ounces of gold, 341.9 million pounds of copper and 4.72 million ounces of silver.

Compared to the year-end 2020 Mineral Reserve Estimates, Chelopech successfully added 3.0 million tonnes to Mineral Reserves, which more than offset 2021 production depletion of 2.2 million tonnes for a net addition of 0.8 million tonnes, extending the life of mine to 2030. The updated life of mine plan adds approximately 286,000 ounces of gold production and 47 million pounds of copper production between 2022 and 2030, relative to the previous mine plan reflecting higher metallurgical recoveries and improved commercial terms.

Current Mineral Resources, effective as of December 31, 2021 and exclusive of Mineral Reserves, consists of 7.0 million tonnes in the Measured Mineral Resources grading 2.95 g/t Au, 0.96% Cu and 9.30 g/t Ag, for 0.665 million ounces of gold, 148 million pounds of copper and 2.098 million ounces of silver. Indicated Mineral Resources are 6.8 million tonnes grading 2.73 g/t Au, 0.82% Cu and 11.88 g/t Ag, for 0.593 million ounces of gold, 122 million pounds of copper and 2.581 million ounces of silver. Total Measured and Indicated Mineral Resources are 13.8 million tonnes grading 2.84 g/t Au, 0.89% Cu and 10.56 g/t Ag, for 1.258 million ounces of gold, 270 million pounds of copper and 4.679 million ounces of silver.

Inferred Mineral Resources are 2.9 million tonnes grading 2.36 g/t Au, 0.82% Cu and 9.20 g/t Ag, for 0.223 million ounces of gold, 53 million pounds of copper and 0.869 million ounces of silver. The current Mineral Resource demonstrates the potential to extend the mine life, if such Mineral Resources are converted to Mineral Reserves.

See the Company's press release dated March 31, 2022 entitled "Dundee Precious Metals Announces Mine Life Extension and Update to Mineral Resource and Mineral Reserve Estimates for Chelopech" for additional information, including key assumptions and parameters relating to the foregoing Mineral Resource and Mineral Reserve Estimates, as well as the Chelopech Technical Report, which have been posted on the Company's website at www.dundeeprecious.com and have been filed on SEDAR at www.sedar.com.

Ada Tepe – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Financial Highlights				
Revenue ⁽¹⁾	41,600	55,849	80,711	113,266
Cost of sales ⁽²⁾	26,539	23,842	52,519	47,517
Earnings before income taxes	15,626	30,586	29,246	63,929
Adjusted EBITDA	29,800	43,778	57,100	91,230
Net earnings/Adjusted net earnings	12,807	26,875	24,302	54,449
Capital expenditures incurred:				
Sustaining	2,195	4,605	5,395	8,943
Operational Highlights				
Ore mined (<i>mt</i>)	194,596	263,893	352,452	585,357
Ore processed (<i>mt</i>)	217,024	207,035	430,767	425,689
Head grade / recoveries in gold concentrate ⁽³⁾				
Gold (<i>g/mt</i>) / %	3.96 / 85.6	5.88 / 82.8	3.84 / 84.5	5.79 / 82.9
Gold concentrate produced (<i>mt</i>)	1,331	1,818	2,559	3,504
Metals contained in concentrate produced:				
Gold (<i>ounces</i>)	23,659	32,490	45,074	65,869
Cost of sales per tonne of ore processed	122.29	115.16	121.92	111.62
Cash cost per tonne of ore processed	53.57	51.86	53.41	47.45
Gold concentrate delivered (<i>mt</i>)	1,313	1,808	2,538	3,531
Payable metals in concentrate sold:				
Gold (<i>ounces</i>) ⁽⁴⁾	23,028	31,201	44,096	64,234
Cost of sales per ounce of gold sold	1,152	764	1,191	740
Cash cost per ounce of gold sold	529	363	544	339
All-in sustaining cost per ounce of gold sold	714	563	799	507

1) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales.

2) Cost of sales includes depreciation of \$14.1 million (2021 – \$13.1 million) and \$27.7 million (2021 – \$27.1 million) in the second quarter and first six months of 2022, respectively.

3) Recoveries are after the flotation circuit but before filtration.

4) Represents payable metals in gold concentrate sold based on provisional invoices.

Review of Ada Tepe Results

Gold production

Gold contained in concentrate produced in the second quarter and first six months of 2022 of 23,659 ounces and 45,074 ounces, respectively, were 27% and 32% lower than the corresponding periods in 2021 due primarily to mining in lower gold grade zones, in line with the mine plan.

Gold sold

Payable gold in concentrate sold in the second quarter and first six months of 2022 of 23,028 ounces and 44,096 ounces, respectively, were 26% and 31% lower than the corresponding periods in 2021, consistent with lower production.

Inventory

Gold concentrate inventory totalled 50 tonnes as at June 30, 2022, up from 29 tonnes as at December 31, 2021 due primarily to the timing of deliveries.

Cost of sales

Cost of sales during the second quarter and first six months of 2022 of \$26.5 million and \$52.5 million, respectively, was \$2.7 million and \$5.0 million higher than the corresponding periods in 2021 due primarily to higher local currency operating expenses reflecting higher prices for electricity and direct materials as

well as higher external services due to the timing of spend, partially offset by lower royalties and a stronger U.S. dollar.

Cash cost measures

Cash cost per tonne of ore processed in the second quarter and first six months of 2022 of \$53.57 and \$53.41, respectively, was 3% and 13% higher than the corresponding periods in 2021 due primarily to higher local currency operating expenses, partially offset by lower royalties and a stronger U.S. dollar.

Cash cost per ounce of gold sold in the second quarter and first six months of 2022 of \$529 and \$544, respectively, was \$166 and \$205 higher than the corresponding periods in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by a stronger U.S. dollar and lower royalties.

All-in sustaining cost per ounce of gold sold in the second quarter of 2022 was \$714 compared to \$563 in the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by lower cash outlays for sustaining capital, a stronger U.S. dollar and lower royalties. All-in sustaining cost per ounce of gold in the first six months of 2022 of \$799 compared to \$507 in the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by a stronger U.S. dollar and lower royalties

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the second quarter of 2022 were \$12.8 million compared to \$26.9 million in the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by lower royalties and a stronger U.S. dollar. Net earnings and adjusted net earnings in the first six months of 2022 of \$24.3 million were \$30.1 million lower than the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by lower income taxes and royalties as a result of lower earnings, higher realized gold prices and a stronger U.S. dollar.

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

<i>\$ millions</i>	Three	Six
Ended June 30,	Months	Months
Adjusted net earnings – 2021	26.9	54.4
Lower volumes of gold sold	(14.8)	(35.9)
Higher operating expenses ⁽¹⁾	(1.8)	(4.4)
Income taxes and other	0.8	5.3
Higher realized gold prices	0.5	2.9
Stronger U.S. dollar	1.2	2.0
Adjusted net earnings – 2022	12.8	24.3

1) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the second quarter and first six months of 2022 of \$2.2 million and \$5.4 million, respectively, were \$2.4 million and \$3.5 million lower than the corresponding period in 2021 due primarily to the timing of expenditures.

Tsumeb – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Financial Highlights				
Toll revenue ⁽¹⁾	22,869	35,898	46,905	42,511
Sulphuric acid revenue	3,097	4,179	10,154	6,474
Total revenue	25,966	40,077	57,059	48,985
Cost of sales ⁽²⁾	30,027	33,786	64,039	62,890
Earnings (loss) before income taxes	(1,032)	6,087	(16,173)	(14,369)
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	4,135	12,555	3,808	(3,308)
Net earnings (loss)	(1,032)	6,087	(16,173)	(14,369)
Adjusted net earnings (loss)	(3,055)	6,087	(8,367)	(14,369)
Capital expenditures incurred:				
Growth	604	(55)	896	103
Sustaining	10,986	1,545	13,003	10,621
Total capital expenditures	11,590	1,490	13,899	10,724
Operational Highlights				
Complex concentrate smelted (mt):				
Chelopech	7,494	18,187	26,664	26,310
Third parties	13,560	41,440	41,633	56,326
Total complex concentrate smelted	21,054	59,627	68,297	82,636
Cost of sales per tonne of complex concentrate smelted	1,426	567	938	761
Cash cost per tonne of complex concentrate smelted	973	400	632	558
Sulphuric acid production (mt)	24,853	66,186	78,020	88,304
Sulphuric acid deliveries (mt)	27,153	53,657	88,521	92,101

1) Includes deductions for stockpile interest and favourable or unfavourable estimated metal recoveries.

2) Includes depreciation of \$6.4 million (2021 – \$5.8 million) and \$10.7 million (2021 – \$9.7 million) in the second quarter and first six months of 2022, respectively.

Review of Tsumeb Results

Production and sulphuric acid deliveries

Complex concentrate smelted during the second quarter of 2022 of 21,054 tonnes was 38,573 tonnes lower than the corresponding period in 2021 due primarily to the Ausmelt furnace maintenance shutdown, which was completed during the second quarter of 2022. The 30-day planned shutdown was extended to 45 days to include additional maintenance to the off-gas and baghouse systems, which is expected to improve operational performance moving forward.

Complex concentrate smelted during the first six months of 2022 of 68,297 tonnes was 14,339 tonnes lower than the corresponding period in 2021 due primarily to unplanned downtime as a result of maintenance to the off-gas and baghouse systems during the first six months of 2022.

Sulphuric acid production during the second quarter and first six months of 2022 of 24,853 tonnes and 78,020 tonnes, respectively, was 41,333 tonnes and 10,284 tonnes lower than the corresponding periods in 2021 in line with lower volumes of complex concentrate smelted.

Sulphuric acid deliveries during the second quarter and first six months of 2022 of 27,153 tonnes and 88,521 tonnes, respectively, were 26,504 tonnes and 3,580 tonnes lower than the corresponding periods in 2021 reflecting reduced production and timing of shipments.

Cost of sales

Cost of sales during the second quarter of 2022 of \$30.0 million was \$3.8 million lower than the corresponding period in 2021 due primarily to lower volumes of complex concentrate smelted resulting from

the maintenance shutdown completed in the second quarter of 2022. Cost of sales during the first six months of 2022 of \$64.0 million was comparable to the corresponding period in 2021.

Cash cost per tonne of complex concentrate smelted

Cash cost per tonne of complex concentrate smelted in the second quarter of 2022 of \$973 was \$573 higher than the corresponding period in 2021 reflecting the fixed cost nature of the facility and the impact of lower volumes of complex concentrate smelted due to the maintenance shutdown, which was completed in the second quarter of 2022. Cash cost per tonne of complex concentrate smelted in the first six months of 2022 of \$632 was \$74 higher than the corresponding period in 2021 due primarily to lower volumes of complex concentrate smelted as a result of maintenance to the off-gas and baghouse systems during the first six months of 2022.

Net earnings (loss)

Net loss in the second quarter of 2022 was \$1.0 million compared to net earnings of \$6.1 million in the corresponding period in 2021 due primarily to the 45-day Ausmelt furnace maintenance shutdown, partially offset by higher estimated metal recoveries as a result of extensive clean-up and measurement activities during the shutdown resulting in higher estimated levels of material-in-circuit. Net loss in the first six months of 2022 was \$16.2 million compared to \$14.4 million in the corresponding period in 2021 due primarily to lower volumes of complex concentrate smelted and Tsumeb restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter, partially offset by higher estimated metal recoveries and higher sulphuric acid prices.

Adjusted net earnings (loss)

Adjusted net loss in the second quarter and first six months of 2022 was \$3.1 million and \$8.4 million, respectively, compared to adjusted net earnings of \$6.1 million and adjusted net loss of \$14.4 million in the corresponding periods in 2021, due primarily to the same factors affecting net earnings (loss), except for Tsumeb restructuring costs which are excluded from adjusted net earnings (loss).

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

<i>\$ millions</i>	Three	Six
Ended June 30,	Months	Months
Adjusted net earnings (loss) – 2021	6.1	(14.4)
Higher estimated metal recoveries	9.0	11.3
Higher toll rates and sulphuric acid prices	1.3	4.7
Lower operating expenses ⁽¹⁾	5.1	0.3
Lower volumes of complex concentrate smelted	(22.7)	(8.0)
Stronger ZAR ⁽²⁾	(1.0)	(1.3)
Other	(0.9)	(1.0)
Adjusted net loss – 2022	(3.1)	(8.4)

1) Excludes impact of depreciation and foreign exchange.

2) Includes realized gains on foreign exchange option contracts of \$0.1 million (2021 – \$2.4 million) and \$0.2 million (2021 – \$3.6 million), respectively, in the second quarter and first six months of 2022.

Capital expenditures

Capital expenditures during the second quarter of 2022 were \$11.6 million compared to \$1.5 million in the corresponding period in 2021 due primarily to the timing of the Ausmelt furnace maintenance shutdown which occurred in the second quarter of 2022 compared to the first quarter of 2021. Capital expenditures during the first six months of 2022 were \$13.9 million compared to \$10.7 million in the corresponding period in 2021 due primarily to the timing of expenditures.

REVIEW OF CORPORATE & OTHER SEGMENT RESULTS

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

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

<i>\$ thousands</i>	Three Months		Six Months	
Ended June 30,	2022	2021	2022	2021
Financial Highlights				
General and administrative expenses ⁽¹⁾	6,235	2,982	14,766	6,847
Corporate social responsibility expenses	757	654	1,511	1,133
Exploration and evaluation expenses	1,395	2,679	2,978	5,252
Finance cost	412	340	763	733
Other (income) expense ⁽²⁾	375	(80)	969	7,025
Loss before income taxes	(9,174)	(6,575)	(20,987)	(20,990)
Adjusted loss before interest, taxes, depreciation and amortization	(6,885)	(5,778)	(17,711)	(14,150)
Net loss attributable to common shareholders	(9,199)	(6,047)	(21,043)	(25,395)
Adjusted net loss	(7,402)	(6,433)	(18, 858)	(15,478)

1) Includes changes in share-based compensation primarily related to movements in DPM's share price, which had a \$0.5 million favourable impact (2021 – \$3.0 million) and a \$1.6 million unfavourable impact (2021 – a \$4.5 million favourable impact) in the second quarter and first six months of 2022, respectively.

2) Includes net losses on Sabina special warrants of \$1.8 million (2021 – \$0.2 million) and \$2.2 million (2021 – \$5.6 million) in the second quarter and first six months of 2022, respectively.

General and administrative expenses

General and administrative expenses in the second quarter and first six months of 2022 were \$6.2 million and \$14.8 million, respectively, compared to \$3.0 million and \$6.9 million in the corresponding periods in 2021, due primarily to higher share-based compensation as a result of changes in DPM's share price.

Exploration and evaluation expenses

Exploration and evaluation expenses in the second quarter and first six months of 2022 of \$1.4 million and \$3.0 million, respectively, were \$1.3 million and \$2.3 million lower than the corresponding periods in 2021 due primarily to the timing of drilling activities.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section of this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Company had cash of \$423.3 million, investments valued at \$35.8 million primarily related to its 5.8% interest in Sabina, and \$150.0 million of undrawn capacity under its RCF.

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

As at June 30, 2022, the Company's cash resources and available capital under its RCF continue to provide sufficient liquidity and capital resources to meet its current operating and capital expenditure requirements, all contractual commitments, as well as a number of margin improvement and growth related expenditures. The Company may, from time to time, raise additional capital or amend its RCF to ensure it maintains its financial strength and has sufficient liquidity to support the funding requirements associated with one or more of its growth capital projects, such as the Loma Larga and Timok gold projects, and the overall needs of the business.

As part of the Company's assessment of the potential implications associated with the conflict in Ukraine and the COVID-19 pandemic, the Company assessed its financial resources as at June 30, 2022 and concluded that it has sufficient available cash resources to manage the potential impacts that could reasonably be expected to arise.

Capital Allocation

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

Share repurchases under the Normal-Course Issuer Bid ("NCIB")

The Company established a NCIB on March 1, 2021, which provided for the repurchase of up to 9,000,000 of its common shares through the facility of the TSX up to February 28, 2022. A new NCIB was established on March 1, 2022, which permits the Company to repurchase up to 9,000,000 common shares representing approximately 5% of the total outstanding common shares as at February 17, 2022, over a period of twelve months commencing March 1, 2022 and terminating on February 28, 2023. In accordance with TSX rules, the Company will not acquire on any given trading day more than 182,760 common shares, representing 25% of the average daily volume of common shares for the six months ended January 31, 2022. The price that the Company will pay for common shares in open market transactions will be the market price at the time of purchase and any common shares that are purchased under the NCIB will be cancelled. The actual timing and number of common shares that may be purchased pursuant to the NCIB will be undertaken in accordance with DPM's capital allocation framework, having regard for such things as DPM's financial position, business outlook and ongoing capital requirements, as well as its share price and overall market conditions.

The Company has established an automatic share purchase plan ("ASPP") in connection with the NCIB to facilitate the purchase of common shares during times when the Company would ordinarily not be permitted to purchase common shares due to regulatory restrictions or self-imposed black-out periods. Before entering a black-out period, the Company may, but is not required to, instruct its broker to make purchases under the NCIB based on parameters set by the Company in accordance with the ASPP, TSX rules and applicable securities laws. The ASPP was pre-cleared by the TSX at the time of renewal and was implemented effective July 1, 2022.

During the six months ended June 30, 2022, the Company purchased a total of 1,598,800 shares, of which 1,528,400 were cancelled as at June 30, 2022 with the remaining shares cancelled in July 2022. The Company also cancelled an additional 29,600 shares that were purchased in 2021, resulting in a total of 1,558,000 shares being cancelled during the six months ended June 30, 2022. The total cost of these purchases was \$9.5 million at an average price of \$5.92 (Cdn\$7.55) per share, \$4.9 million of which was recognized as a reduction in share capital and \$4.6 million as a reduction in contributed surplus in the condensed interim consolidated statements of changes in shareholders' equity for the six months ended June 30, 2022 and the payment for which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the six months ended June 30, 2022.

A copy of the TSX Form 12 for the NCIB can be obtained, without charge, by contacting the Company at info@dundee precious.com.

Declaration of dividend

During the six months ended June 30, 2022, the Company declared a quarterly dividend of \$0.04 (2021 – \$0.03) per common share to its shareholders of record resulting in total dividend distributions of \$15.3

million (2021 – \$10.9 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$13.4 million (2021 – \$10.9 million) of dividends which were included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the six months ended June 30, 2022 and recognized a dividend payable of \$7.6 million (December 31, 2021 – \$5.7 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position as at June 30, 2022.

On July 28, 2022, the Company declared a dividend of \$0.04 per common share payable on October 17, 2022 to shareholders of record on September 30, 2022.

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

Cash Flow

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

<i>\$ thousands</i>	Three Months		Six Months	
Ended June 30,	2022	2021	2022	2021
Cash provided from operating activities, before changes in working capital ⁽¹⁾	56,383	84,673	117,000	147,541
Changes in working capital	15,455	(8,976)	33,377	(24,253)
Cash provided from operating activities	71,838	75,697	150,377	123,288
Cash provided from (used in) investing activities	(21,465)	16,065	(38,831)	914
Cash used in financing activities	(9,051)	(7,013)	(22,604)	(13,279)
Increase in cash	41,322	84,749	88,942	110,923
Cash at beginning of period	381,997	175,706	334,377	149,532
Cash at end of period	423,319	260,455	423,319	260,455

1) *Cash provided from operating activities, before changes in working capital, is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section commencing on page 45 of this MD&A for more information, including reconciliations to IFRS measures.*

The primary factors impacting period over period cash flows are summarized below.

Operating activities

Cash provided from operating activities in the second quarter and first six months of 2022 of \$71.8 million and \$150.3 million, respectively, was \$3.9 million lower and \$27.0 million higher than the corresponding periods in 2021, due primarily to the same factors impacting earnings before income taxes, as well as the timing of deliveries and subsequent receipt of cash.

In the second quarter and first six months of 2022, cash provided from operating activities, before changes in working capital, of \$56.4 million and \$117.0 million, respectively, was \$28.3 million and \$30.5 million lower than the corresponding periods in 2021, consistent with earnings before income taxes.

Investing activities

Cash used in investing activities in the second quarter and first six months of 2022 was \$21.4 million and \$38.8 million, respectively, compared to cash provided from investing activities of \$16.1 million and \$0.9 million in the corresponding periods in 2021.

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

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Chelopech	4,534	5,228	8,404	8,040
Tsumeb	5,543	7,248	7,555	12,618
Ada Tepe	1,800	4,854	6,146	7,390
Corporate & Other	9,588	2,930	16,226	3,433
Total cash capital expenditures	21,465	20,260	38,331	31,481

Cash outlays for capital expenditures in the second quarter and first six months of 2022 of \$21.4 million and \$38.3 million, respectively, were \$1.1 million and \$6.8 million higher than the corresponding periods in 2021 due primarily to the timing of sustaining capital expenditures and increased cash outlays for growth capital expenditures related to the Loma Larga gold project.

In the second quarter and the first six months of 2021, the Company received total cash proceeds of \$45.8 million from the MineRP Disposition for DPM's equity interest in MineRP and the repayment of DPM shareholder loans.

Financing activities

Cash used in financing activities in the second quarter and first six months of 2022 was \$9.1 million and \$22.6 million, respectively, compared to \$7.0 million and \$13.3 million in the corresponding periods in 2021, due primarily to payments for shares repurchased under the NCIB and increased dividend payments in the second quarter and first six months of 2022.

Financial Position

<i>\$ thousands</i> As at	June 30, 2022	December 31, 2021	Increase/ (Decrease)
Cash	423,319	334,377	88,942
Accounts receivable, inventories and other current assets	137,368	179,416	(42,048)
Investments at fair value	35,833	47,983	(12,150)
Non-current assets, excluding investments at fair value	587,846	606,634	(18,788)
Total assets	1,184,366	1,168,410	15,956
Current liabilities	89,717	85,799	3,918
Non-current liabilities	63,782	78,198	(14,416)
Equity attributable to common shareholders	1,030,867	1,004,413	26,454

Cash increased by \$88.9 million to \$423.3 million during the first six months of 2022 due primarily to earnings generated in the period and a favourable change in working capital, partially offset by cash outlays for capital expenditures, dividend payments and share repurchases. Accounts receivable, inventories and other current assets decreased by \$42.0 million to \$137.4 million due primarily to the timing of deliveries and subsequent receipt of cash. Investments at fair value decreased by \$12.2 million to \$35.8 million due primarily to the decrease in Sabina's share price. Non-current assets, excluding investments at fair value, decreased by \$18.8 million to \$587.8 million due primarily to depreciation and depletion, partially offset by capital expenditures.

Current liabilities increased by \$3.9 million to \$89.7 million during the first six months of 2022 due primarily to an increase in income tax liabilities due to the timing of tax installment payments and an increase in the current portion of rehabilitation provisions, partially offset by a decrease in accounts payable and accrued liabilities as a result of the timing of payments to suppliers. Non-current liabilities decreased by \$14.4 million to \$63.8 million due primarily to a decrease in rehabilitation provisions as a result of a stronger U.S. dollar and higher discount rates, as well as a decrease in share-based compensation as a result of the decrease in DPM's share price. Equity attributable to common shareholders increased by \$26.5 million to \$1,030.9 million due primarily to net earnings generated in the period, partially offset by a decrease in accumulated other comprehensive income related to unrealized losses on publicly traded securities, dividends declared and shares repurchased.

Contractual Obligations, Commitments and Other Contingencies

The Company had the following minimum contractual obligations and commitments as at June 30, 2022:

<i>\$ thousands</i>	up to 1 year	1 – 5 years	over 5 years	Total
Lease obligations	5,494	11,356	1,535	18,385
Capital commitments	10,926	-	-	10,926
Purchase commitments	12,360	48	-	12,408
Other obligations	307	838	125	1,270
Total contractual obligations and commitments	29,087	12,242	1,660	42,989

As at June 30, 2022, Tsumeb had approximately \$58.9 million (December 31, 2021 – \$73.8 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. (“IXM”) pursuant to a tolling agreement (the “Tolling Agreement”).

In April 2021, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things: i) targeted declining excess secondary material balances, above which excess secondary material would be required to be purchased by the Company; ii) the elimination of all excess secondary material by March 31, 2023; iii) an increase in the defined level of normal secondary material; and iv) an extension of the Tolling Agreement by three years to December 31, 2026.

As at June 30, 2022, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately \$23.7 million, which was approximately \$14.3 million above the targeted levels under the Tolling Agreement. IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels as at June 30, 2022.

Debt

As at June 30, 2022 and December 31, 2021, the Company’s total outstanding debt was \$nil and the Company was in compliance with all of its debt covenants.

DPM RCF

Up to July 2022, DPM had a committed revolving credit facility (the “RCF”) of \$150.0 million with a consortium of banks that was to mature in February 2024. The Company’s borrowing spread above LIBOR was 2.5%, and could range between 2.5% and 3.5% depending upon DPM’s funded net debt to adjusted earnings before interest, taxes, depreciation and amortization (“Debt Leverage Ratio”), as defined in the RCF. The RCF was secured by pledges of DPM’s investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of the subsidiaries that hold these assets and by certain holding companies. The RCF contained financial covenants that required DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth equal to \$500.0 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, after December 31, 2011, and as defined under the RCF. As at June 30, 2022 and December 31, 2021, DPM was in compliance with all financial covenants and \$nil was drawn under the RCF.

In July 2022, DPM replaced the RCF with a new committed revolving credit facility (the “New RCF”) with a consortium of four banks that matures in July 2026. Generally speaking, this facility contains more favourable terms and conditions than the old RCF, providing added flexibility, an extended term, and lower pricing, and is secured by pledges of DPM’s investments in Ada Tepe, Chelopech and Loma Larga and by guarantees from each of the subsidiaries that hold these assets and by certain holding companies. Initially, DPM is permitted to borrow up to an aggregate principal amount of \$150.0 million, which can be increased pursuant to an accordion feature that permits, subject to certain conditions, the facility to be increased to \$250.0 million. The cost of borrowing is based on the Secured Overnight Financing Rate (“SOFR”), the general replacement rate for LIBOR, plus a spread, which is currently 2.25%, and can range between 2.25% and 3.5% depending upon DPM’s leverage. The New RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, and (ii) a minimum net worth equal to \$600 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, after December 31, 2021, and as defined under the New RCF.

Tsumeb Overdraft Facility

Tsumeb has a Namibian \$100.0 million (\$6.1 million) demand overdraft facility. This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at June 30, 2022 and December 31, 2021, \$nil was drawn from this facility.

Credit Agreements and Guarantees

Chelopech and Ada Tepe have a \$21.0 million multi-purpose credit facility that matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$16.3 million (December 31, 2021 – \$13.9 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of concession contracts with the Bulgarian Ministry of Energy.

Chelopech and Ada Tepe also have a Euro 21.0 million (\$21.8 million) credit facility to support mine closure and rehabilitation obligations in respect of concession contracts with the Bulgarian Ministry of Energy. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$21.8 million (December 31, 2021 – \$23.8 million) had been utilized in the form of letters of guarantee.

Ada Tepe also has a \$10.3 million multi-purpose credit facility that matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$0.1 million (December 31, 2021 – \$0.2 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of exploration contracts with the Bulgarian Ministry of Energy.

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 28, 2022, 190,485,952 common shares were issued and outstanding.

DPM also has 2,616,210 stock options outstanding as at July 28, 2022 with exercise prices ranging from Cdn\$3.28 to Cdn\$8.50 per share (weighted average exercise price – Cdn\$5.51 per share).

Other

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. Other than the Constitutional Protection Action (the "Action") filed against the Ministry of Environment, Water and Ecological Transition ("MAATE") by certain non-government organizations and local agencies at Loma Larga (see the "Development and Other Major Projects – Loma Larga Gold Project" section contained in this MD&A for details), there are no ongoing legal proceedings that are expected to result in a material liability 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, 2022, the Company's investments at fair value were \$35.8 million (December 31, 2021 – \$48.0 million), the vast majority of which related to the value of its investment in Sabina common shares and special warrants.

As at June 30, 2022, DPM held: (i) 31,050,566 common shares of Sabina and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the Sabina special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at June 30, 2022.

For the three and six months ended June 30, 2022, the Company recognized unrealized losses on the Sabina special warrants of \$1.8 million (2021 – \$0.2 million) and \$2.2 million (2021 – \$5.6 million), respectively, in other (income) expense in the condensed interim consolidated statements of earnings (loss).

For the three and six months ended June 30, 2022, the Company recognized unrealized losses on these publicly traded securities of \$12.8 million (2021 – unrealized gains of \$4.6 million) and \$10.5 million (2021 –\$32.4 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

Commodity Swap Contracts

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

As at June 30, 2022, the Company’s outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	20,085 ounces	\$1,828.16/ounce
Payable copper	10,053,067 pounds	\$4.34/pound

The Company also enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average prices for fixed metal prices to reduce its future metal price exposure in respect of its projected production (“Production Hedges”). As at June 30, 2022, the Company had no outstanding Production Hedges.

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

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding LME forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at June 30, 2022, the net fair value gain on all outstanding QP Hedges was \$6.4 million (December 31, 2021 – a net fair value loss of \$1.9 million), of which \$6.4 million (December 31, 2021 – \$0.02 million) was included in other current assets and \$nil (December 31, 2021 – \$1.9 million) in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2022 the Company recognized, in revenue, net gains of \$14.7 million (2021 – net losses of \$3.3 million) and \$7.9 million (2021 – net losses of \$0.9 million), respectively, on QP Hedges. For the three and six months ended June 30, 2021, the Company also recognized realized losses of \$5.3 million and \$6.3 million, respectively, in revenue on Production Hedges.

For the three and six months ended June 30, 2021, the Company recognized unrealized losses of \$1.2 million and \$7.9 million, respectively, in other comprehensive income (loss) on the spot component of the outstanding commodity swap contracts in respect of Production Hedges. The Company also recognized unrealized losses of \$0.1 million and \$0.5 million, respectively, for the three and six months ended June 30, 2021 on the forward point component of the outstanding commodity swap contracts in respect of Production Hedges in other comprehensive income (loss) as a deferred cost of hedging.

Foreign Exchange Option Contracts

The Company enters into foreign exchange 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 option contracts 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, 2022, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected Namibian dollar denominated operating expenses, which is linked to the ZAR, as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR	Call options sold weighted average ceiling rate US\$/ZAR	Put options purchased weighted average floor rate US\$/ZAR
Balance of 2022	721,170,000	17.04	15.13
2023	1,263,876,000	17.50	15.50

As at June 30, 2022, approximately 82% of projected Namibian dollar operating expenses for the balance of 2022, and approximately 83% of projected Namibian dollar operating expenses for 2023, have been hedged.

The Company designates the intrinsic value of foreign exchange option contracts as cash flow hedges. The time value component of foreign exchange 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, 2022, the net fair value loss on all outstanding foreign exchange option contracts was \$2.4 million (December 31, 2021 – \$1.5 million), of which \$1.3 million (December 31, 2021 – \$1.5 million) was included in accounts payable and accrued liabilities and \$1.1 million (December 31, 2021 – \$nil) in other long-term liabilities.

The Company recognized realized gains of \$0.1 million (2021 – \$2.4 million) and \$0.2 million (2021 – \$3.6 million), respectively, for the three and six months ended June 30, 2022 in cost of sales on the spot component of settled contracts.

For the three and six months ended June 30, 2022, the Company recognized unrealized losses of \$0.7 million (2021 – unrealized gains of \$1.6 million) and unrealized gains of \$0.1 million (2021 – unrealized losses of \$0.2 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts.

The Company also recognized unrealized losses of \$4.5 million (2021 – \$1.8 million) and \$1.0 million (2021 – \$1.8 million), respectively, for the three and six months ended June 30, 2022 on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

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

EXPLORATION

Chelopech Mine

In the second quarter of 2022, a total of 10,903 metres of resource development diamond drilling was completed within the Chelopech mine, of which 7,966 metres were extensional drilling, designed to explore for new mineralization along modelled trends.

Extensional diamond drilling within the Chelopech mine was concentrated on testing a zone of quartz-barite-gold-sulphide (“QBGS”) mineralization located to the south of Block 700. Furthermore, drilling was

focused towards Target 184, located in the northwestern section of the deposit as well as the upper levels of Blocks 17 and 25 and lower levels of Blocks 144, 145 and 149. A review of the extensional drilling program is discussed below.

Blocks 17, 25 and 153

During the quarter a series of underground drill targets were tested from level 480 in the central section of the mine, for a total 1,709 metres. The aim was to test upper parts of Blocks 17 and 25, the gap between Blocks 19 and 25 and the area between Blocks 153 and 700. The target areas were all located near to the boundary between the Chelopech formation host rocks and post mineralization cover sequence above.

Drill hole EXT25_480_06 intercepted mineralization approximately 50 metres above the current Block 17 high-grade mineral resource domain. This extension to mineralization is located adjacent to an area that was historically mined. It demonstrates that there is still potential for preserved high-grade mineralization in upper levels of Block 17.

A significant intercept was returned while drilling below Block 700 from drill hole EXT700_480_01. The intercept was located approximately 50 metres below the current mineral resource volumes.

Furthermore EXT25_480_02 returned an intercept above Block 25, which extended the contour of the high-grade mineral resource domain by approximately 25 metres toward the contact with overlying cover sequence.

Target North, Target 184

As a part of Target North resource development program, Target 184 was drill tested from level 180 during the quarter, looking for extensions and to determine the shape and size of the mineralized zone. Target 184 is a structurally controlled zone high-sulphidation mineralization located on the northern flank of Chelopech.

A drill section adjacent to the Target 184 zone returned significant intersections that extended mineralization by 15 metres, both to the east and downdip. Results are presented in the table below within drill holes G147_180_01, G147_180_02, G147_180_03 and G147_180_04.

Follow up drilling is being planned to determine the final shape and size of the ore body, as well as the continuity of mineralization. Metallurgical test work will be undertaken to determine the amenability of this mineralization style to the Chelopech flowsheet during the third quarter of 2022.

Quartz-Barite-Gold-Sulphide Zone

Whilst drill testing the south flank of the Chelopech deposit during 2021, a new zone of mineralization was encountered located approximately 200 metres south of Block 700.

During the second quarter of 2022, a total of 1,839 metres of underground drilling was undertaken toward this target, designed to determine its potential shape and size. A series of mineralized intercepts were returned from this phase of drilling – see drill holes EXT700_420_02, EXT700_420_03, EXT700_420_04, EXT700_420_05, EXT700_420_06, EXT700_420_07, EXT700_420_08 and EXT8_420_01 in the table below. Further drilling is required to determine the continuity of mineralization and to bring this area into current Mineral Resources.

Blocks 144, 145 and 149

Blocks 144, 145 and 149 are in the western area of the Chelopech mine and can be described as complex, tabular mineralized zones of gold-copper stockwork with highly variable levels of geologic and grade continuity.

As part of sustained efforts to improve the geologic confidence in these areas, the purpose of extensional drilling initiated during the quarter was to define the lower boundaries of these Blocks between the elevations of 140 mRL and -40 mRL. Four holes from this program returned significant intersections,

presented in the table below within drill holes EXT149_90_09 (Block 149), EXT149_90_12 (Block 144), EXT149_90_13 (Block 145) and EXT149_90_16 (Block 149). The intercepted mineralization is structurally controlled, and extends the current mineral resource domains down-dip between 10 metres to 25 metres. Other holes intersected narrow, low-continuity mineralization that is below the reporting criteria.

Focus for the third quarter of 2022

In the third quarter of 2022, the Mineral Resource development strategy for Chelopech will be focused on:

- Extensional drilling on level 320, aiming to test Target 11 in the northeastern part of the deposit;
- Drilling in northwestern part of deposit toward exploration Targets 114, 184 and 185; and
- Drilling to test for extensions to Blocks 149, 150 and 153.

Significant intercepts (gold equivalent (“AuEq”) cut-off grade of 2.5 g/t) received from extensional drilling activities during the second quarter of 2022:

Hole ID	East	North	RL	AZ	DIP	From	To	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
Intersections from stockwork type mineralization												
EXT25_480_01												
No significant intersection												
EXT25_480_02	5749	29547	476	345.5	-13.3	181.5	192	10.5	3.09	2.46	16.89	0.31
EXT25_480_03												
No significant intersection												
EXT25_480_06	5750	29546	478	11.8	15.8	153	163.5	10.5	7.01	4.11	29.04	1.41
EXT25_480_07												
No significant intersection												
EXT700_480_01	5752	29544	477	75.8	5.2	292.4	306	13.5	2.82	2.06	22.4	0.45
EXT149_90_09	5575	29863	104	171.2	-12.1	58.5	69	10	3.05	2.19	2.81	0.51
EXT149_90_09	5575	29863	104	171.2	-12.1	76.5	90	13	2.52	2.02	3.42	0.3
EXT149_90_11												
No significant intersection												
EXT149_90_12	5576	29863	104	137.3	-14.9	105	115.5	10	3.7	2.68	1.87	0.6
EXT149_90_13	5577	29864	104	127.3	8	114	139.5	25	3.63	2.51	3.91	0.67
EXT149_90_13	5577	29864	104	127.3	8	309	324	14.5	2.79	1.82	3.86	0.58
EXT149_90_14												
No significant intersection												
EXT149_90_16	5572	29865	104	222.1	-1.8	108	119.8	11.5	30.52	23.05	26.13	4.45
Intersections from structurally controlled type mineralization												
G147_180_01	5521	29964	181	24.1	-31.6	61.5	70.5	8	5.96	5.94	1.73	0.01
G147_180_02	5521	29964	182	24.7	-8.5	40.5	55.5	15	7.02	7.01	0.5	0.004
G147_180_03	5521	29964	182	25.4	5.5	40.5	49.5	9	8.29	8.29	0.5	0.004
G147_180_04	5521	29964	181	8.2	-27.1	57	63	5.5	3.14	2.98	3.05	0.1
G147_180_05												
No significant intersection												
EXT700_420_02	6177	29576	420	33	-85.3	117	129	6	9.86	9.5	59.93	0.22
EXT700_420_02	6177	29576	420	33	-85.3	178.5	184.5	3	3.65	3.52	118.1	0.08
EXT700_420_03	6177	29576	419	30.8	-57.8	55.5	61.5	3.5	3.52	3.49	40.08	0.02
EXT700_420_03	6177	29576	419	30.8	-57.8	213	222	5	3.65	3.56	0.8	0.05
EXT700_420_04	6178	29575	420	57.3	-29.1	42	48	5	4.84	4.82	13.53	0.01
EXT700_420_04	6178	29575	420	57.3	-29.1	73.5	81	6.5	3.54	3.47	59.1	0.04
EXT700_420_05	6178	29575	420	57.9	-48.4	64.5	70.5	4	6.85	6.82	25.23	0.02
EXT700_420_06	6176	29577	420	7	-65.2	61.5	69.5	4	8.31	8.26	58.69	0.03
EXT700_420_07	6175	29577	420	344.4	-70.8	187.5	199.5	5	2.52	1.65	5.55	0.51
EXT700_420_08	6173	29575	420	296.6	-70.6	205.5	213	3	2.72	2.68	35.04	0.03
EXT8_420_01	6177	29576	420	41.2	-44.1	45	51	4.5	7.69	7.66	31.58	0.02

- 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: $Au\ g/t + 1.68 \times Cu\%$, based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and long-term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.
- 3) Significant intercepts from stockwork type mineralization are reported using a minimum downhole width of 10 metres with a maximum internal dilution of 4.5 metres at a 2.5 g/t AuEq cut-off.

- 4) *Significant intercepts from structurally controlled mineralization are reported using a minimum downhole width of 5 metres with a maximum internal dilution of 4.5 metres at a 2.5 g/t AuEq cut-off.*
- 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.*

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

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

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

Sample tickets are entered into the bags with a numbering system, which reconciles sample and assayed results in the acQuire database. The average core recovery within the modelled Mineral Resource constraints is 99.27% 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 Minerals (“SGS”) managed laboratory at Chelopech in Bulgaria, which is independent of the Company. Samples are routinely assayed for copper, gold, silver, sulphur and arsenic. Gold analyses are done using a 25-gram fire assay and atomic absorption spectrometry (“AAS”) finish. Assay values over 20 ppm gold are re-analyzed using gravimetric finish. Copper, silver and arsenic analyses are completed using a two-acid digestion and AAS finish. Samples returning over 100 ppm for silver and 3% for copper are re-analyzed using high-grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company’s QP has verified that all results reported in this disclosure have passed QAQC protocols, including review of the performance of certified reference materials, blanks and field duplicates. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

Chelopech Brownfield Exploration

During the second quarter of 2022, the brownfield exploration program at Chelopech continued with an intensive drilling campaign of up to nine operating drill rigs focused on the Sharlo Dere and Petrovden porphyry prospects within the mine concession, and the Wedge and West Shaft prospects within the Sveta Petka exploration licence, respectively. A total of 20,174 metres of diamond drilling has been completed with twenty-two completed and six ongoing holes.

At the Sharlo Dere prospect, located approximately 500 metres northeast of the most eastern ore bodies of the Chelopech mine, a total of 5,088 metres were drilled in six completed holes and two holes in progress. Surface exploration drilling continues to return copper-gold mineralization intercepted in drill holes EX_SD_27, 30 and 32 (significant drill intercepts are shown in the table below), which confirm and extend the results formerly defined by exploration drilling conducted by the state in the late 1970s. These holes are part of a drilling program, which aims to test the footprint of Sharlo Dere at approximately a 100 metre spacing, to be followed by a metallurgical test program and mineral resource evaluation.

Scout drilling at the Petrovden porphyry prospect area is close to completion, with the last hole currently underway on the western flank of the system. One surface directional drilled hole (EX_VD_09a) and one underground hole (EX_PPO_320_02) have been completed for a total of 1,779 metres in the second quarter of 2022, aiming to define the core of the system and the lateral and vertical mineralization zonation. Assay results confirm the footprint of the porphyry-type mineralization with similar grades as previous holes

drilled above and along strike, generally on the range of 0.5 to 0.7 Au Eq, but failed to delineate significantly higher-grade porphyry mineralization at depth.

On the hanging wall of Petrovden fault, adjacent the porphyry, the underground hole (EX_PPO_320_02) intercepted significant high sulphidation type of mineralization at a shallow level (on the north flank of the mine) while on the same area at high depth (>500 metres below the mine) the tail of the surface hole (EX_VD_09a) successfully crossed the Petrovden fault and intercepted singular grades of up to 6 g/t AuEq, associated with stockwork of pyrite-chalcopyrite veins hosted by strong deep seated phyllic alteration with significant anhydrite flooding and trace tourmaline and chlorite alteration. The presence of high sulphidation style mineralization on the hanging wall of Petrovden fault extending at significant depths below the mine will be conceptually considered as a future exploration target.

Within the Sveta Petka exploration license infill and scout drilling has ramped up at the Wedge zone and West shaft prospects to support the application of a commercial discovery for this licence. As multiple holes are still ongoing and/or under processing and most of the assay are pending, the results for this significant drilling campaign will be reported in the following quarter.

The intensive exploration drill programs will continue during the third quarter of 2022 at the Sveta Petka exploration licence, as well as at the Sharlo Dere within the mine concession. Drill testing of conceptual targets on the Brevene exploration license will also commence in the third quarter of 2022.

Significant intercepts from brownfield exploration drilling during the second quarter of 2022 from the Mine Concession:

HOLE ID	EAST	NORTH	RL	AZ	DIP	From	To	Length (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SD_27	7038	30611	788	280	-64	440	446	6	5.31	2.65	7.61	1.59
EX_SD_27						478	490	12	6.61	4.33	16.30	1.37
EX_SD_30	7091	30714	789	238	-65	418	427	9	3.32	1.74	4.70	0.94
EX_SD_32	7040	30609	788	212	-58	646	651	5	11.87	9.85	1.70	1.20
EX_PPO_320_02	6100	30003	321	15	-59	228	237.6	9.6	21.41	21.98	37.90	1.44

- 1) AuEq calculation is based on the following formula: $Au\ g/t + 1.68 \times Cu\%$, based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and
- 2) long-term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.
- 3) Significant intercepts are reported using a minimum downhole width of 5 metres, a maximum dilution of 5 metres at a 2.5 g/t AuEq cut-off. No upper cuts applied.
- 4) Coordinates are in Chelopech mine-grid.
- 5) True widths not reported at this stage, as additional data is required to define the plunge of the mineralization.

Ada Tepe Brownfield Exploration

During the second quarter of 2022, the geological activities at the Krumovgrad exploration camp were focused on extensive target delineation campaigns that encompassed the Ada Tepe mine concession and the Chiirite and Dalbokata Reka exploration licences. This included detailed mapping, rock sampling, trenching and 3D modelling, and are currently being followed up with diamond drilling.

Khan Krum Concession Area

After completion of the targeting exercise at Ada Tepe and based on structural, geophysical and geochemical data and in pit drilling to date, drilling commenced with six drill holes completed and one in progress for a total of 1,404 metres drilled during the quarter. The program aims to test for conceptual feeder structures and extensions to mineralization to the north of the mine.

The first hole drilled below the pit (ATDD115) intersected a strongly silicified wide structure at a depth of 60 metres which is about 80 metres below the sediments/basement contact. Although it returned low grades

(<0.2 g/t Au), it has been interpreted as a potential feeder zone situated below the boiling level of the hydrothermal system. Based on this concept, this target will be followed up on shallower levels.

The other five completed holes are situated in the northern part of the deposit and test for the continuation of a possible narrow, sub-vertical, high-grade zone of mineralization that may continue to the north of the current LOM pit design. Several shallow dipping vein zones were delineated within one of the holes (ATDD116) and returned a significant intercept of 11 metres at 1 g/t Au and 2.5 g/t Ag from 79 metres downhole. The remaining holes either returned weak gold values (<0.3ppm) or are waiting assay results.

Chiirite Exploration Licence

The scout drilling program started in early April at the Golden Creek prospect with a total of 1,910 metres drilled during the second quarter of 2022. To date five holes have been completed and one is ongoing, designed to investigate mineralization observed in mapped discrete veins and zones of hydrothermal breccias. The best intercept to-date is from hole ZDDD004 which returned 10 metres at 2 g/t Au and 1.6% Zn from 170 metres downhole.

Ecuador Exploration

A 15,800-metre drilling program to support various studies complementary to the Loma Larga FS optimization, consisting of hydrogeological, geotechnical, metallurgical, condemnation and extension drilling, was commenced in the first quarter of 2022. A total of 658 metres of condemnation drilling was completed prior to DPM temporarily pausing drilling activities at the end of February as a result of the Action filed against the MAATE by certain non-government organizations and local agencies and the suspension of the environmental permit required for exploration and technical drilling by the court, pending the hearing of the Action.

On July 12, 2022, an oral decision delivered by the Judicial Labour Unit of Cuenca upheld the validity of the environmental permits for exploration, confirmed that the MAATE did not violate rights relating to the protection of water and nature in granting the permits, and reaffirmed the Company's legal rights in the mining concessions. The written decision was received on July 20, 2022, and requests for clarification of certain matters set out in the decision have been filed by parties to the proceedings, including the Company. Drilling activities remain paused, pending receipt of such clarification and assessment of the impact of any appeals that may be filed (see the "Development and Other Major Projects – Loma Larga Gold Project" section contained in this MD&A for further details).

On Tierras Coloradas, a soil sampling program of 350 samples has been completed in the north-east part of the project. A drilling program of 2,650 metres has been planned and is expected to be completed during the third quarter of 2022. This drilling program will test the high-grade low sulphidation veins system oriented north-south and east-west identified in 2020. The change in status of the project from early to advanced stage exploration is in progress and all regulations and authorizations required from the different Ecuadorian authorities are expected to be received by the end of 2022. All permits related to the drilling campaign have been received and drilling activities have commenced.

Sampling, Analysis and QAQC of Brownfield Exploration Core and Channel Samples

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

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

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

Drill core samples submitted to the laboratory are dried at 105°C for a minimum of 12 hours, and then jaw crushed to about 80% passing 4 millimetres. Sample preparation duplicates are created by riffle splitting crushed samples on a 1 in 20 basis. Larger samples are riffle split prior to pulverizing, whereas smaller samples are pulverized entirely. Pulverizing specifications are 90% passing 75 microns. Gold analyses are done using a conventional 50-gram fire assay and AAS finish. Multi-element analyses for 49 elements, including Ag, Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10 ppm for Ag and 1% for Cu, Pb and Zn are re-analyzed using high-grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company's QP has verified that all results reported in this disclosure have passed QAQC protocols, including review of the performance of certified reference materials, blanks and field duplicates. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

DEVELOPMENT AND OTHER MAJOR PROJECTS

Loma Larga Gold Project

In the third quarter of 2021, DPM completed the acquisition of the high-quality, advanced stage Loma Larga gold project in Ecuador.

The current Mineral Reserves for the project, effective as of March 31, 2020, consists of 2.9 million tonnes Proven Mineral Reserves grading 7.30 g/t Au, 0.44% Cu and 34.8 g/t Ag, for 0.69 million ounces of gold, 28.5 million pounds of copper and 3.27 million ounces of silver. Probable Mineral Reserves are 11 million tonnes grading 4.28 g/t Au, 0.25% Cu and 28.3 g/t Ag, for 1.51 million ounces of gold, 59.5 million pounds of copper and 10.0 million ounces of silver. Total Proven and Probable Mineral Reserves are 13.9 million tonnes grading 4.91 g/t Au, 0.29% Cu and 29.6 g/t Ag, for 2.20 million ounces of gold, 88 million pounds of copper and 13.27 million ounces of silver.

The current 12-year life of mine plan outlines an annual mine production average of approximately 200,000 gold ounces in concentrate in the first five years. Life of mine production is estimated to be approximately 170,000 gold ounces per year, at an attractive all-in sustaining cost per ounce of gold sold, which continues to support DPM's peer-leading cost profile.

Located in the Azuay province of Ecuador, the project has similar geology, mining method and processing flow sheet to our Chelopech underground mine. Loma Larga is expected to produce a pyrite gold concentrate that can be sold to various copper and gold smelting operations, as well as a small quantity of complex concentrate, which DPM could process at its Tsumeb smelter.

For more information, including key assumptions, risks and parameters relating to the FS, refer to the Technical Report entitled "NI 43-101 Feasibility Study Technical Report, Loma Larga Project, Azuay Province, Ecuador" dated April 8, 2020 and re-issued by DPM on November 29, 2021, which has been posted on the Company's website at www.dundeeprecious.com and has been filed on SEDAR at www.sedar.com.

The Company continued to progress permitting activities, receiving the certificate of technical viability for the filtered tailings storage facility at the end of June, a key milestone for the project's development. As previously reported, in April 2022, the Company received the technical approval of the Environmental Impact Assessment ("EIA") study, which was submitted to the MAATE by the previous owner prior to its

acquisition by DPM. The MAATE has appointed facilitators to carry out the Citizen Participation Process, which was temporarily postponed following national protests that occurred in June. Once these activities resume, DPM and its EIA consultant will support the Citizen Participation Process, assess all comments received and make the necessary updates to the EIA in order to assist the MAATE in providing its final approval of the EIA and issuing the environmental licence.

In parallel, the Company continues to advance work to update and optimize the FS completed by the previous owner. This includes progressing several trade-off studies aimed at further improving the project based on DPM's expertise and experience, and the design of a metallurgical test program. DPM is targeting completion of a revised FS in 2022.

A 15,800-metre drilling program to support various studies complementary to the Loma Larga FS optimization, consisting of hydrogeological, geotechnical, metallurgical, condemnation and extension drilling, was commenced in the first quarter of 2022. A total of 658 metres of condemnation drilling was completed prior to DPM temporarily pausing drilling activities at the end of February as a result of the Action filed against the MAATE by certain non-government organizations and local agencies and the suspension of the environmental permit required for exploration and technical drilling by the court, pending the hearing of the Action.

On July 12, 2022, an oral decision delivered by the Judicial Labour Unit of Cuenca upheld the validity of the environmental permits for exploration, confirmed that the MAATE did not violate rights relating to the protection of water and nature in granting the permits, and reaffirmed the Company's legal rights in the mining concessions. The court also found that the Company will be required to include the local indigenous populations in its consultation process prior to proceeding to the exploitation phase, which DPM had already planned as part of its development of the project, reflecting the Company's commitment to the highest standards of stakeholder engagement and in line with International Finance Corporation practices.

The written decision was received on July 20, 2022, and DPM will be seeking clarification from the court as to whether the indigenous consultation may be done in parallel with the Citizen Participation Process and other activities required for the environmental permit, or whether the consultation must be completed before advancing those activities, which could delay the timing for the receipt of the environmental licence, currently expected to be received in the third quarter of 2022. The decision may also be appealed by the claimants within three days following completion of the clarification process. Drilling activities at Loma Larga remain paused, pending clarification from the court on the effect of the written decision in this regard and the impact of any appeals that may be filed.

As the permitting process progresses, DPM's team is working proactively with stakeholders to obtain the project's social licence to operate. Government interaction with the mining industry has improved significantly since the change in government in Ecuador in May 2021 and DPM maintains a constructive relationship with all government institutions and other stakeholders involved with the development of the project. The Company is also progressing discussions that are expected to result in the execution of an investor protection agreement with the government of Ecuador prior to making any significant capital commitments.

Timok Gold Project

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

On February 23, 2021, DPM announced the results of the prefeasibility study ("PFS") for the Timok gold project which focused on the development of the oxide and transitional portions of the Mineral Resource. The PFS was based on the updated Mineral Resource Estimate, dated May 29, 2020, which considered primarily oxide and transitional material types.

The PFS included the following highlights:

- Initial capital estimated to be \$211 million;
- 547,000 gold ounces recovered over an eight-year mine life, with annual gold production estimated to average approximately 80,000 ounces per annum in years 1 to 6, and approximately 70,000 ounces per annum over the life of mine; and
- After-tax NPV^{5%} of \$135 million and internal rate of return of 21% assuming a gold price of \$1,500 per ounce.

Based on the positive results of the PFS, the Company proceeded with the FS engineering in June 2021. The FS is now expected to be completed in the third quarter of 2022 with optimization activities focused on capital expenditures and mining activities. The Company has seen inflationary pressures on capital and operating budgets consistent with general industry trends. Following completion of the FS, the Company will pursue opportunities through additional exploration, particularly at the Čoka Rakita target south-east of the Timok deposit, subject to receipt of the required permits.

The three-year retention of mineral rights for the project was received during the third quarter of 2021. Other permitting activities associated with the spatial planning continued during the second quarter of 2022 with the objective of securing the mining rights for the project. The terms of reference for the spatial plan were released during the fourth quarter of 2021 for public review with the first public hearings planned for the first quarter of 2023.

The Company plans to integrate the Čoka Rakita exploration permitting into the overall permitting schedule in order to allow for drilling and further optimization of the project. The exploration permit is expected in the third quarter of 2022 at which point the broader Timok gold project permitting process is expected to continue as planned.

For additional details, including key assumptions, risks and parameters relating to the PFS, refer to the news release entitled “Dundee Precious Metals Announces Positive Pre-Feasibility Study and Encouraging New Exploration Results for the Timok Gold Project in Serbia” dated February 23, 2021 and the Technical Report entitled “NI 43-101 Technical Report, Timok Project, Pre-Feasibility Study, Žagubica, Serbia” effective March 30, 2021, which have been posted on the Company’s website at www.dundeeprecious.com and have been filed on SEDAR at www.sedar.com.

Tsumeb Rotary Holding Furnace

The Company continues to assess opportunities to further optimize the inherent value of the Tsumeb smelter operation. An assessment was completed in respect of the installation of a rotary holding furnace. The estimated upfront cost is expected to range between \$47 million and \$55 million. This furnace is expected to provide surge capacity between the Ausmelt furnace and the converters, increase smelter recoveries as well as potentially bring in additional third party feed and increase the proportion of third party volumes. These opportunities have the potential to generate additional value, with the rotary furnace installation being a potentially high return project that would debottleneck and increase the annual throughput of complex concentrate by over 50% up to 370,000 tonnes and, in turn, generate significant incremental margins, given the fixed cost nature of the facility. As a result, the Company continues to monitor and pursue potential opportunities to secure additional long-term supply of complex concentrate on acceptable terms that would support this expansion.

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

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

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 <i>except per share amounts</i>	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	134.5	153.8	166.4	162.3	174.7	138.0	151.8	156.0
Net earnings	33.5	26.8	51.5	50.4	88.1	19.8	50.1	53.3
Net earnings (loss) attributable to:								
• Continuing operations	33.5	26.8	52.1	50.4	67.5	20.7	50.2	55.2
• Discontinued operations	-	-	(0.6)	-	20.7	(0.7)	0.1	(1.5)
• Non-controlling interests	-	-	-	-	(0.1)	(0.2)	(0.2)	(0.4)
Net earnings (loss) per share:	0.18	0.14	0.27	0.27	0.48	0.11	0.28	0.30
• Continuing operations	0.18	0.14	0.27	0.27	0.37	0.11	0.28	0.31
• Discontinued operations	-	-	-	-	0.11	-	-	(0.01)
Net earnings (loss) diluted per share:	0.17	0.14	0.27	0.26	0.48	0.11	0.27	0.29
• Continuing operations	0.17	0.14	0.27	0.26	0.37	0.11	0.27	0.30
• Discontinued operations	-	-	-	-	0.11	-	-	(0.01)
Adjusted net earnings ⁽¹⁾	33.3	37.0	51.4	52.5	67.1	31.0	44.0	51.6
Adjusted basic earnings per share ⁽¹⁾	0.17	0.19	0.27	0.28	0.37	0.17	0.24	0.28

The variations in the Company's quarterly results were driven largely by fluctuations in gold and copper grades and recoveries, timing of metal deliveries, volumes of complex concentrate smelted, gold, copper and sulphuric acid prices, foreign exchange rates, smelter toll rates, smelter metal recoveries, depreciation, gains and losses related to Sabina special warrants, gains and losses on commodity swap contracts related to hedging the Company's metal price exposures, realized gains or losses on foreign exchange option contracts related to hedging the Company's foreign denominated operating expenditures, the MineRP Disposition, restructuring costs and impairment charges.

The following table summarizes the quarterly average realized prices for gold and copper and highlights the quarter over quarter variability:

Average Realized Metal Prices	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
LBMA gold (\$/ounce)	1,812	1,876	1,780	1,800	1,803	1,779	1,816	1,835
LME settlement copper (\$/pound)	4.42	4.58	3.77	3.72	3.99	3.76	3.26	2.88

CRITICAL ACCOUNTING ESTIMATES

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

The significant areas of estimation and uncertainty considered by management in preparing the condensed interim consolidated financial statements for the three and six months ended June 30, 2022 are the same as those described in the Company's MD&A for the year ended December 31, 2021.

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 financial measures or ratios. 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 Human Capital and 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 and ratios, 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

Mine cash cost; smelter cash cost; mine cash cost of sales; and all-in sustaining cost are non-GAAP financial measures. Cash cost per tonne of ore processed; cash cost per ounce of gold sold; all-in sustaining cost per ounce of gold sold; and cash cost per tonne of complex concentrate smelted are non-GAAP ratios. These measures 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 Human Capital and 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 to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i>				
For the three months ended June 30, 2022	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	529,003	217,024	-	
Complex concentrate smelted (mt)	-	-	21,054	
Cost of sales	30,268	26,539	30,027	86,834
Add/(deduct):				
Depreciation and amortization	(6,119)	(14,139)	(6,440)	
Bulgarian government subsidy for electricity ⁽¹⁾	(2,524)	(866)	-	
Change in concentrate inventory	3,976	92	-	
Sulphuric acid revenue ⁽²⁾	-	-	(3,097)	
Mine cash cost / Smelter cash cost ⁽³⁾	25,601	11,626	20,490	
Cost of sales per tonne of ore processed ⁽⁴⁾	57.22	122.29	-	
Cash cost per tonne of ore processed ⁽⁴⁾	48.39	53.57	-	
Cost of sales per tonne of complex concentrate smelted ⁽⁵⁾	-	-	1,426	
Cash cost per tonne of complex concentrate smelted ⁽⁵⁾	-	-	973	

<i>\$ thousands, unless otherwise indicated</i>				
For the three months ended June 30, 2021	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	535,576	207,035	-	
Complex concentrate smelted (mt)	-	-	59,627	
Cost of sales	32,313	23,842	33,786	89,941
Add/(deduct):				
Depreciation and amortization	(5,079)	(13,122)	(5,768)	
Change in concentrate inventory	(407)	16	-	
Sulphuric acid revenue ⁽²⁾	-	-	(4,179)	
Mine cash cost / Smelter cash cost ⁽³⁾	26,827	10,736	23,839	
Cost of sales per tonne of ore processed ⁽⁴⁾	60.33	115.16	-	
Cash cost per tonne of ore processed ⁽⁴⁾	50.09	51.86	-	
Cost of sales per tonne of complex concentrate smelted ⁽⁵⁾	-	-	567	
Cash cost per tonne of complex concentrate smelted ⁽⁵⁾	-	-	400	

1) Included in other (income) expense in the condensed interim consolidated statements of earnings (loss).

2) Represents a by-product credit for Tsumeb.

3) 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.

4) Represents cost of sales and mine cash cost, respectively, divided by tonnes of ore processed.

5) Represents cost of sales and smelter cash cost, respectively, divided by tonnes of complex concentrate smelted.

<i>\$ thousands, unless otherwise indicated</i>				
For the six months ended June 30, 2022	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	1,069,895	430,767	-	
Complex concentrate smelted (mt)			68,297	
Cost of sales	67,559	52,519	64,039	184,117
Add/(deduct):				
Depreciation and amortization	(12,055)	(27,719)	(10,725)	
Other non-cash expenses ⁽¹⁾	(243)	-	-	
Bulgarian government subsidy for electricity ⁽²⁾	(5,622)	(1,921)	-	
Change in concentrate inventory	1,960	127	-	
Sulphuric acid revenue ⁽³⁾			(10,154)	
Mine cash cost / Smelter cash cost ⁽⁴⁾	51,599	23,006	43,160	
Cost of sales per tonne of ore processed ⁽⁵⁾	63.15	121.92	-	
Cash cost per tonne of ore processed ⁽⁵⁾	48.23	53.41	-	
Cost of sales per tonne of complex concentrate smelted ⁽⁶⁾			938	
Cash cost per tonne of complex concentrate smelted ⁽⁶⁾	-	-	632	

<i>\$ thousands, unless otherwise indicated</i>				
For the six months ended June 30, 2021	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	1,079,178	425,689	-	
Complex concentrate smelted (mt)	-	-	82,636	
Cost of sales	65,177	47,517	62,890	175,584
Add/(deduct):				
Depreciation and amortization	(11,048)	(27,142)	(9,666)	
Other non-cash expenses ⁽¹⁾	-	-	(652)	
Change in concentrate inventory	(4,665)	(176)	-	
Sulphuric acid revenue ⁽³⁾	-	-	(6,474)	
Mine cash cost / Smelter cash cost ⁽⁴⁾	49,464	20,199	46,098	
Cost of sales per tonne of ore processed ⁽⁵⁾	60.40	111.62	-	
Cash cost per tonne of ore processed ⁽⁵⁾	45.83	47.45	-	
Cost of sales per tonne of complex concentrate smelted ⁽⁶⁾	-	-	761	
Cash cost per tonne of complex concentrate smelted ⁽⁶⁾	-	-	558	

1) Relates to slow moving inventory provision included in cost of sales in the condensed interim consolidated statements of earnings (loss).

2) Included in other (income) expense in the condensed interim consolidated statements of earnings (loss).

3) Represents a by-product credit for Tsumeb.

4) 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.

5) Represents cost of sales and mine cash cost, respectively, divided by tonnes of ore processed.

6) Represents cost of sales and smelter cash cost, respectively, divided by tonnes of complex concentrate smelted.

The following table provides, for the periods indicated, a reconciliation of the Company's cash cost per ounce of gold sold and all-in sustaining cost per ounce of gold sold to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i>			
For the three months ended June 30, 2022	Chelopech	Ada Tepe	Total
Cost of sales	30,268	26,539	56,807
Add/(deduct):			
Depreciation and amortization	(6,119)	(14,139)	(20,258)
Treatment charges, transportation and other related selling costs ⁽¹⁾	37,233	843	38,076
Bulgarian government subsidy for electricity ⁽²⁾	(2,524)	(866)	(3,390)
By-product credits ⁽³⁾	(32,752)	(185)	(32,937)
Mine cash cost of sales	26,106	12,192	38,298
Rehabilitation related accretion expenses ⁽⁴⁾	95	48	143
General and administrative expenses ⁽⁵⁾	3,303	2,108	5,411
Cash outlays for sustaining capital ⁽⁶⁾	3,496	1,800	5,296
Cash outlays for leases ⁽⁶⁾	237	295	532
All-in sustaining cost	33,237	16,443	49,680
Payable gold in concentrate sold (ounces) ⁽⁷⁾	39,681	23,028	62,709
Cost of sales per ounce of gold sold ⁽⁸⁾	763	1,152	906
Cash cost per ounce of gold sold ⁽⁸⁾	658	529	611
All-in sustaining cost per ounce of gold sold	838	714	792

<i>\$ thousands, unless otherwise indicated</i>			
For the three months ended June 30, 2021	Chelopech	Ada Tepe	Total
Cost of sales	32,313	23,842	56,155
Add/(deduct):			
Depreciation and amortization	(5,079)	(13,122)	(18,201)
Treatment charges, transportation and other related selling costs ⁽¹⁾	30,484	889	31,373
By-product credits ⁽³⁾	(38,792)	(268)	(39,060)
Mine cash cost of sales	18,926	11,341	30,267
Rehabilitation related accretion expenses ⁽⁴⁾	63	30	93
General and administrative expenses ⁽⁵⁾	1,418	966	2,384
Cash outlays for sustaining capital ⁽⁶⁾	4,409	4,854	9,263
Cash outlays for leases ⁽⁶⁾	219	365	584
All-in sustaining cost	25,035	17,556	42,591
Payable gold in concentrate sold (ounces) ⁽⁷⁾	39,229	31,201	70,430
Cost of sales per ounce of gold sold ⁽⁸⁾	824	764	797
Cash cost per ounce of gold sold ⁽⁸⁾	482	363	430
All-in sustaining cost per ounce of gold sold	638	563	605

1) Represents revenue deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

2) Included in other (income) expense in the condensed interim consolidated statements of earnings (loss).

3) Represents copper and silver revenue.

4) Included in finance cost in the condensed interim consolidated statements of earnings (loss).

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

6) Included in cash flow used in investing activities and financing activities, respectively, in the condensed interim consolidated statements of cash flows.

7) Includes payable gold in pyrite concentrate sold in the second quarter of 2022 of 12,088 ounces (2021 – 7,239 ounces).

8) Represents cost of sales and mine cash cost of sales, respectively, divided by payable gold in concentrate sold.

<i>\$ thousands, unless otherwise indicated</i>			
For the six months ended June 30, 2022	Chelopech	Ada Tepe	Total
Cost of sales	67,559	52,519	120,078
Add/(deduct):			
Depreciation and amortization	(12,055)	(27,719)	(39,774)
Treatment charges, transportation and other related selling costs ⁽¹⁾	52,739	1,481	54,220
Other non-cash expenses ⁽²⁾	(243)	-	(243)
Bulgarian government subsidy for electricity ⁽³⁾	(5,622)	(1,921)	(7,543)
By-product credits ⁽⁴⁾	(63,760)	(385)	(64,145)
Mine cash cost of sales	38,618	23,975	62,593
Rehabilitation related accretion expenses ⁽⁵⁾	179	86	265
General and administrative expenses ⁽⁶⁾	8,231	4,414	12,645
Cash outlays for sustaining capital ⁽⁷⁾	6,185	6,146	12,331
Cash outlays for leases ⁽⁷⁾	478	627	1,105
All-in sustaining cost	53,691	35,248	88,939
Payable gold in concentrate sold (ounces) ⁽⁸⁾	75,994	44,096	120,090
Cost of sales per ounce of gold sold ⁽⁹⁾	889	1,191	1,000
Cash cost per ounce of gold sold ⁽⁹⁾	508	544	521
All-in sustaining cost per ounce of gold sold	707	799	741

<i>\$ thousands, unless otherwise indicated</i>			
For the six months ended June 30, 2021	Chelopech	Ada Tepe	Total
Cost of sales	65,177	47,517	112,694
Add/(deduct):			
Depreciation and amortization	(11,048)	(27,142)	(38,190)
Treatment charges, transportation and other related selling costs ⁽¹⁾	50,817	1,945	52,762
By-product credits ⁽⁴⁾	(67,047)	(526)	(67,573)
Mine cash cost of sales	37,899	21,794	59,693
Rehabilitation related accretion expenses ⁽⁵⁾	114	61	175
General and administrative expenses ⁽⁶⁾	3,521	2,650	6,171
Cash outlays for sustaining capital ⁽⁷⁾	6,524	7,321	13,845
Cash outlays for leases ⁽⁷⁾	426	762	1,188
All-in sustaining cost	48,484	32,588	81,072
Payable gold in concentrate sold (ounces) ⁽⁸⁾	74,763	64,234	138,997
Cost of sales per ounce of gold sold ⁽⁹⁾	872	740	811
Cash cost per ounce of gold sold ⁽⁹⁾	507	339	429
All-in sustaining cost per ounce of gold sold	649	507	583

1) Represents revenue deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

2) Represents slow moving inventory provision included in cost of sales in the condensed interim consolidated statements of earnings (loss).

3) Included in other (income) expense in the condensed interim consolidated statements of earnings (loss).

4) Represents copper and silver revenue.

5) Included in finance cost in the condensed interim consolidated statements of earnings (loss).

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

7) Included in cash flow used in investing activities and financing activities, respectively, in the condensed interim consolidated statements of cash flows.

8) Includes payable gold in pyrite concentrate sold in the first six months of 2022 of 19,879 ounces (2021 – 16,623 ounces).

9) Represents cost of sales and mine cash cost of sales, respectively, divided by payable gold in concentrate sold.

Adjusted net earnings (loss) and adjusted basic earnings per share

Adjusted net earnings (loss) is a non-GAAP financial measure and adjusted basic earnings per share is a non-GAAP ratio 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 (loss) are defined as net earnings (loss) attributable to common shareholders, adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including:

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

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

<i>\$ thousands, unless otherwise indicated</i>					Corporate	
For the three months ended June 30, 2022	Chelopez	Ada Tepe	Tsumeb	& other	Total	
Net earnings (loss) attributable to common shareholders from continuing operations	30,916	12,807	(1,032)	(9,199)	33,492	
Add/(deduct):						
Net losses on Sabina special warrants, net of income taxes of \$nil	-	-	-	1,797	1,797	
Tsumeb restructuring costs	-	-	(2,023)	-	(2,023)	
Adjusted net earnings (loss)	30,916	12,807	(3,055)	(7,402)	33,266	
Basic earnings per share					0.18	
Adjusted basic earnings per share					0.17	

<i>\$ thousands, unless otherwise indicated</i>					Corporate	
For the three months ended June 30, 2021	Chelopez	Ada Tepe	Tsumeb	& other	Total	
Net earnings (loss) attributable to common shareholders from continuing operations	40,587	26,875	6,087	(6,047)	67,502	
Add/(deduct):						
Net losses on Sabina special warrants, net of income taxes of \$nil	-	-	-	231	231	
Deferred income tax expense (recovery) not related to current period earnings ⁽¹⁾	-	-	-	(617)	(617)	
Adjusted net earnings (loss)	40,587	26,875	6,087	(6,433)	67,116	
Basic earnings per share					0.37	
Adjusted basic earnings per share					0.37	

1) Represents changes in unrecognized tax benefits included in net earnings related to unrealized gains (losses) on publicly traded securities, which, together with the related deferred income tax expense (recovery), were recognized in other comprehensive income (loss).

<i>\$ thousands, unless otherwise indicated</i>					
For the six months ended June 30, 2022	Chelopech	Ada Tepe	Tsumeb	Corporate & other	Total
Net earnings (loss) attributable to common shareholders from continuing operations	73,231	24,302	(16,173)	(21,043)	60,317
Add/(deduct):					
Net losses on Sabina special warrants, net of income taxes of \$nil	-	-	-	2,185	2,185
Tsumeb restructuring costs	-	-	7,806		7,806
Adjusted net earnings (loss)	73,231	24,302	(8,367)	(18,858)	70,308
Basic earnings per share					0.32
Adjusted basic earnings per share					0.37

<i>\$ thousands, unless otherwise indicated</i>					
For the six months ended June 30, 2021	Chelopech	Ada Tepe	Tsumeb	Corporate & other	Total
Net earnings (loss) attributable to common shareholders from continuing operations	73,536	54,449	(14,369)	(25,395)	88,221
Add/(deduct):					
Net losses on Sabina special warrants, net of income taxes of \$nil	-	-	-	5,630	5,630
Deferred income tax expense (recovery) not related to current period earnings ⁽¹⁾	-	-	-	4,287	4,287
Adjusted net earnings (loss)	73,536	54,449	(14,369)	(15,478)	98,138
Basic earnings per share					0.49
Adjusted basic earnings per share					0.54

1) Represents changes in unrecognized tax benefits included in net earnings related to unrealized gains (losses) on publicly traded securities, which, together with the related deferred income tax expense (recovery), were recognized in other comprehensive income (loss).

Adjusted earnings (loss) before interest, taxes, depreciation and amortization

Adjusted earnings (loss) before interest, taxes, depreciation and amortization is a non-GAAP financial measure 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 Human Capital and Compensation Committee of the Board of Directors uses adjusted EBITDA, together with other measures, to set incentive compensation goals and assess performance.

Adjusted earnings (loss) before interest, taxes, depreciation and amortization excludes the following from earnings (loss) before income taxes:

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

The following table provides a reconciliation of adjusted earnings (loss) before interest, taxes, depreciation and amortization to earnings (loss) before income taxes by segment:

<i>\$ thousands, unless otherwise indicated</i>					Corporate
For the three months ended June 30, 2022	Chelopezch	Ada Tepe	Tsumeb	& other	Total
Earnings (loss) before income taxes	35,452	15,626	(1,032)	(9,174)	40,872
Add/(deduct):					
Depreciation and amortization	6,119	14,139	6,440	550	27,248
Tsumeb restructuring costs	-	-	(2,023)	-	(2,023)
Finance cost	184	116	763	412	1,475
Interest income	(152)	(81)	(13)	(470)	(716)
Net losses on Sabina special warrants	-	-	-	1,797	1,797
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	41,603	29,800	4,135	(6,885)	68,653

<i>\$ thousands, unless otherwise indicated</i>					Corporate
For the three months ended June 30, 2021	Chelopezch	Ada Tepe	Tsumeb	& other	Total
Earnings (loss) before income taxes	44,834	30,586	6,087	(6,575)	74,932
Add/(deduct):					
Depreciation and amortization	5,079	13,122	5,768	278	24,247
Finance cost	188	72	714	340	1,314
Interest income	(24)	(2)	(14)	(52)	(92)
Net losses on Sabina special warrants	-	-	-	231	231
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	50,077	43,778	12,555	(5,778)	100,632

<i>\$ thousands, unless otherwise indicated</i>					Corporate
For the six months ended June 30, 2022	Chelopezch	Ada Tepe	Tsumeb	& other	Total
Earnings (loss) before income taxes	82,676	29,246	(16,173)	(20,987)	74,762
Add/(deduct):					
Depreciation and amortization	12,055	27,719	10,725	1,003	51,502
Tsumeb restructuring costs	-	-	7,806	-	7,806
Finance cost	378	220	1,477	763	2,838
Interest income	(178)	(85)	(27)	(675)	(965)
Net losses on Sabina special warrants	-	-	-	2,185	2,185
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	94,931	57,100	3,808	(17,711)	138,128

<i>\$ thousands, unless otherwise indicated</i>					Corporate
For the six months ended June 30, 2021	Chelopezch	Ada Tepe	Tsumeb	& other	Total
Earnings (loss) before income taxes	81,639	63,929	(14,369)	(20,990)	110,209
Add/(deduct):					
Depreciation and amortization	11,048	27,142	9,666	569	48,425
Finance cost	365	161	1,458	733	2,717
Interest income	(27)	(2)	(63)	(92)	(184)
Net losses on Sabina special warrants	-	-	-	5,630	5,630
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	93,025	91,230	(3,308)	(14,150)	166,797

Cash provided from operating activities, before changes in working capital

Cash provided from operating activities, before changes in working capital, is a non-GAAP financial measure defined as cash provided from operating activities excluding changes in 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 working capital, which at times can distort performance.

Free cash flow

Free cash flow is a non-GAAP financial measure defined as cash provided from operating activities, before changes in 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 growth capital expenditures, dividends and share repurchases.

The following table provides a reconciliation of cash provided from operating activities, before changes in working capital and free cash flow to cash provided from operating activities:

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Cash provided from operating activities	71,838	75,697	150,377	123,288
Add:				
Changes in working capital	(15,455)	8,976	(33,377)	24,253
Cash provided from operating activities, before changes in working capital	56,383	84,673	117,000	147,541
Cash outlays for sustaining capital ⁽¹⁾	(14,140)	(15,936)	(24,537)	(26,158)
Principal repayments related to leases	(1,143)	(1,062)	(2,274)	(2,119)
Interest payments	106	(630)	(259)	(1,212)
Free cash flow ⁽²⁾	41,206	67,045	89,930	118,052

1) Included in cash flow used in investing activities in the condensed interim consolidated statements of cash flows.

Average realized metal prices

Average realized gold and copper prices are non-GAAP ratios used by management and investors to highlight the price actually realized by the Company relative to the average market price, which can differ due to the timing of sales, hedging and other factors.

Average realized gold and copper prices represent the average per unit price recognized in the Company's consolidated statements of earnings (loss) prior to any deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

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

<i>\$ thousands, unless otherwise indicated</i> Ended June 30,	Three Months		Six Months	
	2022	2021	2022	2021
Total revenue	134,483	174,736	288,284	312,766
Add/(deduct):				
Tsumeb revenue	(25,966)	(40,077)	(57,059)	(48,985)
Treatment charges and other deductions ⁽¹⁾	38,075	31,374	54,219	52,763
Silver revenue	(918)	(1,326)	(2,152)	(2,449)
Revenue from gold and copper	145,674	164,707	283,292	314,095
Revenue from gold	113,655	126,973	221,300	248,971
Payable gold in concentrate sold (<i>ounces</i>)	62,709	70,430	120,090	138,997
Average realized gold price per ounce	1,812	1,803	1,843	1,791
Revenue from copper	32,019	37,734	61,992	65,124
Payable copper in concentrate sold (<i>'000s pounds</i>)	7,242	9,468	13,783	16,747
Average realized copper price per pound	4.42	3.99	4.50	3.89

1) Represents revenue deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

RISKS AND UNCERTAINTIES

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, exploration, development, financing, construction, commissioning and operation of its mine, mill and concentrate processing facilities. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geopolitical, including military conflicts, environmental, regulatory, health, legal, tax and market risks impacting, among other things, precious metals and copper prices, sulphuric acid prices, toll rates, foreign exchange rates, inflation, the availability and cost of capital to fund the capital requirements of the business and the supply chain related to the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements of 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. The Company continually strives to identify and to effectively manage the risks of each of its business units. This includes developing appropriate risk management strategies, policies, processes and systems. There can be no assurance that the Company has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful.

A comprehensive discussion of the risks faced by the Company can be found in the Company's 2021 Annual MD&A and AIF.

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 at June 30, 2022, they have been designed effectively to provide reasonable assurance regarding required disclosures, 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 ICFR in the first six months of 2022.

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", "guidance", "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: expected cash flows; the price of gold, copper, silver and sulphuric acid; toll rates, metals exposure and stockpile interest deductions at Tsumeb; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; estimated capital costs, all-in sustaining costs, operating costs and other financial metrics, including those set out in the outlook and guidance provided by the Company; currency fluctuations; the impact of any impairment charges; Tsumeb’s ability to continue to benefit from the EPZ and expected new SSEZ regime in Namibia; the processing of Chelopech concentrate; timing of further optimization work at Tsumeb; potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; DPM’s strategy, plans, targets and goals in respect of environmental, social and governance issues, including climate change, greenhouse gas emissions reduction targets, tailings management facilities and human rights initiatives; results of economic studies, including the Timok PFS and the Loma Larga FS; expected milestones; success of exploration activities; the timing of the completion and results of a FS for the Timok gold project; the timing and possible outcome of pending litigation or legal proceedings, including the timing of the legal proceedings related to the Action and resumption of drilling activities at Loma Larga; expectations with respect to the potential to incorporate additional existing Mineral Resources into the Timok mine plan by processing the sulphide portion of the ore body; development of the Loma Larga gold project, including expected production, successful negotiations of an investment protection agreement and exploitation agreement and granting of environmental and construction permits in a timely manner; success of permitting activities; permitting timelines; success of investments, including potential acquisitions; requirements for additional capital; measures the Company is undertaking in response to the COVID-19 outbreak, including its impacts on the Company’s global supply chains, the level of and duration of reductions or curtailments in operating levels at any of the Company’s operations or in its exploration and development activities; government regulation of mining and smelting operations; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; the timing and amount of dividends; and the timing and number of common shares of the Company that may be purchased pursuant to the NCIB.

Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and QP (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: fluctuations in metal and sulphuric acid prices, toll rates and foreign exchange rates; continuation or escalation of the conflict in Ukraine; risks relating to the Company’s business generally and the impact of global pandemics, including COVID-19, resulting in changes to the Company’s supply chain, product shortages, delivery and shipping issues, closure and/or failure of plant, equipment or processes to operate as anticipated, employees and contractors becoming infected, low vaccination rates, lost work hours and labour force shortages; regulatory changes, including changes impacting the complex concentrate market; inability of Tsumeb to secure complex copper concentrate on terms that are economic; possible variations in ore grade and recovery rates; inherent uncertainties in respect of conclusions of economic evaluations and economic studies, including the Timok PFS and the Loma Larga FS; uncertainties with respect to timing of the Timok FS; changes in project parameters, including schedule and budget, as plans continue to be refined; uncertainties with respect to realizing the anticipated benefits from the acquisition of INV Metals Inc. and the development of the Loma Larga gold project; uncertainties with respect to actual results of current exploration activities; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company’s activities; limitations on insurance coverage; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of current and planned reclamation activities; opposition by social and non-governmental organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; failure to achieve certain cost savings or the potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; increased costs and physical risks, including extreme weather events and resource shortages, related to climate change; cyber-attacks and other cybersecurity risks; there being no assurance that the Company will purchase additional common shares of the Company under the NCIB; risks related to the implementation, cost and realization of benefits from digital initiatives; uncertainties with respect to realizing the targeted MineRP earn-outs as well as those risk factors discussed or referred to in

any other documents (including without limitation the Company's most recent AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at www.sedar.com. This list is not exhaustive of the factors that may affect any of the Company's Forward Looking Statements.

The Forward Looking Statements are based on what the Company's management considers to be reasonable assumptions, beliefs, expectations and opinions based on the information currently available to it. Without limitation to the foregoing, the following section outlines certain specific Forward Looking Statements contained in the "Three-Year Outlook" section of this MD&A, unless otherwise noted, and provides certain material assumptions used to develop such Forward Looking Statements and material risk factors that could cause actual results to differ materially from the Forward Looking Statements (which are provided without limitation to the additional general risk factors discussed herein):

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

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

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

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

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

Cash cost per tonne of complex concentrate smelted: assumes complex concentrate smelted is consistent with the guidance provided; no delays in planned maintenance activities; sulphuric acid prices are at or around current levels; sulphuric 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 sulphuric acid production are lower than anticipated; sulphuric 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 permits and 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 sulphuric acid prices, and foreign exchange rates remain at or around current levels; concentrate and sulphuric acid sales agreements, and smelter toll terms are consistent with current terms and/or forecast levels; progress of capital projects is consistent with current expectations; and DPM’s RCF remains in place. Subject to a number of risks, the more significant of which are: lower than anticipated metals production at Chelopech and Ada Tepe, complex concentrate throughput and sulphuric acid production at Tsumeb, concentrate deliveries and metal prices; lower than anticipated reductions in secondary material at Tsumeb; a weaker U.S. dollar relative to local operating currencies; changes in contractual sales and/or toll terms and sulphuric acid prices; changes to capital project parameters, schedule and/or costs; and the inability to draw down on DPM’s RCF due to a breach or potential breach of one of its covenants.

General: assumes ability to carry on exploration and development activities; ability to operate in a safe, efficient and effective manner; no significant unanticipated operational or technical difficulties; maintenance of good relations with the communities surrounding Chelopech, Ada Tepe, Tsumeb and Loma Larga; no significant events or changes relating to regulatory, environmental, health and safety matters, and no significant negative effects as a result of , including that the Company does not experience any significant negative effects as a result of the COVID-19 pandemic, the conflict in Ukraine and current economic conditions, including inflationary impacts, beyond what has been factored into the Company’s Forward Looking Statements.

The reader is cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that Forward Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company’s Forward Looking Statements reflect current expectations regarding future events and are only as of the date hereof. Other than as it may be required by law, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management’s estimates or opinion should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

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

This MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101.

The United States Securities and Exchange Commission (“SEC”) adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the *Securities Exchange Act* of 1934, as amended. These amendments became effective February 25, 2019 (the “SEC Modernization Rules”) with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical disclosure requirements for mining issuers that were included in SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM Definition Standards incorporated by reference in NI 43-101.

Readers are cautioned that while the above terms are “substantially similar” to the corresponding CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any Mineral Reserves or Mineral Resources that the Company may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

Readers are also cautioned that while the SEC will now recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, it should not be assumed that any part or all of the mineralization in these categories will ever be converted into a higher category of Mineral Resources or into Mineral Reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, readers are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” that the Company reports are or will be economically or legally mineable. Further, “inferred mineral resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, readers are also cautioned not to assume that all or any part of the “inferred mineral resources” exist. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101. For the above reasons, information contained in this MD&A containing descriptions of the Company’s mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2022 and December 31, 2021

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

	June 30, 2022	December 31, 2021
ASSETS		
Current Assets		
Cash	423,319	334,377
Accounts receivable	76,518	128,338
Inventories	49,643	49,626
Other current assets (note 5(c))	11,207	1,452
	560,687	513,793
Non-Current Assets		
Investments at fair value (note 5(a) & 5(b))	35,833	47,983
Exploration and evaluation assets	109,510	98,925
Mine properties	127,430	138,037
Property, plant & equipment	321,863	335,305
Intangible assets	16,352	17,359
Deferred income tax assets	7,602	8,685
Other long-term assets	5,089	8,323
	623,679	654,617
TOTAL ASSETS	1,184,366	1,168,410
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	76,038	77,170
Income tax liabilities	5,490	2,395
Current portion of long-term liabilities	8,189	6,234
	89,717	85,799
Non-Current Liabilities		
Rehabilitation provisions	42,329	50,401
Share-based compensation plans	6,675	13,933
Other long-term liabilities	14,778	13,864
	63,782	78,198
TOTAL LIABILITIES	153,499	163,997
EQUITY		
Share capital	584,039	585,050
Contributed surplus	2,366	8,629
Retained earnings	457,448	412,394
Accumulated other comprehensive loss	(12,986)	(1,660)
TOTAL SHAREHOLDERS' EQUITY	1,030,867	1,004,413
TOTAL LIABILITIES AND EQUITY	1,184,366	1,168,410

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, 2022 and 2021

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Continuing Operations				
Revenue (note 13)	134,483	174,736	288,284	312,766
Costs and expenses				
Cost of sales	86,834	89,941	184,117	175,584
General and administrative expenses	6,235	2,982	14,766	6,847
Corporate social responsibility expenses	757	654	1,511	1,133
Exploration and evaluation expenses	5,817	5,055	9,099	9,685
Finance cost	1,475	1,314	2,838	2,717
Other (income) expense (note 8)	(7,507)	(142)	1,191	6,591
	93,611	99,804	213,522	202,557
Earnings before income taxes	40,872	74,932	74,762	110,209
Current income tax expense	7,489	9,007	14,017	17,279
Deferred income tax expense (recovery)	(109)	(1,564)	428	4,727
Net earnings from continuing operations	33,492	67,489	60,317	88,203
Discontinued Operations				
Net earnings from discontinued operations (note 4)	-	20,630	-	19,738
Net earnings	33,492	88,119	60,317	107,941
Net earnings (loss) attributable to:				
Common shareholders of the Company				
From continuing operations	33,492	67,502	60,317	88,221
From discontinued operations	-	20,651	-	19,994
Non-controlling interests	-	(34)	-	(274)
Net earnings	33,492	88,119	60,317	107,941
Earnings per share attributable to common shareholders of the Company				
- Basic				
From continuing operations	0.18	0.37	0.32	0.49
From discontinued operations	-	0.11	-	0.11
- Diluted				
From continuing operations	0.17	0.37	0.31	0.48
From discontinued operations	-	0.11	-	0.11

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three and six months ended June 30, 2022 and 2021

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net earnings	33,492	88,119	60,317	107,941
Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:				
Foreign exchange option contracts designated as cash flow hedges				
Unrealized gains (losses), net of income tax of \$nil for all periods	(609)	4,022	293	3,402
Deferred cost of hedging, net of income tax of \$nil for all periods	(4,449)	(1,832)	(964)	(1,849)
Realized gains transferred to cost of sales, net of income tax of \$nil for all periods	(69)	(2,373)	(200)	(3,596)
Commodity swap contracts designated as cash flow hedges				
Unrealized losses, net of income tax recovery of \$nil (2021 - \$623) and \$nil (2021 - \$1,394), respectively	-	(5,602)	-	(12,544)
Deferred cost of hedging, net of income tax recovery of \$nil (2021 - \$33) and \$nil (2021 - \$73), respectively	-	(282)	-	(655)
Realized losses transferred to revenue, net of income tax recovery of \$nil (2021 - \$496) and \$nil (2021 - \$600), respectively	-	4,471	-	5,404
Cost of hedging transferred to revenue, net of income tax recovery of \$nil (2021 - \$25) and \$nil (2021 - \$26), respectively	-	223	-	236
Currency translation adjustments from discontinued operations	-	(1,074)	-	(1,210)
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 expense (recovery) of \$nil (2021 - \$617) and \$nil (2021 - (\$4,287)), respectively	(12,724)	4,039	(10,455)	(28,071)
	(17,851)	1,592	(11,326)	(38,883)
Comprehensive income	15,641	89,711	48,991	69,058
Comprehensive income (loss) attributable to:				
Common shareholders of the Company				
From continuing operations	15,641	70,168	48,991	50,548
From discontinued operations	-	19,780	-	19,023
Non-controlling interests	-	(237)	-	(513)
Comprehensive income	15,641	89,711	48,991	69,058

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, 2022 and 2021

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
OPERATING ACTIVITIES				
Earnings before income taxes	40,872	74,932	74,762	110,209
Depreciation and amortization	27,248	24,247	51,502	48,425
Changes in working capital (note 10(a))	15,455	(8,976)	33,377	(24,253)
Other Items not affecting cash (note 10(b))	(713)	7,311	3,952	11,923
Payments for settlement of derivative contracts	(642)	(9,942)	(2,803)	(11,107)
Income taxes paid	(10,382)	(11,875)	(10,413)	(11,909)
Cash provided from operating activities of continuing operations	71,838	75,697	150,377	123,288
Cash used in operating activities of discontinued operations (note 4)	-	(27)	-	(442)
INVESTING ACTIVITIES				
Proceeds from MineRP Disposition (note 4)	-	45,830	-	45,830
Purchase of publicly traded securities	-	(4,377)	(500)	(8,307)
Expenditures on exploration and evaluation assets	(5,684)	(2,545)	(10,604)	(2,583)
Expenditures on mine properties	(2,136)	(3,384)	(6,512)	(6,299)
Expenditures on property, plant and equipment	(13,363)	(12,717)	(20,354)	(20,436)
Expenditures on intangible assets	(282)	(1,614)	(861)	(2,163)
Increase in restricted cash	-	(5,128)	-	(5,128)
Cash provided from (used in) investing activities of continuing operations	(21,465)	16,065	(38,831)	914
FINANCING ACTIVITIES				
Proceeds from share issuance	190	138	2,767	1,178
Principal repayments related to leases	(1,143)	(1,062)	(2,274)	(2,119)
Dividends paid (note 11(a))	(7,639)	(5,459)	(13,374)	(10,901)
Payments for share repurchases (note 11(b))	(565)	-	(9,464)	-
Interest and finance fees received (paid)	106	(630)	(259)	(1,437)
Cash used in financing activities of continuing operations	(9,051)	(7,013)	(22,604)	(13,279)
Cash used in financing activities of discontinued operations (note 4)	-	(35)	-	(140)
Increase in cash of continuing operations	41,322	84,749	88,942	110,923
Decrease in cash of discontinued operations	-	(62)	-	(582)
Cash at beginning of period, continuing operations	381,997	175,706	334,377	149,532
Cash at beginning of period, discontinued operations	-	62	-	582
Cash at end of period, continuing operations	423,319	260,455	423,319	260,455
Cash at end of period, discontinued operations	-	-	-	-

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2022 and 2021

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

	June 30, 2022		June 30, 2021	
	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	191,441,200	585,050	181,400,125	525,219
Shares issued on exercise of stock options	907,677	2,767	630,244	1,178
Share repurchases (note 11(b))	(1,558,000)	(4,876)	-	-
Transferred from contributed surplus on exercise of stock options		1,098		620
Balance at end of period	190,790,877	584,039	182,030,369	527,017
Contributed surplus				
Balance at beginning of period		8,629		7,078
Share-based compensation expense		581		508
Transferred to share capital on exercise of stock options		(1,098)		(620)
MineRP Disposition (note 4)		-		4,741
Share repurchases (note 11(b))		(4,588)		-
Other changes in contributed surplus		(1,158)		39
Balance at end of period		2,366		11,746
Retained earnings				
Balance at beginning of period		412,394		224,701
Net earnings attributable to common shareholders of the Company		60,317		108,215
Dividend distributions (note 11(a))		(15,263)		(10,920)
Balance at end of period		457,448		321,996
Accumulated other comprehensive income (loss)				
Balance at beginning of period		(1,660)		41,671
Other comprehensive loss		(11,326)		(38,644)
MineRP Disposition (note 4)		-		2,845
Balance at end of period		(12,986)		5,872
Total equity attributable to common shareholders of the Company		1,030,867		866,631
Non-controlling interests				
Balance at beginning of period		-		6,615
Net loss attributable to non-controlling interests		-		(274)
Other comprehensive loss attributable to non-controlling interests		-		(239)
MineRP Disposition (note 4)		-		(6,010)
Other changes in non-controlling interests		-		3
Balance at end of period		-		95
Total equity at end of period		1,030,867		866,726

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

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 under the federal laws of Canada. DPM has common shares traded on the Toronto Stock Exchange (“TSX”). The address of DPM’s registered office is 150 King Street West, Suite 902, P.O. Box 30, Toronto, Ontario M5H 1J9.

As at June 30, 2022, DPM’s condensed interim consolidated financial statements include DPM and its subsidiary companies (collectively, the “Company”).

Continuing Operations:

DPM’s principal subsidiaries include:

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

DPM holds interests, directly or indirectly, in a number of exploration and development properties located in Ecuador, Serbia and Canada including:

- 100% of DPM Ecuador S.A. (“DPM Ecuador”), which is focused on the exploration and development of the Loma Larga gold project located in Ecuador;
- 100% of DPM Avala d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia; and
- 5.8% of Sabina Gold and Silver Corp. (“Sabina”), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

Discontinued Operations (note 4):

On May 3, 2021, DPM sold its 73.7% ownership interest in MineRP Holdings Inc. (“MineRP”), which owns MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile.

2. 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 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, 2021, 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, 2021.

These condensed interim consolidated financial statements were approved by the Board of Directors on July 28, 2022.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

3. IMPAIRMENT ASSESSMENT AND SENSITIVITIES

As at June 30, 2022, the Company assessed the recoverable amount of each of its cash generating units (“CGUs”) as a result of the market capitalization of its shares being less than their carrying value. Based on this assessment, the carrying values of all CGUs were considered to be recoverable.

As at June 30, 2022, the carrying value of the Tsumeb CGU was \$116.6 million. The projected cash flows and fair value less cost of disposal (“FVLCD”) for Tsumeb can be affected by any one or more changes in the estimates used. Changes in third party toll rates, operating costs, foreign exchange rates and volumes of concentrate smelted have the greatest impact on value, where a 5% change in any one of above assumptions would each change the FVLCD by approximately \$25 million to \$40 million as at June 30, 2022. In addition, if Tsumeb were to not to achieve future cost savings in respect of its initiative to optimize the cost structure of the smelter or to proceed with its expansion plan, there could be an impairment charge.

4. DISCONTINUED OPERATIONS

On December 22, 2020, the Company and other shareholders of MineRP entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB (“Epiroc”) for the sale of MineRP (the “MineRP Disposition”). The MineRP Disposition closed on May 3, 2021.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

MineRP Disposition

Net cash consideration received for DPM's equity interest in MineRP:

Total purchase price	59,000
Cash received for settlement of DPM loan to MineRP	(20,571)
Working capital adjustment	(1,485)
Closing indebtedness	(534)
Closing cash	276
Cash consideration	36,686
Less: transaction costs	(3,048)
Net cash consideration	33,638
Cash paid to non-controlling interests	(9,021)
Net cash consideration received for DPM's equity interest in MineRP^{(a), (b)}	24,617

Net assets disposed:

Cash	276
Accounts receivable	2,231
Property, plant & equipment	1,137
Intangible assets	26,760
Other long-term assets	230
Total assets disposed	30,634

Accounts payable and accrued liabilities	5,835
Loan payable to Epiroc	20,571
Current portion of long-term liabilities	311
Deferred income tax liabilities	950
Other long-term liabilities	630
Total liabilities disposed	28,297

Non-controlling interests	607
Net assets disposed	1,730

Reclassification of currency translation adjustments from accumulated other comprehensive income	(2,845)
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Gain on MineRP Disposition included in net earnings from discontinued operations	20,042
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- (a) Net cash consideration received included \$5.1 million held in escrow on closing to secure against any post closing adjustments related to working capital and certain representations and warranties, of which \$1.6 million related to working capital items. The working capital adjustment was finalized in December 2021, resulting in an unfavourable final adjustment of \$0.6 million to the Company which was recognized as a reduction in the gain on MineRP Disposition included in net earnings from discontinued operations for the year ended December 31, 2021. As at June 30, 2022, the remaining cash held in escrow of \$3.5 million related to other indemnities was recognized as restricted cash included in other current assets in the condensed interim consolidated financial statements of financial position.
- (b) The MineRP Disposition also provides for potential additional proceeds in the form of an earn-out conditional on the achievement of certain revenue targets by MineRP in 2022, for which no value has been recognized based on the assessment of its fair market value.

As a result of the MineRP Disposition, the operating results and cash flows of MineRP have been presented as discontinued operations in the condensed interim consolidated statements of earnings (loss) and cash flows for the three and six months ended June 30, 2021.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

5. 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, 2022	December 31, 2021
Financial assets			
Cash	Amortized cost	423,319	334,377
Accounts receivable			
on provisionally priced sales	Fair value through profit or loss	34,720	85,083
Other accounts receivable	Amortized cost	41,798	43,255
Restricted cash	Amortized cost	5,698	5,730
Sabina special warrants (a)	Fair value through profit or loss	3,875	5,816
Publicly traded securities (b)	Fair value through other comprehensive income	31,958	42,167
Commodity swap contracts (c)	Derivatives for fair value hedges	6,417	21
Financial liabilities			
Accounts payable			
and accrued liabilities	Amortized cost	73,679	73,735
Commodity swap contracts (c)	Derivatives for fair value hedges	-	1,946
Foreign exchange option contracts (d)	Derivatives for cash flow hedges	2,359	1,489

The carrying values of all the financial assets and liabilities measured at amortized cost approximate their fair values as at June 30, 2022 and December 31, 2021.

(a) Sabina special warrants

As at June 30, 2022, DPM held: (i) 31,050,566 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, 2022, the Company recognized unrealized losses on the Sabina special warrants of \$1.8 million (2021 – \$0.2 million) and \$2.2 million (2021 – \$5.6 million), respectively, in other (income) expense (*note 8*) 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.

For the three and six months ended June 30, 2022, the Company recognized unrealized losses on these publicly traded securities of \$12.8 million (2021 – unrealized gains of \$4.6 million) and \$10.5 million (2021 – \$32.4 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

(c) Commodity swap contracts

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

As at June 30, 2022, the Company's outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighed average fixed price of QP Hedges
Payable gold	20,085 ounces	\$1,828.16/ounce
Payable copper	10,053,067 pounds	\$4.34/pound

The Company also enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average prices for fixed metal prices to reduce its future metal price exposure in respect of its projected production ("Production Hedges"). As at June 30, 2022, the Company had no outstanding Production Hedges.

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

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding London Metal Exchange forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at June 30, 2022, the net fair value gain on all outstanding QP Hedges was \$6.4 million (December 31, 2021 – a net fair value loss of \$1.9 million), of which \$6.4 million (December 31, 2021 – \$0.02 million) was included in other current assets and \$nil (December 31, 2021 – \$1.9 million) in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2022 the Company recognized, in revenue, net gains of \$14.7 million (2021 – net losses of \$3.3 million) and \$7.9 million (2021 – net losses of \$0.9 million), respectively, on QP Hedges. For the three and six months ended June 30, 2021, the Company also recognized, in revenue, realized losses of \$5.3 million and \$6.3 million, respectively, on Production Hedges.

For the three and six months ended June 30, 2021, the Company recognized unrealized losses of \$1.2 million and \$7.9 million, respectively, in other comprehensive income (loss) on the spot component of the outstanding commodity swap contracts in respect of Production Hedges. The Company also recognized unrealized losses of \$0.1 million and \$0.5 million, respectively, for the three and six months ended June 30, 2021 on the forward point component of the outstanding commodity swap contracts in respect of Production Hedges in other comprehensive income (loss) as a deferred cost of hedging.

(d) Foreign exchange option contracts

The Company enters into foreign exchange 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 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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As at June 30, 2022, 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 Weighted average ceiling rate US\$/ZAR	Put options purchased Weighted average floor rate US\$/ZAR
Balance of 2022	721,170,000	17.04	15.13
2023	1,263,876,000	17.50	15.50

(i) The Namibian dollar is pegged to the ZAR on a 1:1 basis.

The Company designates the intrinsic value of foreign exchange option contracts as cash flow hedges. The time value component of foreign exchange 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, 2022, the net fair value loss on all outstanding foreign exchange option contracts was \$2.4 million (December 31, 2021 – \$1.5 million), of which \$1.3 million (December 31, 2021 – \$1.5 million) was included in accounts payable and accrued liabilities and \$1.1 million (December 31 2021 – \$nil) in other long-term liabilities.

The Company recognized realized gains of \$0.1 million (2021 – \$2.4 million) and \$0.2 million (2021 – \$3.6 million), respectively, for the three and six months ended June 30, 2022 in cost of sales on the spot component of settled contracts.

For the three and six months ended June 30, 2022, the Company recognized unrealized losses of \$0.7 million (2021 – unrealized gains of \$1.6 million) and unrealized gains of \$0.1 million (2021 – unrealized losses of \$0.2 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized unrealized losses of \$4.5 million (2021 – \$1.8 million) and \$1.0 million (2021 – \$1.8 million), respectively, for the three and six months ended June 30, 2022 on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2022 and December 31, 2021:

	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	34,720	-	34,720
Sabina special warrants	-	-	3,875	3,875
Publicly traded securities	31,958	-	-	31,958
Commodity swap contracts	-	6,417	-	6,417
Financial liabilities				
Foreign exchange option contracts	-	2,359	-	2,359
	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	85,083	-	85,083
Sabina special warrants	-	-	5,816	5,816
Publicly traded securities	42,167	-	-	42,167
Commodity swap contracts	-	21	-	21
Financial liabilities				
Commodity swap contracts	-	1,946	-	1,946
Foreign exchange option contracts	-	1,489	-	1,489

During the six months ended June 30, 2022 and the year ended December 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The following table reconciles Level 3 fair value measurements from January 1, 2021 to June 30, 2022:

Balance as at January 1, 2021	12,128
Unrealized losses included in net earnings	(6,312)
Balance as at December 31, 2021	5,816
Purchase of other warrants	244
Unrealized losses included in net earnings	(2,185)
Balance as at June 30, 2022	3,875

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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

6. DEBT

(a) DPM Revolving Credit Facility

Up to July 2022, DPM had a committed revolving credit facility (the “RCF”) of \$150.0 million with a consortium of banks that was to mature in February 2024. The Company’s borrowing spread above LIBOR was 2.5%, and could range between 2.5% and 3.5% depending upon DPM’s funded net debt to adjusted earnings before interest, taxes, depreciation and amortization (“Debt Leverage Ratio”), as defined in the RCF. The RCF was secured by pledges of DPM’s investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of the subsidiaries that hold these assets and by certain holding companies. The RCF contained financial covenants that required DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth equal to \$500.0 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, after December 31, 2011, and as defined under the RCF. As at June 30, 2022 and December 31, 2021, DPM was in compliance with all financial covenants and \$nil was drawn under the RCF.

In July 2022, DPM replaced the RCF with a new committed revolving credit facility (the “New RCF”) with a consortium of four banks that matures in July 2026. Generally speaking, this facility contains more favourable terms and conditions than the old RCF, providing added flexibility, an extended term, and lower pricing, and is secured by pledges of DPM’s investments in Ada Tepe, Chelopech and Loma Larga and by guarantees from each of the subsidiaries that hold these assets and by certain holding companies. Initially, DPM is permitted to borrow up to an aggregate principal amount of \$150.0 million, which can be increased pursuant to an accordion feature that permits, subject to certain conditions, the facility to be increased to \$250.0 million. The cost of borrowing is based on the Secured Overnight Financing Rate (“SOFR”), the general replacement rate for LIBOR, plus a spread, which is currently 2.25%, and can range between 2.25% and 3.5% depending upon DPM’s leverage. The New RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, and (ii) a minimum net worth equal to \$600 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, after December 31, 2021, and as defined under the New RCF.

(b) Tsumeb overdraft facility

Tsumeb has a Namibian \$100.0 million (\$6.1 million) demand overdraft facility. This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at June 30, 2022 and December 31, 2021, \$nil was drawn from this facility.

(c) Other credit agreements and guarantees

Chelopech and Ada Tepe have a \$21.0 million multi-purpose credit facility that matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$16.3 million (December 31, 2021 – \$13.9 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of concession contracts with the Bulgarian Ministry of Energy.

Chelopech and Ada Tepe also have a Euro 21.0 million (\$21.8 million) credit facility to support mine closure and rehabilitation obligations in respect of concession contracts with the Bulgarian Ministry of Energy. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$21.8 million (December 31, 2021 – \$23.8 million) had been utilized in the form of letters of guarantee.

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

Ada Tepe also has a \$10.3 million multi-purpose credit facility that matures on November 30, 2022 and is guaranteed by DPM. As at June 30, 2022, \$0.1 million (December 31, 2021 – \$0.2 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of exploration contracts with the Bulgarian Ministry of Energy.

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.

7. 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, 2022:

	Number of units granted	Fair value granted
Restricted Share Units	787,080	4,745
Performance Share Units	259,206	1,575
Deferred Share Units	100,232	576
DPM Stock Options	600,895	1,191

For the three and six months ended June 30, 2022, mark-to-market adjustments related to the change in DPM's share price resulted in a decrease in share-based compensation of \$2.6 million (2021 – an increase of \$1.2 million) and \$0.8 million (2021 – \$1.7 million), respectively.

8. OTHER (INCOME) EXPENSE

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net losses on Sabina special warrants (note 5(a))	1,797	231	2,185	5,630
Tsumeb restructuring costs	(2,023)	-	7,806	-
Bulgarian government subsidy for electricity	(3,390)	-	(7,543)	-
Net foreign exchange (gains) losses	(2,975)	340	(301)	1,205
Interest income	(716)	(92)	(965)	(184)
Other, net	(200)	(621)	9	(60)
	(7,507)	(142)	1,191	6,591

9. RELATED PARTY TRANSACTIONS

Key management remuneration

The Company's related parties include its key management. Key management includes directors (executive and non-executive), the Chief Executive Officer ("CEO") and the Executive Vice Presidents reporting directly to the CEO.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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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, 2022 and 2021 was as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Salaries, management bonuses and director fees	775	865	1,630	1,707
Other benefits	62	61	145	123
Share-based compensation	(405)	967	1,023	(810)
Total remuneration	432	1,893	2,798	1,020

10. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Changes in working capital

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
(Increase) decrease in accounts receivable and other assets	35,731	2,409	46,691	(15,414)
(Increase) decrease in inventories	(4,359)	(1,951)	(1,033)	329
Increase (decrease) in accounts payable and accrued liabilities	(5,808)	36	(4,024)	1,464
Decrease in other liabilities	(10,109)	(9,470)	(8,257)	(10,632)
	15,455	(8,976)	33,377	(24,253)

(b) Other items not affecting cash

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net finance cost	760	1,222	1,873	2,533
Share-based compensation expense	274	260	581	508
Net losses on Sabina special warrants	1,797	231	2,185	5,630
Realized (gains) losses on commodity swap contracts	(2,635)	8,579	470	7,236
Realized gains on foreign exchange option contracts	(69)	(2,373)	(200)	(3,596)
Other, net	(840)	(608)	(957)	(388)
	(713)	7,311	3,952	11,923

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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11. SUPPLEMENTARY SHAREHOLDERS' EQUITY INFORMATION

(a) Dividend

During the six months ended June 30, 2022, the Company declared a quarterly dividend of \$0.04 (2021 – \$0.03) per common share to its shareholders of record resulting in total dividend distributions of \$15.3 million (2021 – \$10.9 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$13.4 million (2021 – \$10.9 million) of dividends which were included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the six months ended June 30, 2022 and recognized a dividend payable of \$7.6 million (December 31, 2021 – \$5.7 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position as at June 30, 2022.

On July 28, 2022, the Company declared a dividend of \$0.04 per common share payable on October 17, 2022 to shareholders of record on September 30, 2022.

(b) Share repurchases under the Normal Course Issuer Bid ("NCIB")

The Company established a NCIB on March 1, 2021, which provided for the repurchase of up to 9,000,000 of its common shares through the facility of the TSX up to February 28, 2022. A new NCIB was established on March 1, 2022 extending to February 28, 2023. The maximum number of shares that can be repurchased during this period is 9,000,000 shares. In July 2022, the Company initiated an automatic purchase program under the NCIB to facilitate share repurchases.

During the six months ended June 30, 2022, the Company purchased a total of 1,598,800 shares, of which 1,528,400 shares were cancelled as at June 30, 2022 with the remaining shares cancelled in July 2022. The Company also cancelled additional 29,600 shares that were purchased in 2021, resulting in a total of 1,558,000 shares being cancelled during the six months ended June 30, 2022. The total cost of these purchases was \$9.5 million at an average price of \$5.92 (Cdn\$7.55) per share, \$4.9 million of which was recognized as a reduction in share capital and \$4.6 million as a reduction in contributed surplus in the condensed interim consolidated statements of changes in shareholders' equity for the six months ended June 30, 2022 and the payment for which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the six months ended June 30, 2022.

12. COMMITMENTS AND OTHER CONTINGENCIES

(a) Commitments

The Company had the following minimum contractual commitments as at June 30, 2022:

	up to 1 year	1 - 5 years	Total
Capital commitments	10,926	-	10,926
Purchase commitments	12,360	48	12,408
Total commitments	23,286	48	23,334

As at June 30, 2022, Tsumeb had approximately \$58.9 million (December 31, 2021 – \$73.8 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. ("IXM") pursuant to a tolling agreement (the "Tolling Agreement").

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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In April 2021, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things: i) targeted declining excess secondary material balances, above which excess secondary material would be required to be purchased by the Company; ii) the elimination of all excess secondary material by March 31, 2023; iii) an increase in the defined level of normal secondary material; and iv) an extension of the Tolling Agreement by three years to December 31, 2026.

As at June 30, 2022, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately \$23.7 million, which was approximately \$14.3 million above the targeted levels under the Tolling Agreement. IXM has agreed to waive the quarterly requirement to purchase secondary material above the targeted levels as at June 30, 2022.

(b) Contingencies

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

13. OPERATING SEGMENT INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has three reportable operating segments – Chelopech and Ada Tepe in Bulgaria and Tsumeb in Namibia. The nature of their operations, products and services are described in *note 1, Corporate Information*. These segments are organized predominantly by the products and services provided to customers and geography of the businesses. The Corporate and Other segment includes corporate, exploration and evaluation and other income and cost items that do not pertain directly to an operating segment. There are no significant inter-segment transactions that have not been eliminated on consolidation.

The following table summarizes the relevant information by segment for the three and six months ended June 30, 2022 and 2021:

	Three months ended June 30, 2022				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing Operations					
Revenue (a)	66,917	41,600	25,966	-	134,483
Earnings (loss) before income taxes	35,452	15,626	(1,032)	(9,174)	40,872
Capital expenditures	5,189	2,195	11,590	9,757	28,731
	Three months ended June 30, 2021				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing Operations					
Revenue (a)	78,810	55,849	40,077	-	174,736
Earnings (loss) before income taxes	44,834	30,586	6,087	(6,575)	74,932
Capital expenditures	6,347	4,605	1,490	3,352	15,794

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Six months ended June 30, 2022					
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing Operations					
Revenue (a)	150,514	80,711	57,059	-	288,284
Earnings (loss) before income taxes	82,676	29,246	(16,173)	(20,987)	74,762
Capital expenditures	8,344	5,395	13,899	16,073	43,711
Six months ended June 30, 2021					
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing Operations					
Revenue (a)	150,515	113,266	48,985	-	312,766
Earnings (loss) before income taxes	81,639	63,929	(14,369)	(20,990)	110,209
Capital expenditures	10,639	8,943	10,724	4,519	34,825

(a) Revenues from Chelopech and Ada Tepe were generated from the sale of concentrate and Tsumeb's revenues were generated from processing concentrate and acid sales.

The following table summarizes the Company's revenue recognized for the three and six months ended June 30, 2022 and 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Revenue recognized at a point in time from:				
Sale of concentrate	123,650	130,922	239,532	263,003
Processing concentrate	22,869	35,898	46,905	42,511
Acid sales	3,097	4,179	10,154	6,474
Mark-to-market price adjustments on provisionally priced sales	(15,133)	3,737	(8,307)	778
Total revenue	134,483	174,736	288,284	312,766

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2022 and 2021

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The following table summarizes the total assets and total liabilities by segment as at June 30, 2022 and December 31, 2021:

	As at June 30, 2022				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	184,043	146,838	36,861	192,945	560,687
Total non-current assets	164,612	193,477	108,127	157,463	623,679
Total assets	348,655	340,315	144,988	350,408	1,184,366
Total liabilities	47,079	24,959	48,549	32,912	153,499

	As at December 31, 2021				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	117,806	110,689	33,440	251,858	513,793
Total non-current assets	173,894	216,702	106,392	157,629	654,617
Total assets	291,700	327,391	139,832	409,487	1,168,410
Total liabilities	54,388	31,660	41,865	36,084	163,997

CORPORATE INFORMATION

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President and Chief Executive Officer

Hume Kyle

Executive Vice President and
Chief Financial Officer

Michael Dorfman

Executive Vice President,
Corporate Development

Kelly Stark-Anderson

Executive Vice President, Corporate
Affairs, General Counsel and Corporate
Secretary

Mark Crawley

Vice President, Commercial

Iliya Garkov

Vice President and Managing Director,
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Nikolay Hristov

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Zebra Kasete

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Tsumeb

Mirco Nolte

Vice President, Operational Excellence

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¹ Audit Committee

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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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