Dundee Precious Metals

2021 First Quarter Report

Unlocking Resources. Generating Value.

MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations

for the Three Months Ended March 31, 2021

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

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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 March 31, 2021 and for the three months ended March 31, 2021. This MD&A should be read in conjunction with DPM's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional Company information, including the Company's most recent annual information form ("AIF") and other continuous disclosure documents, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.dundeeprecious.com. To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Capitalized terms used in this MD&A that have not been defined have the same meanings attributed to them in DPM's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2021. Information contained on the Company's website is not incorporated by reference herein and does not form part of this MD&A. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

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

This MD&A has been prepared as at May 5, 2021.

OVERVIEW

Our Business

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

The Company's purpose is to unlock resources and generate value to thrive and grow together. As illustrated in the graphic below, this overall purpose is supported by a foundation of core values, which guide how the Company conducts its business and informs a set of complementary strategic pillars and objectives relating to 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 March 31, 2021, 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 March 31, 2021, DPM holds interests, directly or indirectly, in a number of exploration properties located in Serbia, Canada, Bulgaria and Ecuador including:

- 100% of Avala Resources Ltd. ("Avala"), which is focused on the exploration and development of the Timok gold project in Serbia;
- 8.9% of Sabina Gold & Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada; and
- 23.5% of INV Metals Inc. ("INV"), which is focused on the exploration and development of the Loma Larga gold property located in Ecuador.

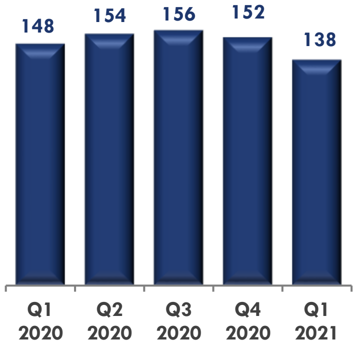
Discontinued operations:

DPM also owns:

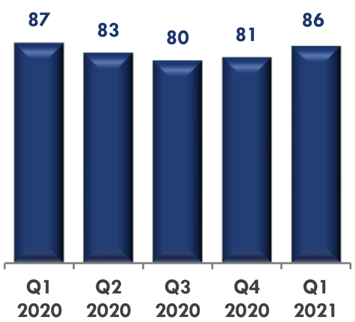
- 73.7% of MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP"). In December 2020, DPM and other MineRP shareholders entered into a definitive agreement for the sale of their respective interests, which was closed on May 3, 2021.

Overview – Operational and Financial Highlights from Continuing Operations

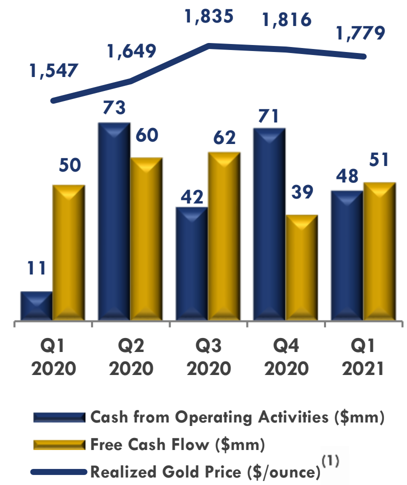
Revenue
($mm)



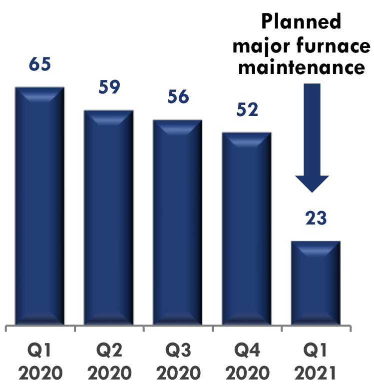
Cost of Sales
($mm)



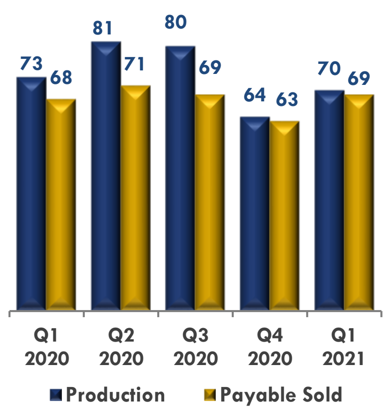
Cash Provided from Operating Activities and Free Cash Flow[(1)]



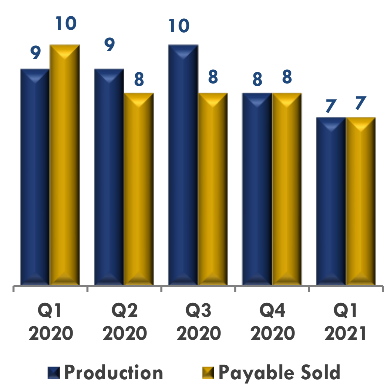
Complex Concentrate Smelted
('000s tonnes)



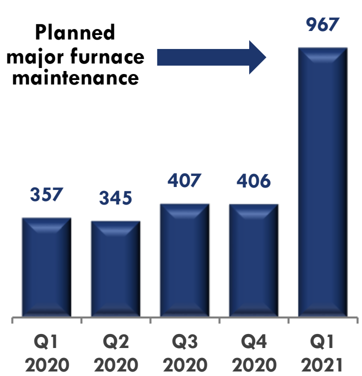
Gold Production and Payable Gold Sold
('000s ounces)



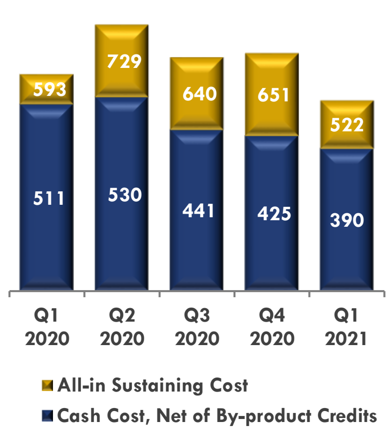
Copper Production and Payable Copper Sold
(mm pounds)



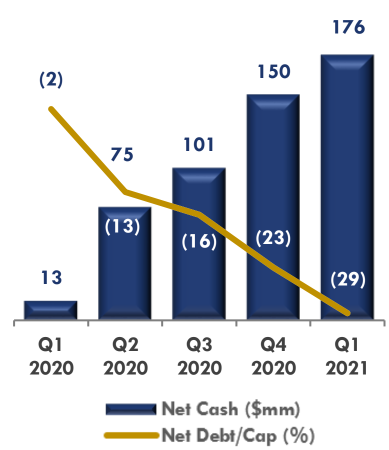
Smelter Cash Cost[(1)]
($/tonne)



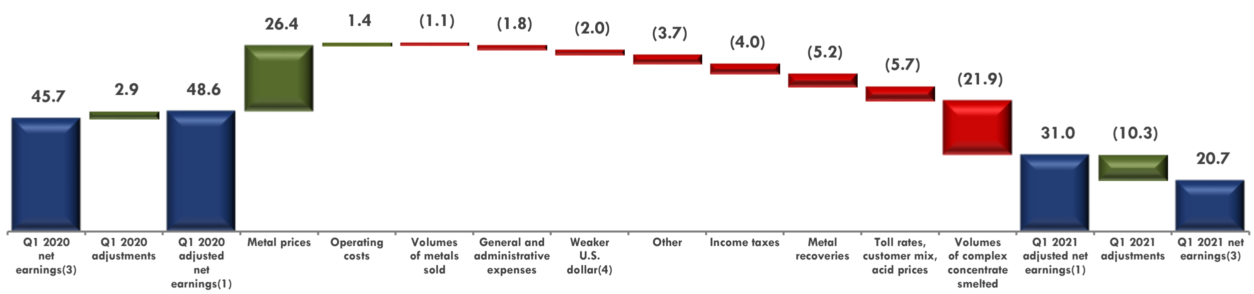
All-in Sustaining Cost[(1)] and Cash Cost, Net of By-product Credits[(1)] ($/ounce)



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



Net Earnings Attributable to Common Shareholders ($mm)



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

Response to Coronavirus ("COVID-19")

In March 2020, the World Health Organization classified 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. The Company's Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

As previously reported, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in April 2020 in response to a government directive to the natural resources sector aimed at limiting staffing levels. Full operations resumed in May 2020 with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites. Tsumeb's maintenance shutdown, which was originally planned for 30 days in the first quarter of 2021, was extended to 45 days in part as a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support.

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

Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations. DPM also continues to engage with local communities and authorities in Bulgaria, Namibia and Serbia as they respond to the challenges of the pandemic. To date, the Company has contributed approximately $1.0 million to support numerous COVID-19 related initiatives to benefit local communities. This financial support has focused on local hospitals to provide additional medical facilities, supplies, transportation and protective equipment.

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

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 number of cases, including in regions in which the Company operates.

Certain vaccines have received regulatory approval in the countries in which the Company operates, and the respective governments are progressing vaccination of their populations based on risk-assessed phased approaches which vary from country to country. Vaccine distribution is a significant logistical undertaking and the timing and speed of vaccination in each jurisdiction is uncertain at this time and will depend on several factors including supply of the vaccines.

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 from continuing operations

In the first quarter of 2021, the Company achieved a new record for quarterly gold production at Ada Tepe, while production from Chelopech was slightly lower than forecast due to lower copper grades as well as lower copper and gold recovery performance with certain ore blends. Chelopech and Ada Tepe remain on track to achieve their 2021 production guidance. The Company completed the planned Ausmelt furnace maintenance shutdown at Tsumeb and resumed full operations at the end of March. As a result of a 15-day extension of the Ausmelt maintenance which also included additional furnace and converter maintenance activities, the Company has revised its 2021 production guidance for Tsumeb to a range of 200,000 tonnes to 220,000 tonnes from a range of 220,000 tonnes to 250,000 tonnes.

In the first quarter of 2021, the Company reported net earnings attributable to common shareholders from continuing operations of $20.7 million compared to $45.7 million in the corresponding period in 2020. This decrease was due primarily to the maintenance shutdown at Tsumeb, partially offset by higher realized gold and copper prices.

Cash resources, including DPM's long-term revolving credit facility ("RCF"), were $325.7 million as at March 31, 2021.

Discontinued operations

On December 22, 2020, the Company and other shareholders of MineRP collectively entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB ("Epiroc") for the sale of MineRP (the "MineRP Disposition"). Under the MineRP Disposition, the consideration for DPM's equity interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $41.0 million in cash, subject to a working capital adjustment following closing and (ii) potential additional proceeds in the form of an earn-out conditional on the achievement of certain revenue targets by MineRP in 2021 and 2022. The cash proceeds are net of approximately $5.1 million held in escrow on closing to secure against any post closing adjustments related to working capital and any potential breaches in representations and warranties for a period up to 2 years. The MineRP Disposition closed on May 3, 2021.

As a result of the MineRP Disposition, the assets and liabilities of MineRP have been presented as held for sale in the condensed interim consolidated statement of financial position as at March 31, 2021 and December 31, 2020, 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 months ended March 31, 2021 and 2020. As a consequence, certain comparative figures in the condensed interim consolidated statements of earnings (loss) and cash flows have been reclassified to conform with current period presentation.

REVIEW OF FINANCIAL AND OPERATIONAL CONSOLIDATED RESULTS

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

$ thousands, unless otherwise indicated	Three Months	
Ended March 31,	**2021**	2020
Financial Results		
Revenue(1)	**138,030**	147,787
Cost of sales(1)	**85,643**	86,924
Depreciation and amortization(1)	**24,178**	24,056
General and administrative expenses(1)	**3,865**	1,971
Corporate social responsibility expenses(1)	**479**	723
Exploration and evaluation expenses	**4,630**	3,745
Finance cost(1)	**1,403**	2,219
Other expense(1)	**6,733**	822
Earnings before income taxes(1)	**35,277**	51,383
Income tax expense(1)	**14,563**	5,694
Net earnings attributable to common shareholders from continuing operations	**20,719**	45,701
Net earnings attributable to common shareholders	**20,062**	43,171
Basic earnings per share from continuing operations	**0.11**	0.25
Basic earnings per share	**0.11**	0.24
Adjusted EBITDA(1),(2)	**66,165**	80,571
Adjusted net earnings(1),(2)	**31,022**	48,656
Adjusted basic earnings per share(1),(2)	**0.17**	0.27
Cash provided from operating activities(1)	**47,591**	10,995
Free cash flow(1),(2)	**51,007**	50,433
Capital expenditures incurred(1):		
Growth(2)	**1,591**	2,747
Sustaining(2)	**17,440**	6,835
Total capital expenditures	**19,031**	9,582
Operational Highlights		
Metals contained in concentrate produced:		
Gold *(ounces)*	**70,258**	72,963
Copper *('000s pounds)*	**7,174**	9,381
Payable metals in concentrate sold:		
Gold *(ounces)*	**68,567**	68,254
Copper *('000s pounds)*	**7,279**	9,520
Cash cost per ounce of gold sold, net of by-product credits(2),(3)	**390**	511
All-in sustaining cost per ounce of gold(2),(4)	**522**	593
Complex concentrate smelted at Tsumeb *(mt)*	**23,009**	65,010
Cash cost per tonne of complex concentrate smelted at Tsumeb(2),(5)	**967**	357

As at,	**March 31, 2021**	December 31, 2020
Financial Position and Available Liquidity(1)		
Cash(1)	**175,706**	149,532
Investments at fair value	**68,111**	106,595
Total assets	**970,892**	974,860
Total equity	**780,477**	805,284
Number of common shares outstanding *('000s)*	**181,980**	181,400
Share price (Cdn$ per share)	**7.67**	9.15
Available liquidity(1),(6)	**325,706**	299,532

1) Information relates to continuing operations.

2) Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"); adjusted net earnings; adjusted basic earnings per share; free cash flow; growth and sustaining capital expenditures; cash cost per ounce of gold sold, net of by-product credits; all-in sustaining cost per ounce of gold; and cash cost per tonne of complex concentrate smelted at Tsumeb are not defined measures under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations to IFRS measures.

3) Cash cost per ounce of gold sold, net of by-product credits, represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs less by-product copper and silver revenues, divided by the payable gold in concentrate sold.

4) All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs, cash outlays for sustaining capital expenditures and leases, rehabilitation related accretion expenses and an allocated portion of the Company's general and administrative expenses and corporate social responsibility expenses, less by-product revenues in respect of copper and silver, divided by the payable gold in concentrate sold.
5) Cash cost per tonne of complex concentrate smelted at Tsumeb represents cost of sales less depreciation, amortization and other non-cash expenses and net of revenue related to the sale of acid, divided by the volumes of complex concentrate smelted.
6) Available liquidity is defined as undrawn capacity under DPM's RCF plus cash at the end of each reporting period.

Commodity prices and foreign exchange rates

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

The following table summarizes the average trading price for gold, copper and silver based on the London Bullion Market Association ("LBMA") for gold and silver and the London Metal Exchange ("LME") for copper (Grade A) for the three months ended March 31, 2021 and 2020 and highlights the overall year over year change in commodity prices.

Metal Market Prices (Average) Ended March 31,	**Three Months**		
	2021	2020	**Change**
LBMA gold *($/ounce)*	**1,800**	1,584	**14%**
LME settlement copper *($/pound)*	**3.85**	2.56	**50%**
LBMA spot silver *($/ounce)*	**26.29**	16.94	**55%**

The average realized gold price for the first quarter of 2021 of $1,779 per ounce was 15% higher than the corresponding period in 2020. The average realized gold price in the first quarter of 2020 of $1,547 per ounce was lower than the average gold market price for the first quarter of 2020 due to a portion of the gold sold being at a fixed price under the prepaid forward gold sales arrangement at Ada Tepe, which was fully settled as at December 31, 2020. The average realized copper price for the first quarter of 2021 of $3.76 per pound was 47% higher than the corresponding period in 2020. The average realized copper price in the first quarter of 2021 was lower than the average copper market price for the first quarter of 2021 as a result of approximately 58% of the copper sold in the period being hedged at a fixed price of $3.58 per pound.

Average realized gold and copper prices are not defined measures under IFRS. For more information, including reconciliations to IFRS, refer to the "Non-GAAP Financial Measures" section contained in this MD&A.

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

Average Foreign Exchange Rates Ended March 31,	**Three Months**		
	2021	2020	**Change**
US$/Cdn$	**1.2666**	1.3442	**(6%)**
Euro/US$	**1.2057**	1.1008	**(10%)**
US$/ZAR	**14.9471**	15.3501	**(3%)**

As at March 31, 2021, approximately 85% of projected Namibian dollar operating expenses for the balance of 2021 have been hedged with option contracts providing a weighted average floor price of 15.67 and a weighted average ceiling price of 18.52.

Metals production

In the first quarter of 2021, gold contained in concentrate produced decreased by 4% to 70,258 ounces due primarily to lower gold grades and recoveries at Chelopech, partially offset by higher gold grades at Ada

Tepe, and copper production decreased by 24% to 7.2 million pounds due primarily to lower copper grades, in each case, relative to the corresponding period in 2020.

Metals sold

Payable gold in concentrate sold in the first quarter of 2021 of 68,567 ounces was comparable to the corresponding period in 2020. Payable copper in concentrate sold in the first quarter of 2021 of 7.3 million pounds was 24% lower than the corresponding period in 2020 consistent with the decrease in copper production as a result of lower copper grades.

Complex concentrate smelted

Complex concentrate smelted at Tsumeb during the first quarter of 2021 of 23,009 tonnes was 65% lower than the corresponding period in 2020 due primarily to the planned Ausmelt furnace maintenance shutdown, which was completed during the first quarter of 2021. Originally planned for 30 days, the maintenance shutdown was extended to 45 days. This was primarily a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support, as well as an increase in the scope of the maintenance work around the Ausmelt lining replacement and additional converter maintenance.

Revenue from continuing operations

Revenue in the first quarter of 2021 of $138.0 million was $9.8 million lower than the corresponding period in 2020 due primarily to the planned Ausmelt furnace maintenance at Tsumeb, partially offset by higher realized metal prices.

Cost of sales from continuing operations

Cost of sales in the first quarter of 2021 of $85.6 million was comparable to the corresponding period in 2020 due primarily to lower volumes of complex concentrate smelted at Tsumeb, which was offset by the impact of a stronger Euro relative to the U.S. dollar and higher cost per tonne gold-copper concentrate sold.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold in the first quarter of 2021 of $522 was 12% lower than the corresponding period in 2020 due primarily to lower treatment charges for Chelopech as a result of increased deliveries to third party smelters and higher by-product credits, partially offset by the impact of a stronger Euro relative to the U.S. dollar, higher allocated general and administrative expenses and higher cash outlays for sustaining capital expenditures.

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

Cash cost per tonne of complex concentrate smelted at Tsumeb in the first quarter of 2021 of $967 was $610 higher than the corresponding period in 2020 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 first quarter of 2021.

General and administrative expenses from continuing operations

In the first quarter of 2021, general and administrative expenses were $3.9 million compared to $2.0 million in the corresponding period in 2020 due primarily to higher professional fees related to digital initiatives.

Exploration and evaluation expenses

Exploration and evaluation expenses in the first quarter of 2021 were $4.6 million compared to $3.7 million in the corresponding period in 2020 due primarily to the increased drilling activities on potential targets in priority areas at Chelopech and Ada Tepe.

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

Finance costs from continuing operations

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

Finance costs in the first quarter of 2021 were $1.4 million compared to $2.2 million in the corresponding period in 2020. The decrease was due primarily to interest accretion pursuant to the prepaid forward gold sales arrangement recognized in the first quarter of 2020. The Company completed its final delivery of gold under this arrangement in December 2020.

Other expense from continuing operations

Other expense is primarily comprised of unrealized gains or losses on Sabina special warrants and foreign exchange translation gains or losses.

The following table summarizes the items making up other expense:

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Net losses on Sabina special warrants(1)	**5,399**	2,955
Net foreign exchange (gains) losses(2)	**865**	(2,570)
Interest income	**(92)**	(42)
Other expense, net	**561**	479
Total other expense	**6,733**	822

1) *Refer to the "Financial Instruments" section contained in this MD&A for more details.*
2) *Primarily related to the revaluation of foreign denominated monetary assets and liabilities.*

Income tax expense from continuing operations

The effective tax rate of the Company can vary significantly from one period to the next based on a number of factors. For the three months ended March 31, 2021 and 2020, 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	**Three Months**	
Ended March 31,	**2021**	2020
Earnings before income taxes from continuing operations	**35,277**	51,383
Combined Canadian federal and provincial statutory income tax rates	**26.5%**	26.5%
Expected income tax expense	**9,348**	13,616
Lower rates on foreign earnings	**(6,045)**	(11,327)
Changes in unrecognized tax benefits	**8,752**	2,317
Non-deductible portion of capital losses	**2,176**	901
Non-deductible share-based compensation expense	**66**	62
Other, net	**266**	125
Income tax expense from continuing operations	**14,563**	5,694
Effective income tax rates	**41.3%**	11.1%

In December 2020, the Namibian Ministry of Finance announced that tax incentives under the Export Processing Zones ("EPZ") Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to

December 31, 2025. The EPZ regime is expected to be replaced by a new Special Economic Zone ("SEZ"), the details of which are expected to be released in the first half of 2021.

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

Net earnings attributable to common shareholders from continuing operations in the first quarter of 2021 were $20.7 million ($0.11 per share) compared to $45.7 million ($0.25 per share) in the corresponding period in 2020. This decrease was due primarily to the planned Ausmelt furnace maintenance shutdown at Tsumeb, partially offset by higher realized gold and copper prices.

Adjusted net earnings in the first quarter of 2021 were $31.0 million ($0.17 per share) compared to $48.6 million ($0.27 per share) in the corresponding period in 2020. This decrease was due primarily to the same factors affecting net earnings attributable to common shareholders.

Adjusted net earnings in the first quarter of 2021 excluded unrealized losses on Sabina special warrants of $5.4 million (2020 – $2.9 million) and a deferred income tax adjustment not related to current period earnings of $4.9 million (2020 - $nil), both 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 contained in this MD&A.

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Chelopech	**32,949**	29,752
Ada Tepe	**27,574**	17,938
Tsumeb	**(20,456)**	7,321
Corporate & Other	**(9,045)**	(6,355)
Total adjusted net earnings	**31,022**	48,656

Adjusted EBITDA from continuing operations

Adjusted EBITDA in the first quarter of 2021 was $66.2 million compared to $80.6 million in the corresponding period in 2020 reflecting the same factors that affected adjusted net earnings, except for interest, income taxes, depreciation and amortization, which are excluded from adjusted EBITDA.

The following table summarizes adjusted EBITDA by segment from continuing operations:

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Chelopech	**42,948**	40,387
Ada Tepe	**47,452**	33,000
Tsumeb	**(15,863)**	12,437
Corporate & Other	**(8,372)**	(5,253)
Total adjusted EBITDA	**66,165**	80,571

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

Cash provided from operating activities from continuing operations

Cash provided from operating activities in the first quarter of 2021 of $47.6 million was $36.6 million higher than the corresponding period in 2020 due primarily to a favourable period over period change related to working capital, the fulfillment of the prepaid forward gold sales agreement at Ada Tepe in December 2020 and higher realized gold and copper prices, partially offset by lower volumes of complex concentrate smelted as a result of the maintenance shutdown at Tsumeb.

During the first quarter of 2020, Ada Tepe delivered 13,110 ounces of gold pursuant to the prepaid forward gold sales arrangement which resulted in $17.9 million of deferred revenue recognized in revenue, with no corresponding impact on cash as these deliveries were in partial satisfaction of the $50.0 million of upfront proceeds received in 2016. In December 2020, the Company completed its final delivery of gold under this arrangement.

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

Free cash flow from continuing operations

In the first quarter of 2021, free cash flow of $51.0 million was comparable to the corresponding period in 2020 due primarily to the fulfillment of the prepaid forward gold sales agreement at Ada Tepe in December 2020 and higher realized gold and copper prices, which were offset by lower volumes of complex concentrate smelted as a result of the maintenance shutdown at Tsumeb and higher cash outlays for sustaining capital expenditures.

Capital expenditures from continuing operations

Capital expenditures incurred during the first quarter of 2021 were $19.0 million compared to $9.6 million in the corresponding period in 2020.

Sustaining capital expenditures incurred during the first quarter of 2021 were $17.4 million compared to $6.8 million in the corresponding period in 2020. This increase was due primarily to the planned maintenance shutdown at Tsumeb and accelerated grade control drilling at Ada Tepe. Growth capital expenditures incurred during the first quarter of 2021 were $1.6 million compared to $2.8 million in the corresponding period in 2020.

THREE-YEAR OUTLOOK

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

2021 to 2023 Outlook

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

The previously issued three-year outlook remains unchanged, except for the 2021 guidance in respect of complex concentrate smelted, which has been revised as a result of the longer than anticipated shutdown and additional maintenance activities in the first quarter of 2021.

Highlights of the three-year outlook include:

- **Continued solid gold production**: Over the next three years, gold production is expected to average approximately 280,000 ounces per year based on current mine plans. Gold production is expected to range between 271,000 ounces and 317,000 ounces in 2021, 240,000 ounces and 280,000 ounces in 2022, and 265,000 ounces and 310,000 ounces in 2023.

- **Stable copper production**: Copper production between 2021 and 2023 is expected to be approximately 35 million pounds per year, based on current mine plans.

- **Attractive all-in sustaining cost:** 2021 all-in sustaining cost per ounce of gold is expected to range between $625 and $695. All-in sustaining cost per ounce of gold is expected to range between $730 and $810 in 2022 and decrease to between $630 and $710 in 2023. The year over year variations in all-in sustaining cost reflect expected gold grades in concentrate produced and volumes of gold-copper concentrate delivered to third party smelters.

- **Stable smelter performance:** Annual estimates for complex concentrate smelted vary due to the timing of scheduled furnace maintenance shutdowns. During the first quarter of 2021, Tsumeb completed a scheduled furnace maintenance shutdown and resumed full operations at the end of March 2021. The maintenance shutdown, which was originally planned for 30 days, was extended to 45 days. The longer-than-planned timeline was primarily a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support, as well as a decision to increase the scope of the maintenance work around the Ausmelt lining replacement and additional converter maintenance. As previously announced, DPM has revised its 2021 guidance for Tsumeb to a range of 200,000 tonnes to 220,000 tonnes of complex concentrate smelted from the previous range of 220,000 tonnes to 250,000 tonnes to reflect the impact of the extended shutdown and additional maintenance activities. Cash cost per tonne of complex concentrate smelted in 2021 is expected to range between $450 and $520 per tonne, unchanged from the previously issued guidance for 2021. Complex concentrate smelted and cash cost per tonne of complex concentrate smelted remain unchanged in 2022 and 2023 from the outlook provided in February 2021.

- **Sustaining capital expenditures trending lower:** Sustaining capital expenditures for 2021 are expected to range between $56 million and $72 million, up from $41 million in 2020 as a result of initiating an accelerated life of mine grade control drilling program at Ada Tepe, which was originally planned to occur over several years and was previously classified as an operating cost, as well as investments to upgrade Chelopech’s tailings management facility following completion of the work to extend its life in 2019 and 2020, and the furnace maintenance shutdown at Tsumeb, which occurred in the first quarter of 2021. Following 2021, sustaining capital expenditures are expected to trend lower, with 2022 sustaining capital expenditures expected to range between $38 million and $50 million, and 2023 to further decline to a range of $33 million to $44 million.

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

$ millions, Unless otherwise indicated	**2021 Guidance**	**2022 Outlook**	**2023 Outlook**
Gold contained in concentrate produced *('000s ounces)*[(1),(2)]			
Chelopech	156 – 176	145 – 165	150 – 170
Ada Tepe	115 – 141	95 – 115	115 – 140
Total	271 – 317	240 – 280	265 – 310
Copper contained in concentrate produced *(million pounds)*			
Chelopech	34 – 39	32 – 39	32 – 39
All-in sustaining cost per ounce of gold[(3),(4)]	625 – 695	730 – 810	630 – 710
Complex concentrate smelted *('000s tonnes)*[(5)]	200 – 220	220 – 250	230 – 265
Cash cost per tonne of complex concentrate smelted[(3),(4)]	450 – 520	450 – 520	420 – 490
Sustaining capital expenditures[(3),(4)]			
Chelopech	20 – 25	14 – 18	9 – 12
Ada Tepe	16 – 21	6 – 8	6 – 8
Tsumeb	16 – 20	16 – 20	16 – 20
Corporate digital initiatives	4 – 6	2 – 4	2 – 4
Consolidated	56 – 72	38 – 50	33 – 44

1) *Gold produced includes gold in pyrite concentrate produced of 50,000 to 56,000 ounces for 2021, and 46,000 to 52,000 ounces in each of 2022 and 2023.*
2) *Metals contained in concentrate produced are prior to deductions associated with smelter terms.*
3) *All costs and capital expenditures are based on, where applicable, a Euro/US$ exchange rate of 1.18, a US$/ZAR exchange rate of 16.00, a copper price of $3.68 per pound in 2021 and $3.00 per pound in each of 2022 and 2023, and an average acid price of $74 per tonne in 2021 and $45 per tonne in each of 2022 and 2023, and have not been adjusted for inflation in 2022 and 2023.*
4) *All-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted and sustaining capital expenditures are Non-GAAP measures and have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information.*
5) *Previous 2021 guidance in respect of complex concentrate smelted was 220,000 tonnes to 250,000 tonnes.*

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

$ millions, unless otherwise indicated	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Consolidated Guidance**
Ore processed *('000s tonnes)*	2,090 - 2,200	835 - 925	-	2,925 - 3,125
Cash cost per tonne of ore processed[(3),(4)]	42 - 45	46 - 50	-	-
Metals contained in concentrate produced[(1),(2)]				
Gold *('000s ounces)*	156 - 176	115 - 141	-	271 - 317
Copper *(million pounds)*	34 - 39	-	-	34 - 39
Payable metals in concentrate sold[(1)]				
Gold *('000s ounces)*	130 - 147	113 - 138	-	243 - 285
Copper *(million pounds)*	31 - 36	-	-	31 - 36
All-in sustaining cost per ounce of gold[(3),(4)]	685 - 755	560 - 630	-	625 - 695
Complex concentrate smelted *('000s tonnes)*[(5)]	-	-	200 - 220	200 - 220
Cash cost per tonne of complex concentrate smelted[(3),(4)]	-	-	450 - 520	450 - 520
Corporate general and administrative expenses[(3),(6)]	-	-	-	19 - 23
Exploration expenses[(3)]	-	-	-	13 - 15
Evaluation expenses[(3)]	-	-	-	2 - 3
Sustaining capital expenditures[(3),(4),(7)]	20 - 25	16 - 21	16 - 20	56 - 72
Growth capital expenditures[(3),(4),(8)]	2 - 4	-	3 - 4	16 - 21

1) *Gold produced includes gold in pyrite concentrate produced of 50,000 to 56,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 31,000 to 35,000 ounces.*
2) *Metals contained in concentrate produced are prior to deductions associated with smelter terms.*
3) *Based on a Euro/US$ exchange rate of 1.18, a US$/ZAR exchange rate of 16.00, a copper price of $3.68 per pound and an average acid price of $74 per tonne, where applicable.*
4) *Cash cost per tonne of ore processed, all-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted at Tsumeb and sustaining and growth capital expenditures are Non-GAAP measures and have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information.*
5) *Previous guidance in respect of complex concentrate smelted was 220,000 tonnes to 250,000 tonnes.*
6) *Excludes mark-to-market adjustments on share-based compensation.*
7) *Consolidated sustaining capital expenditures include approximately $5 million related to corporate digital initiatives.*
8) *Consolidated growth capital expenditures include the estimated costs related to the FS (as defined herein) for the Timok gold project.*

The foregoing three-year outlook and supplemental detailed 2021 guidance are not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced, payable metals in concentrate sold and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages, including 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

Based on Chelopech's current mine plans, gold contained in concentrate produced is expected to range between 156,000 ounces and 176,000 ounces in 2021, 145,000 ounces and 165,000 ounces in 2022, and 150,000 ounces and 170,000 ounces in 2023.

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

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

Ada Tepe

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

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

Tsumeb

As a result of the extended shutdown and additional maintenance activities, 2021 guidance for complex concentrate smelted has been revised to a range of 200,000 tonnes to 220,000 tonnes from the previous range of 220,000 tonnes to 250,000 tonnes. Based on an expected 18-month operating cycle, complex concentrate smelted in 2022 is expected to range between 220,000 tonnes and 250,000 tonnes. In 2023, complex concentrate smelted is expected to range between 230,000 tonnes and 265,000 tonnes as a result of there not being a planned furnace maintenance shutdown in that year. Concentrate feed is currently contracted through to the third quarter of 2023 with additional feed thereafter expected to be contracted in the normal course.

In 2021, cash cost per tonne of complex concentrate smelted is expected to range between $450 and $520 per tonne, unchanged from the previously issued guidance for 2021. In 2022, cash cost per tonne of complex concentrate smelted is expected to range between $450 and $520 per tonne. In 2023, cash cost per tonne of complex concentrate smelted is expected to range between $420 and $490 per tonne as a result of increased throughput.

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

All-in sustaining cost per ounce of gold

2021 all-in sustaining cost per ounce of gold is expected to be at the lower end of its $625 to $695 per ounce of gold guidance, reflecting approximately 40% of Chelopech gold-copper concentrate being delivered to third party smelters.

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

Timok gold project

Based on the positive results of the pre-feasibility study (“PFS”) for the Timok gold project, the Company is moving forward with the feasibility study (“FS”). The cost of the FS is expected to be between $11 million and $13 million in 2021 and has been included in growth capital expenditures.

Exploration and evaluation expenditures

Expenditures related to exploration in 2021 are expected to be between $13 million and $15 million and will be directed toward a 60,000 metre brownfield drilling program on mine concessions and exploration licenses at, or around, the Chelopech and Ada Tepe mines in Bulgaria and a further 30,000 metres of drilling planned for the Timok gold project in Serbia.

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

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

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

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

COVID-19

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

REVIEW OF OPERATING RESULTS BY SEGMENT

Chelopech – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	**Three Months**	
Ended March 31,	**2021**	2020
Operational Highlights		
Ore mined *(mt)*	**541,399**	533,025
Ore processed *(mt)*	**543,602**	545,830
Gold recoveries:		
Gold-copper concentrate (%)	**43.9**	48.1
Pyrite concentrate (%)	**23.8**	23.7
Head grade / recoveries:		
Gold *(g/mt)* / combined recoveries (*%)*	**3.12 / 67.7**	3.38 / 71.8
Copper *(%)* / %	**0.76 / 78.7**	0.99 / 79.0
Silver *(g/mt)* / %	**6.64 / 30.4**	6.48 / 39.9
Gold-copper concentrate produced *(mt)*	**22,115**	27,864
Pyrite concentrate produced *(mt)*	**54,890**	65,398
Metals contained in concentrate produced:		
Gold in gold-copper concentrate *(ounces)*	**23,935**	28,540
Gold in pyrite concentrate *(ounces)*	**12,944**	14,091
Total gold production	**36,879**	42,631
Copper *(pounds)*	**7,173,626**	9,381,122
Silver *(ounces)*	**35,294**	45,345
Cash cost per tonne of ore processed(1),(2),(10)	**41.64**	36.28
Cash cost per ounce of gold in gold-copper concentrate produced(1),(2),(3)	**551**	436
Cash cost per pound of copper in gold-copper concentrate produced(1),(2),(3)	**1.19**	0.70
Gold-copper concentrate delivered *(mt)*	**25,290**	30,124
Pyrite concentrate delivered *(mt)*	**64,321**	66,258
Payable metals in concentrate sold:		
Gold in gold-copper concentrate *(ounces)*(5)	**26,150**	29,658
Gold in pyrite concentrate *(ounces)*(5)	**9,384**	9,107
Total payable gold in concentrate sold	**35,534**	38,765
Copper *(pounds)*(5)	**7,278,625**	9,520,432
Silver *(ounces)*(5)	**34,091**	45,135
Cash cost per ounce of gold sold, net of by-product credits (2),(4),(6)	**463**	607
All-in sustaining cost per ounce of gold(2),(4),(7)	**589**	679
Cost per tonne of gold-copper concentrate sold(8)	**1,299**	984
Financial Highlights		
Revenue(9)	**71,705**	63,134
Cost of sales(11)	**32,864**	29,641
Earnings before income taxes	**36,805**	33,091
Adjusted EBITDA(2)	**42,948**	40,387
Net earnings/Adjusted net earnings(2)	**32,949**	29,752
Capital expenditures incurred:		
Growth(2)	**698**	1,159
Sustaining(2)	**3,594**	3,246
Total capital expenditures	**4,292**	4,405

1) Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.
2) Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.
3) Gold and copper are accounted for as co-products. Total cash costs are net of by-product silver sales revenue.
4) Includes payable gold in pyrite concentrate sold, and the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $5.9 million (2020 – $6.2 million) in the first quarter of 2021.
5) Represents payable metals in gold-copper and pyrite concentrate sold based on provisional invoices.
6) Cash cost per ounce of gold sold, net of by-product credits, represents cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs, less by-product copper and silver revenues, divided by the payable gold in gold-copper and pyrite concentrate sold.
7) All-in sustaining cost per ounce of gold represents cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs, cash outlays for sustaining capital expenditures and leases, rehabilitation related accretion expenses and an allocated

portion of the Company's general and administrative expenses and corporate social responsibility expenses, less by-product revenues in respect of copper and silver, divided by the payable gold in concentrate sold.

8) *Represents cost of sales divided by the volumes of gold-copper concentrate delivered.*
9) *Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net unfavourable final settlements of $2.5 million (2020 – net favourable final settlements of $3.2 million) were recognized in the first quarter of 2021. Deductions during the first quarter of 2021 were $17.8 million (2020 – $26.2 million).*
10) *Cash cost per tonne of ore processed represents production expenses, including mining, processing, services, royalties and general and administrative expenses, divided by tonnes of ore processed.*
11) *Cost of sales includes depreciation of $6.0 million (2020 – $7.1 million) in the first quarter of 2021.*

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the first quarter of 2021 of 22,115 tonnes was 21% lower than the corresponding period in 2020 due primarily to lower copper grades.

Pyrite concentrate produced during the first quarter of 2021 of 54,890 tonnes was 16% lower than the corresponding period in 2020 due primarily to lower gold grades.

Gold contained in gold-copper and pyrite concentrate produced in the first quarter of 2021 was 36,879 ounces compared to 42,631 ounces in the corresponding period in 2020. Gold contained in gold-copper concentrate produced in the first quarter of 2021 decreased by 16% to 23,935 ounces and gold contained in pyrite concentrate produced decreased by 8% to 12,944 ounces, in each case, relative to the corresponding period in 2020. These decreases were due primarily to lower gold grades and recoveries.

Copper production in the first quarter of 2021 of 7.2 million pounds was 24% lower than the corresponding period in 2020 due primarily to lower copper grades.

Silver production in the first quarter of 2021 of 35,294 ounces was 22% lower than the corresponding period in 2020 due primarily to lower silver recoveries.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate during the first quarter of 2021 of 25,290 tonnes were 16% lower than the corresponding period in 2020 due primarily to lower production as a result of lower copper grades.

Deliveries of pyrite concentrate during the first quarter of 2021 of 64,321 tonnes were 3% lower than the corresponding period in 2020 due primarily to the timing of deliveries.

In the first quarter of 2021, payable gold in gold-copper concentrate sold decreased by 12% to 26,150 ounces, payable copper decreased by 24% to 7.3 million pounds and payable silver decreased by 25% to 34,091 ounces, in each case, relative to the corresponding period in 2020. The decrease in gold sold was due primarily to the decrease in gold-copper concentrate deliveries, partially offset by higher gold grades in concentrate sold reflecting higher grade material that was contained in inventory. The decrease in payable copper sold was consistent with the decrease in gold-copper concentrate deliveries. Payable gold in pyrite concentrate sold in the first quarter of 2021 of 9,384 ounces was comparable to the corresponding period in 2020.

Inventory

Gold-copper concentrate inventory totaled 2,108 tonnes as at March 31, 2021, down from 5,283 tonnes as at December 31, 2020 due primarily to the timing of deliveries. Pyrite concentrate inventory totaled 2,355 tonnes as at March 31, 2021, down from 11,786 tonnes as at December 31, 2020 due primarily to the timing of deliveries.

Cash cost measures

Cash cost per tonne of ore processed in the first quarter of 2021 of $41.64 was 15% higher than the corresponding period in 2020 due primarily to the impact of a stronger Euro relative to the U.S. dollar and the timing of maintenance activities.

Cash cost per ounce of gold sold, net of by-product credits, during the first quarter of 2021 of $463 was $144 lower than the corresponding period in 2020 due primarily to lower treatment charges and higher by-product credits, partially offset by the impact of a stronger Euro relative to the U.S. dollar and higher local currency operating expenses.

All-in sustaining cost per ounce of gold in the first quarter of 2021 was $589 compared to $679 in the corresponding period in 2020. This decrease was due primarily to lower treatment charges as a result of increased deliveries to third party smelters and higher by-product credits, partially offset by the impact of a stronger Euro relative to the U.S. dollar, higher local currency operating expenses, higher allocated general and administrative expenses and higher cash outlays for sustaining capital.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the first quarter of 2021 of $32.9 million were $3.2 million higher than the corresponding period in 2020 due primarily to higher realized metal prices, partially offset by higher cost per tonne gold-copper concentrate sold as a result of lower copper grades, lower deliveries and the impact of a stronger Euro relative to the U.S. dollar.

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

$ millions **Ended March 31,**	**Three Months**
Adjusted net earnings - 2020	**29.7**
Higher realized metal prices	17.0
Higher cost per tonne concentrate sold(1)	(6.2)
Lower metals sold	(4.2)
Stronger Euro	(1.8)
Other	(1.0)
Higher treatment charges, including final settlements(2)	(0.6)
Adjusted net earnings - 2021	**32.9**

1) *Excludes impact of depreciation and foreign exchange.*
2) *Includes unfavourable final settlement adjustments in respect of provisionally priced sales primarily related to prior periods, which more than offset lower treatment charges per tonne of concentrate sold resulting from a greater proportion of gold-copper concentrate deliveries to third party smelters.*

Capital expenditures

Capital expenditures during the first quarter of 2021 of $4.3 million were comparable to the corresponding period in 2020 and in line with 2021 guidance.

Mineral Reserve and Mineral Resource update

On March 30, 2021, the Company announced that Chelopech successfully added 3.9 million tonnes to Mineral Reserves, which more than offset 2020 production depletion of 2.2 million tonnes for a net addition of 1.7 million tonnes. Relative to the previous Mineral Reserve estimate, this represents an increase of 10% in tonnage and an increase in metal content of 5% for gold, 13% for silver and 3% for copper, extending the life of mine to 2029.

Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, increased 22%, representing a 3.2 million tonnes net increase in tonnage and an increase in metal content of 12% for gold and 6% for copper, further adding to the potential to extend the mine life, if such Mineral Resources are converted to Mineral Reserves.

Ada Tepe – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months	
Ended March 31,	**2021**	2020
Operational Highlights		
Ore mined *(mt)*	**321,464**	191,765
Ore processed *(mt)*	**218,654**	233,471
Head grade / recoveries in gold concentrate(1)		
Gold *(g/mt) / %*	**5.71 / 83.0**	4.73 / 85.1
Silver *(g/mt) / %*	**2.84 / 58.1**	2.53 / 58.3
Gold concentrate produced *(mt)*	**1,686**	1,472
Metals contained in concentrate produced:		
Gold *(ounces)*	**33,379**	30,332
Silver *(ounces)*	**11,625**	11,114
Cash cost per tonne of ore processed(2),(3),(10)	**43.28**	40.06
Cash cost per ounce of gold in concentrate produced(2),(3),(4)	**274**	302
Gold concentrate delivered *(mt)*	**1,723**	1,487
Payable metals in concentrate sold:		
Gold *(ounces)*(5)	**33,033**	29,489
Silver *(ounces)*(5)	**10,068**	9,713
Cash cost per ounce of gold sold, net of by-product credits(2),(3),(6)	**311**	384
All-in sustaining cost per ounce of gold(3),(7)	**450**	481
Financial Highlights		
Revenue(8)	**57,417**	43,029
Cost of sales(9)	**23,675**	22,936
Earnings before income taxes	**33,343**	19,956
Adjusted EBITDA(3)	**47,452**	33,000
Net earnings/Adjusted net earnings(3)	**27,574**	17,938
Capital expenditures incurred:		
Growth(3)	**-**	53
Sustaining(3)	**4,338**	1,737
Total capital expenditures	**4,338**	1,790

1) Recoveries are after the flotation circuit but before filtration.
2) Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.
3) Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.
4) Total cash costs are net of by-product silver sales.
5) Represents payable metals in gold concentrate sold based on provisional invoices.
6) Cash cost per ounce of gold sold, net of by-product credits, represents cost of sales, less depreciation, amortization and other non-cash expenses, plus treatment charges, penalties, transportation and other selling costs, less by-product silver revenues, divided by the payable gold in concentrate sold.
7) All-in sustaining cost per ounce of gold represents cost of sales less depreciation, amortization and other non-cash expenses plus treatment charges, penalties, transportation and other selling costs, cash outlays for sustaining capital expenditures and leases, rehabilitation related accretion expenses and an allocated portion of the Company's general and administrative expenses and corporate social responsibility expenses, less by-product revenues in respect of silver, divided by the payable gold in concentrate sold.
8) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales.
9) Cost of sales includes depreciation of $14.0 million (2020 – $12.4 million) in the first quarter of 2021.
10) Cash cost per tonne of ore processed represents production expenses, including mining, processing, services, royalties and general and administrative expenses, divided by tonnes of ore processed.

Review of Ada Tepe Results

Gold production

Ada Tepe achieved record quarterly production of 33,379 ounces of gold contained in concentrate produced in the first quarter of 2021, which was 10% higher than the corresponding period in 2020 due primarily to higher gold grades, partially offset by lower volumes of ore processed and lower gold recoveries.

Gold sold

Payable gold in concentrate sold in the first quarter of 2021 increased by 12% to 33,033 ounces relative to the corresponding period in 2020 consistent with increased production.

Inventory

Gold concentrate inventory totaled 54 tonnes as at March 31, 2021, down from 91 tonnes as at December 31, 2020.

Cash cost measures

Cash cost per tonne of ore processed in the first quarter of 2021 of $43.28 was 8% higher than the corresponding period in 2020 due primarily to higher royalty expense as a result of a higher royalty rate combined with higher gold production and market gold prices, higher labour costs as a result of salary increases and the impact of a stronger Euro relative to the U.S. dollar, partially offset by reduced costs related to grade control drilling as these costs are being capitalized as part of the accelerated life of mine grade control drilling program being carried out in 2021.

Cash cost per ounce of gold sold, net of by-product credits, in the first quarter of 2021 of $311 was $73 lower than the corresponding period in 2020 due primarily to higher gold grades, partially offset by the impact of a stronger Euro relative to the U.S. dollar.

All-in sustaining cost per ounce of gold in the first quarter of 2021 of $450 was $31 lower than the corresponding period in 2020 due primarily to a lower cash cost per ounce of gold sold as a result of higher gold grades, partially offset by higher allocated general and administrative expenses, higher cash outlays for sustaining capital expenditures as a result of the accelerated grade control drilling program and the impact of a stronger Euro relative to the U.S. dollar.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the first quarter of 2021 of $27.6 million were $9.7 million higher than the corresponding period in 2020 due primarily to higher realized gold prices, higher gold sold and lower cost per tonne gold concentrate sold due to higher grades, partially offset by the impact of a stronger Euro relative to the U.S. dollar.

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

$ millions **Ended March 31,**	**Three Months**
Adjusted net earnings - 2020	**17.9**
Higher realized gold prices	9.4
Lower cost per tonne concentrate sold(1)	3.4
Higher gold sold	3.1
Income taxes & other	(3.8)
Higher depreciation related to volumes sold	(1.6)
Stronger Euro	(0.8)
Adjusted net earnings - 2021	**27.6**

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

Capital expenditures

Capital expenditures during the first quarter of 2021 of $4.3 million were $2.5 million higher than the corresponding period in 2020 due primarily to the planned accelerated life of mine grade control drilling program.

Tsumeb – Selected Operational and Financial Highlights

$ thousands, unless otherwise indicated	Three Months	
Ended March 31,	**2021**	2020
Operational Highlights		
Complex concentrate smelted *(mt):*		
Chelopech	**8,123**	18,109
Third parties	**14,886**	46,901
Total complex concentrate smelted	**23,009**	65,010
Cash cost per tonne of complex concentrate smelted(1),(2)	**967**	357
Acid production *(mt)*	**22,118**	68,746
Acid deliveries *(mt)*	**38,444**	71,674
Financial Highlights		
Toll revenue(3)	**6,613**	34,996
Acid revenue	**2,295**	6,628
Total revenue	**8,908**	41,624
Cost of sales(4)	**29,104**	34,347
Earnings (loss) before income taxes	**(20,456)**	7,321
Adjusted earnings (loss) before interest, taxes, depreciation and amortization(2)	**(15,863)**	12,437
Net earnings (loss)/Adjusted net earnings (loss)(2)	**(20,456)**	7,321
Capital expenditures incurred:		
Growth(2)	**158**	1,534
Sustaining(2)	**9,076**	880
Total capital expenditures	**9,234**	2,414

1) *Cash cost per tonne of complex concentrate smelted represents cost of sales less depreciation, amortization and other non-cash expenses and net of revenue related to the sale of acid, divided by the volumes of complex concentrate smelted.*
2) *Refer to the "Non-GAAP Financial Measures" section of this MD&A for more information, including reconciliations of these Non-GAAP measures.*
3) *Includes deductions for stockpile interest and favourable or unfavourable estimated metal recoveries.*
4) *Cost of sales includes depreciation of $3.9 million (2020 – $4.3 million) in the first quarter of 2021.*

Review of Tsumeb Results

Production & acid deliveries

Complex concentrate smelted during the first quarter of 2021 of 23,009 tonnes was 65% lower than the corresponding period in 2020 due primarily to the planned Ausmelt furnace maintenance shutdown, which was completed during the first quarter of 2021. Originally planned for 30 days, the maintenance shutdown was extended to 45 days. This was primarily a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support, as well as an increase in the scope of the maintenance work around the Ausmelt lining replacement and additional converter maintenance.

Acid production in the first quarter of 2021 of 22,118 tonnes was 68% lower than the corresponding period in 2020 in line with the concentrate smelted.

Acid deliveries in the first quarter of 2021 of 38,444 tonnes were 46% lower than the corresponding period in 2020 due primarily to reduced production.

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

Cash cost per tonne of complex concentrate smelted in the first quarter of 2021 of $967 was $610 higher than the corresponding period in 2020 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 first quarter of 2021.

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

Net loss and adjusted net loss in the first quarter of 2021 was $20.5 million compared to net earnings and adjusted net earnings of $7.3 million in the corresponding period in 2020 due primarily to the planned Ausmelt furnace maintenance shutdown.

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

$ millions **Ended March 31,**	**Three Months**
Adjusted net earnings – 2020	**7.3**
Lower volumes of complex concentrate smelted	(21.9)
Lower estimated metal recoveries	(5.2)
Lower acid deliveries	(3.4)
Lower toll rates and acid prices	(2.3)
Lower operating expenses driven by the decrease in production[(1)]	4.2
Weaker ZAR[(2)]	0.6
Other	0.2
Adjusted net loss – 2021	**(20.5)**

1) Excludes impact of depreciation and foreign exchange.
2) Includes realized gains on foreign exchange option contracts of $1.2 million in the first quarter of 2021 (2020 – realized losses of $0.1 million).

Capital expenditures

Capital expenditures during the first quarter of 2021 of $9.2 million were $6.8 million higher than the corresponding period in 2020 due primarily to expenditures related to the planned Ausmelt furnace maintenance shutdown.

REVIEW OF CORPORATE & OTHER SEGMENT RESULTS FROM CONTINUING OPERATIONS

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

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Financial Highlights		
General and administrative expenses	**3,865**	1,971
Exploration and evaluation expenses[(1)]	**2,573**	2,590
Corporate social responsibility expenses	**479**	723
Finance cost	**393**	521
Other expense[(2)]	**7,105**	3,180
Loss before income taxes	**(14,415)**	(8,985)
Adjusted loss before interest, taxes, depreciation and amortization	**(8,372)**	(5,253)
Net loss attributable to common shareholders	**(19,348)**	(9,310)
Adjusted net loss[(3)]	**(9,045)**	(6,355)

1) Includes evaluation expenses related to the Timok gold project of $1.0 million (2020 - $1.0 million) in the first quarter of 2021.
2) Includes net losses on Sabina special warrants of $5.4 million in the first quarter of 2021 (2020 - $2.9 million).
3) Excludes net losses on Sabina special warrants and a deferred income tax adjustment not related to current period earnings.

General and administrative expenses

In the first quarter of 2021, general and administrative expenses were $3.9 million compared to $2.0 million in the corresponding period in 2020 due primarily to higher professional fees related to digital initiatives.

Exploration and evaluation expenses

Exploration and evaluation expenses in the first quarter of 2021 of $2.6 million were comparable to the corresponding period in 2020.

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

REVIEW OF DISCONTINUED OPERATIONS

MineRP Disposition

On December 22, 2020, the Company and other shareholders of MineRP collectively entered into a definitive agreement with Epiroc for the sale of MineRP. Under the MineRP Disposition, the consideration for DPM's interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $41.0 million in cash, subject to a working capital adjustment following closing and (ii) potential additional proceeds in the form of an earn-out conditional on the achievement of certain revenue targets by MineRP in 2021 and 2022. The cash proceeds are net of approximately $5.1 million held in escrow on closing to secure against any post closing adjustments related to working capital and any potential breaches in representations and warranties for a period up to 2 years. The MineRP Disposition closed on May 3, 2021.

Financial highlights

Revenue in the first quarter of 2021 of $3.9 million was comparable to the corresponding period in 2020.

Net loss from discontinued operations attributable to common shareholders in the first quarter of 2021 was $0.7 million compared to $2.5 million in the corresponding period in 2020 driven primarily by lower expenses.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2021, the Company had cash of $175.7 million, investments valued at $68.1 million primarily related to its 8.9% interest in Sabina, 23.5% interest in INV and 8.5% interest in Velocity Minerals Ltd. ("Velocity"), and $150.0 million of undrawn capacity under its RCF.

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

As at March 31, 2021, the Company's cash resources and available capital under its RCF continue to provide sufficient liquidity and cash resources to meet its current operating and capital expenditure requirements, all contractual commitments, as well as a number of margin improvement and growth opportunities. The Company may, from time to time, raise additional capital to ensure it maintains its financial strength and has sufficient liquidity to support its discretionary growth capital projects and the overall needs of the business.

As part of the Company's assessment of the potential implications associated with the COVID-19 pandemic, the Company assessed its financial resources as at March 31, 2021 and concluded that it has sufficient available cash resources to manage the potential impacts that could reasonably be expected to arise.

Capital allocation and declaration of dividend

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

On February 11, 2021, the Company declared a quarterly dividend of $0.03 (2020 – $0.02) per common share payable on April 15, 2021 to shareholders of record on March 31, 2021 resulting in dividend distributions of $5.5 million (2020 – $3.6 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity for the three months ended March 31, 2021. As at March 31, 2021, the Company recognized a dividend payable of $5.5 million (December 31, 2020 – $5.4 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position. For the three months ended March 31, 2021, the Company also paid $5.4 million (2020 – $nil) of dividends which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows.

On May 5, 2021, the Company declared a dividend of $0.03 per common share payable on July 15, 2021 to shareholders of record on June 30, 2021.

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

Cash flow from Continuing Operations

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Cash provided from operating activities, before changes in non-cash working capital	**62,868**	58,217
Changes in non-cash working capital	**(15,277)**	(47,222)
Cash provided from operating activities	**47,591**	10,995
Cash used in investing activities	**(15,151)**	(8,161)
Cash used in financing activities	**(6,266)**	(10,930)
Increase (decrease) in cash	**26,174**	(8,096)
Cash at beginning of period	**149,532**	21,283
Cash at end of period	**175,706**	13,187

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

Operating Activities of Continuing Operations

Cash provided from operating activities in the first quarter of 2021 of $47.6 million was $36.6 million higher than the corresponding period in 2020 due primarily to a favourable period over period change related to working capital, the fulfillment of the prepaid forward gold sales agreement at Ada Tepe in December 2020 and higher realized gold and copper prices, partially offset by lower volumes of complex concentrate smelted as a result of the planned Ausmelt furnace maintenance shutdown at Tsumeb.

The unfavourable change in working capital in the first quarter of 2021 of $15.3 million was due primarily to an increase in accounts receivable as a result of the timing of deliveries in the first quarter and higher metal prices, partially offset by a decrease in inventories.

The unfavourable change in working capital in the first quarter of 2020 of $47.2 million was due primarily to an increase in accounts receivable as a result of the timing of receipts from customers and a decrease in accounts payable as a result of the timing of payments to suppliers, partially offset by a decrease in inventories.

During the first quarter of 2020, Ada Tepe delivered 13,110 ounces of gold pursuant to the prepaid forward gold sales arrangement which resulted in $17.9 million of deferred revenue recognized in revenue, with no corresponding impact on cash as these deliveries were in partial satisfaction of the $50.0 million of upfront proceeds received in 2016. In December 2020, the Company completed its final delivery of gold under this arrangement.

Cash provided from operating activities, before changes in non-cash working capital, during the first quarter of 2021 was $62.9 million compared to $58.2 million in the corresponding period in 2020. This increase was due primarily to the fulfillment of the prepaid forward gold sales agreement in December 2020 and higher realized gold and copper prices, partially offset by lower volumes of complex concentrate smelted as a result of the planned Ausmelt furnace maintenance shutdown at Tsumeb.

Investing Activities of Continuing Operations

Cash used in investing activities in the first quarter of 2021 was $15.2 million compared to $8.2 million in the corresponding period in 2020.

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Chelopech	**2,812**	2,714
Tsumeb	**5,370**	1,881
Ada Tepe	**2,536**	2,594
Other	**503**	972
Total cash capital expenditures	**11,221**	8,161

Cash outlays for capital expenditures in the first quarter of 2021 of $11.2 million were $3.0 million higher than the corresponding period in 2020. The period over period increase was due primarily to the planned Ausmelt furnace maintenance shutdown at Tsumeb.

During the first quarter of 2021, the Company purchased an additional 512,820 common shares of Sabina at an average price of $1.56 (Cdn$1.95) per share for a total cost of $0.8 million. The Company also increased its equity interest in INV from 19.4% to 23.5% for an additional cost of $3.1 million, following the completion of a non-brokered private placement.

Financing Activities of Continuing Operations

Cash used in financing activities in the first quarter of 2021 was $6.3 million compared to $10.9 million in the corresponding period in 2020.

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

- Net repayments under the RCF in the first quarter of 2021 were $nil compared to $10.0 million in the corresponding period in 2020; and
- Dividends paid in the first quarter of 2021 were $5.4 million compared to $nil in the corresponding period in 2020.

Financial Position

$ thousands **As at**	**March 31, 2021**	December 31, 2020	**Increase/ (Decrease)**
Cash	**175,706**	149,532	**26,174**
Accounts receivable, inventories and other current assets	**155,306**	138,787	**16,519**
Assets held for sale	**31,600**	30,713	**887**
Investments at fair value	**68,111**	106,595	**(38,484)**
Non-current assets, excluding investments at fair value	**540,169**	549,233	**(9,064)**
Total assets	**970,892**	974,860	**(3,968)**
Current liabilities	**105,043**	79,073	**25,970**
Liabilities held for sale	**7,864**	6,003	**1,861**
Non-current liabilities	**77,508**	84,500	**(6,992)**
Equity attributable to common shareholders	**774,124**	798,669	**(24,545)**
Non-controlling interests	**6,353**	6,615	**(262)**

Cash increased by $26.2 million to $175.7 million during the first three months of 2021 due primarily to continued underlying strong operating performance at Chelopech and Ada Tepe combined with higher metal prices, partially offset by lower volumes of complex concentrate smelted as a result of the planned Ausmelt furnace maintenance shutdown at Tsumeb. Accounts receivable, inventories and other current assets increased by $16.5 million to $155.3 million due primarily to an increase in accounts receivable as a result of the timing of deliveries in the first quarter and higher metal prices, partially offset by a decrease in inventories. Investments at fair value decreased by $38.5 million to $68.1 million due primarily to the decrease in Sabina's share price. Non-current assets, excluding investments at fair value, decreased by $9.0 million to $540.2 million due primarily to depreciation and depletion, partially offset by capital expenditures.

Current liabilities increased by $26.0 million to $105.1 million during the first three months of 2021 due primarily to an increase in accounts payable and accrued liabilities as a result of the timing of payments to suppliers, an increase in income tax liabilities and an increase in liabilities related to outstanding commodity swap contracts. Non-current liabilities decreased by $7.0 million to $77.5 million due primarily to a decrease in share-based compensation as a result of the decrease in DPM's share price. Equity attributable to common shareholders decreased by $24.6 million to $774.1 million due primarily to a decrease in accumulated other comprehensive income as a result of unrealized losses on publicly traded securities and unrealized losses related to commodity swap contracts, and dividends declared, partially offset by net earnings generated in the period.

Contractual Obligations, Commitments and Other Contingencies

The Company had the following minimum contractual obligations and commitments as at March 31, 2021:

$ thousands	**up to 1 year**	**1 – 5 years**	**over 5 years**	**Total**
Lease obligations	5,274	12,993	2,003	**20,270**
Capital commitments	9,093	-	-	**9,093**
Purchase commitments	18,637	16,919	-	**35,556**
Other obligations	615	520	60	**1,195**
Total contractual obligations and commitments	**33,619**	**30,432**	**2,063**	**66,114**

As at March 31, 2021, Tsumeb had approximately $91.7 million (December 31, 2020 – $76.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. ("IXM") pursuant to a tolling agreement (the "Tolling Agreement"). As at March 31, 2021, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately $58.4 million (December 31, 2020 – $45.4 million). Under the Tolling Agreement, the Company was obliged to eliminate excess secondary materials by April 30, 2021.

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 December 31, 2022; 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.

Debt

As at March 31, 2021, the Company's total outstanding debt was $nil (December 31, 2020 – $nil) and the Company was in compliance with all of its debt covenants.

As at March 31, 2021, the Company's total debt, net of cash, as a percentage of total capital, was negative 29% (December 31, 2020 – negative 23%).

DPM RCF

DPM has a committed RCF of $150.0 million with a consortium of banks. In February 2021, the Company extended the RCF's maturity date from February 2023 to February 2024. The Company's borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company's funded net debt to adjusted EBITDA ("Debt Leverage Ratio"), as defined in the RCF agreement. The RCF is secured by pledges of the Company's investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

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

As at March 31, 2021 and December 31, 2020, $nil was drawn under the RCF.

Tsumeb Overdraft Facility

Tsumeb has a Namibian $100.0 million ($6.8 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 March 31, 2021 and December 31, 2020, $nil was drawn from this facility.

Credit Agreements and Guarantees

In February 2021, Chelopech and Ada Tepe increased its multi-purpose credit facility from $16.0 million to $21.0 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $14.1 million (December 31, 2020 – $6.1 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 ($24.6 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $24.6 million (December 31, 2020 – $25.8 million) had been utilized against this credit facility in the form of letters of guarantee, which were posted with the Bulgarian Ministry of Energy.

In February 2021, Ada Tepe increased its multi-purpose credit facility from $5.3 million to $10.3 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $0.2 million (December 31, 2020 – $0.2 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

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

Outstanding Share Data

DPM's common shares are traded on the TSX under the symbol DPM. As at May 5, 2021, 181,989,623 common shares were issued and outstanding.

DPM also has 2,779,017 stock options outstanding as at May 5, 2021 with exercise prices ranging from Cdn$ 2.69 to Cdn$ 8.50 per share (weighted average exercise price – Cdn$ 4.45 per share).

Normal Course Issuer Bid

Effective March 2, 2021, DPM renewed its normal course issuer bid (the "Bid") to repurchase certain of its common shares ("Shares") through the facility of the TSX. The number of Shares that can be purchased during the period of the Bid will not exceed 9,000,000 Shares, being approximately 5% of the outstanding Shares as of February 23, 2021. Pursuant to the terms of the Bid, the Company will not acquire on any given trading day more than 182,760 Shares, representing 25% of the average daily volume of Shares for the six months ended January 31, 2021. The price that the Company will pay for Shares in open market transactions will be the market price at the time of purchase and any Shares that are purchased under the Bid will be cancelled. The actual timing and number of Shares that may be purchased pursuant to the Bid will be subject to DPM's ongoing capital requirements and management's view that, from time to time, DPM's Shares may trade at prices well below the underlying value of the Company and during these periods the repurchase of Shares represents an excellent opportunity to enhance shareholder value. No purchases of Shares have been made under the Bid as at the date of this MD&A. The Bid will expire on February 28, 2022.

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

Other

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

FINANCIAL INSTRUMENTS

Investments at fair value

As at March 31, 2021, the Company's investments at fair value were $68.1 million (December 31, 2020 - $106.6 million), the vast majority of which related to the value of its investment in Sabina common shares and special warrants and its investment in INV and Velocity's common shares.

During the three months ended March 31, 2021, the Company purchased an additional 512,820 common shares of Sabina at an average price of $1.56 (Cdn$1.95) per share for a total cost of $0.8 million. As at March 31, 2021, 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 March 31, 2021. For the three months ended March 31, 2021, the Company recognized unrealized losses on the Sabina special warrants of $5.4 million (2020 – $2.9 million) in other expense in the condensed interim consolidated statements of earnings (loss).

During the three months ended March 31, 2021, the Company increased its equity interest in INV from 19.4% to 23.5% for an additional cost of $3.1 million.

For the three months ended March 31, 2021, the Company recognized unrealized losses on publicly traded securities, which are primarily comprised of Sabina, INV and Velocity's common shares, of $37.0 million (2020 – $24.6 million) 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 March 31, 2021, the Company's outstanding QP Hedges, all of which mature within five months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	31,290 ounces	$1,761.67/ounce
Payable copper	10,394,783 pounds	$3.66/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 March 31, 2021, the Company had outstanding commodity swap contracts in place in respect of its projected copper production as summarized in the table below:

Year of projected production	Volume of copper hedged (pounds)	Average fixed price ($/pound)
Balance of 2021	23,135,961	3.68

As at March 31, 2021, approximately 90% of projected payable copper to be sold over the balance of 2021 has been hedged.

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 and silver prices, as applicable. As at March 31, 2021, the net fair value loss on all outstanding commodity swap contracts was $8.9 million (December 31, 2020 – $5.7 million), of which $1.7 million (December 31, 2020 – $0.1 million) was included in other current assets and $10.6 million (December 31, 2020 – $5.8 million) in accounts payable and accrued liabilities.

The Company recognized net gains of $1.4 million (2020 – net losses of $1.0 million) for the three months ended March 31, 2021 in revenue on these commodity swap contracts.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $6.7 million (2020 - $nil) 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 $0.4 million (2020 – $nil) 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 are entered to provide price protection below a specified "floor" rate and participation up to a specified "ceiling" rate. The option contracts entered are comprised of a series of call options and put options (which when combined create a price "collar") that are structured so as to provide for a zero upfront cash cost.

As at March 31, 2021, 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 2021	1,135,400,000	18.52	15.67

Approximately 85% of projected Namibian dollar operating expenses for the balance of 2021 have been hedged.

The Company designates the intrinsic value of 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 March 31, 2021, the net fair value gain on all outstanding foreign exchange option contracts was $4.5 million (December 31, 2020 – $6.4 million), which was included in other current assets.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $1.8 million (2020 – $4.4 million) in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized realized gains of $1.2 million (2020 – realized losses of $0.1 million) for the three months ended March 31, 2021 in cost of sales on the spot component of settled contracts.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $0.02 million (2020 – $11.8 million) 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 first quarter of 2021, a total of 11,709 metres of resource development diamond drilling was completed, which comprised of:

- 3,533 metres of grade control drilling aimed to better define the shape and volume of existing ore bodies; and
- 8,176 metres of extensional drilling designed to explore for new mineralization along modeled trends.

Resource development diamond drilling was concentrated on the upper levels of Block 700, Block 8 and southeastern parts of Block 10. Also, extensional holes were drilled toward the Target North located in the northwestern part of the deposit and Block 148. As a result of grade control drilling, there has been a significant extension in Blocks 17 and 8. A detailed review of the drilling program results is discussed below.

<u>Central Area</u>

Block 17

The quarterly activities were dominated by grade control drilling, designed to infill and to extend mineralization discovered during earlier work. Drilling on the upper levels of Block 17 returned several positive intersections during the first quarter of 2021. As a result, a new extension of Pyrite-Tennantite ±Chalcopyrite mineralization on the southwestern margin of the ore body was added between levels 430 mRL and 370 mRL.

Block 700

Block 700 is located in central mining area, approximately 150 metres above Block 17. Mineralization follows a well-defined NW – SE structural trend. Drilling in this area started in 2019 from surface and then subsequently from underground drilling platforms. Block 700 mineralization is comprised of sulphides, predominantly pyrite, hosted within a quartz-barite vein coincident with a wide silica alteration zone. The mineralization style of Block 700 is atypical for the Chelopech deposit.

A total of 2,306 metres was drilled during the first quarter of 2021 from underground drill location ND-730-440-BP3 to clarify the continuity of this mineralization and to look for extensions. They were designed to check the lowest part of Block 700 and to define the down-plunge extents of mineralization and also the southeastern part of Block 10.

Drill hole EXT700_505_08 (recorded in the table below) returned positive results with high-grade gold intersections. The first significant interval is presented as discrete barite-quartz-sphalerite and quartz-sphalerite veins, located within a sericitic alteration zone. The second intercept is exhibited as a barite-sphalerite-galena stockwork hosted within an advance argillic alteration envelope. The results from this hole expands the ore body of Block 700 down-dip. Block 700 remains open at depth.

Drill hole EXT700_505_07 designed to check for possible extents of mineralization in southerly direction failed to return economic mineralization.

Furthermore, the Block 8 grade control drilling program from the same position was conducted during the first quarter of 2021. The intersected mineralization was comprised mainly of disseminated sulphides comprised of Pyrite-Tennantite-Chalcopyrite. The results significantly increased the boundaries of the high-grade domain contours between 560 mRL and 420 mRL.

Target North

Target North is located in the most northerly section of the Chelopech deposit. The target’s bodies are narrow and structurally controlled, hosting a high-sulfidation type mineral assemblage. As part of the Target North exploration, a drilling program towards Target “North NNW of 147” from position 149S-210-EXP commenced in the first quarter of 2021.

In total, 3,114 metres were completed during this period aiming to explore for new mineralization in an area to the northwest of Blocks 146, 147 and 148. These extensional holes confirmed that this area is peripheral and demonstrating relatively lower-temperature hydrothermal alteration. The alteration style transitions from argillic to sericitic style, entering the propylitic and hematitic at the end of the holes. Sporadic mineralization was observed hosted within advanced argillic zones, comprised of veins of Pyrite-Barite-Chalcopyrite-Tennantite mineralization and disseminated Pyrite-Tennantite and minor Chalcopyrite. To date, the results of extensional drillholes have returned narrow, low-continuity mineralization that is below the reporting criteria. Drilling from this position is scheduled to continue in the second quarter of 2021.

Western Area

Block 148

Block 148 is located south of Block 149 South and is interpreted as being oriented sub-parallel to it. The drilling program, which started in the end of 2020 from position 151-135-SP, continued during the first quarter of 2021. The extensional drill holes were directed towards Block 148 and gaps in drilling between Blocks 148 and 151, aiming to outline new high-grade mineralization at depth (between levels 130 mRL and -40 mRL). Drilling during the quarter extended the footprint of prospective advanced argillic alteration, however, assays returned weak mineralization, below the reporting criteria outlined below.

Mineralized intercepts (gold equivalent ("AuEq") cut-off grade of 3 g/t) received during the first quarter of 2021:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM	TO	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EXT700_505_08	6410	29628	503	264.7	8.0	336.0	355.5	19.5	4.33	4.30	33.62	0.01
EXT700_505_08	6410	29628	503	264.7	8.0	372.0	384.8	12.5	5.17	4.87	77.82	0.15

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

Outlook

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

- Additional drilling of the lower extents of Block 700 to define the down-plunge extents of mineralization;
- Continued resource development drilling in the areas North and North-west from Block 147, as well as in Blocks 151 and 148; and
- In terms of production requirements, grade control drilling program in Blocks 146, 17 and 8 is scheduled to be completed.

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

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

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

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

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

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

Chelopech Brownfield Exploration

During the first quarter of 2021, a total of 8,645 metres was completed as part of the brownfield exploration program. An intensive target delineation drilling of copper-gold targets at the Wedge and West Shaft prospects within the Sveta Petka exploration license was completed, in conjunction with the effort to progress this license to a mining concession. In January 2021, a Geologic Discovery Certificate for Sveta Petka was issued by the Bulgarian Ministry of Energy. This certificate allows for one additional year of exploration for the assessment of, and application for, a Commercial Discovery.

At the West Shaft prospect, six diamond holes were completed during the quarter, confirming a complex geological setting with the presence of wide and extensive phyllic alteration with localized advanced argillic zones. The program was aimed to test for the extension of the main mineralized zone at shallower levels towards the east, as well as to explore for an extension to the south where an additional zone of gold-copper mineralization was identified at higher elevations, with assay results pending.

Four diamond drill holes were completed at Wedge target, with notable results from hole EX_WZ_17, where three distinct zones of advanced argillic altered diorites were intercepted downhole, including a significant intercept of 2.4 metres grading 5.55 g/t AuEq (4.45 g/t Au and 0.53 % Cu) from 942 metres downhole. The hole is testing a large gap on the north-east end of the mine towards the Sharlo Dere prospect. The presence of advanced argillic alteration coupled with mineralization confirms the prospectivity of this target and follow-up drilling will be conducted in the second quarter of 2021.

Plans for the second quarter of 2021 include a shift of drilling activities towards testing more conceptual targets within the surrounding Brevene exploration license (e.g. Kazana and Bridge) as well as the start of a significant drilling campaign at Vozdol, approximatively one kilometre north of the Chelopech mine, to test the grade distribution and continuity of structurally controlled epithermal mineralization defined historically as a potential target for underground exploitation. Following completion of the surface drilling campaign at West Shaft and Wedge, a re-targeting and modeling program is planned in order to integrate the significant data collected to date and to support further infill and extensional drilling contingent to the application for a Commercial Discovery.

Ada Tepe Grade Control Drilling

In the first quarter of 2021, reverse circulation drilling was conducted in pushbacks two, three and four of the pit as part of a plan to complete all grade control drilling within the life of mine pit volume during 2021. During this period, 51,084 metres were completed mainly at a 5 by 5 metre spacing with four drill rigs. The areas covered comprise of the pushback two area from level 430 to the base of the pit (43,392 metres), pushback three from surface to level 420 (5,581 metres) and pushback four from surface to the bottom of the pit (2,111 metres). Analytical results are pending for pushbacks two and four.

During the second quarter of 2021, 62,000 metres of grade control drilling are planned with four rigs. Drilling will target infilling volumes that are scheduled to be mined later in the mine life, in particular the areas of pushback four from surface to the base of the pit and pushback two from level 430 to the metamorphic basement.

Ada Tepe Brownfield Exploration

During the first quarter of 2021, drilling activities continued at the Surnak, Synap and Kuklitsa prospects, in the Khan Krum mining concession, with a total of 5,224 metres drilled.

At Surnak, the drilling campaign which commenced in late 2020, was completed, with 13 drill holes drilled during the first quarter of 2021 for a total of 2,593 metres. The program consisted of target delineation and infill drilling aimed to test for an extension of the hydrothermal system along strike and dip of the mineralized body. A new enhanced geological model was created and re-modeling, followed by internal scoping will be completed in the second quarter of 2021.

A significant target delineation drilling campaign is ongoing at Synap with 13 holes, for a total of 1,590 metres, completed during the first quarter of 2021. The drilling to date confirms a large (> 500 metres long) zone of alteration and gold mineralization, close to the sediment-basement contact, with relatively low-grades but good spatial continuity. Recently received assays from the southern flank of the prospect returned 4 metres at 4.19 g/t Au, including 1.0 metre with 8.76 g/t Au, which suggests an extension of the mineralization to the south, with potentially higher grades. The drilling program will continue in the second quarter of 2021 aiming to understand the grade distribution and continuity as well as to look for extensions of the target footprint.

During the first quarter of 2021, drilling commenced at the Kuklitsa prospect, with nine drill holes completed and one hole in progress, for a total of 1,041 metres. The program aims to provide data within an under-explored gap in the middle deposit, but also to test for possible extensions on the southern and northern flanks of the system.

Preliminary metallurgical test works are planned for Kuklitsa and Synap as well as additional metallurgical testing at Surnak to support internal scoping studies and to better understand the geo-metallurgical variability.

Ground magnetic and radiometric surveys have recently started in the area between Surnak and Skalak with the aim to gather additional geophysical data to support targeting. Orientation surveys for spectral, geochemical and other geophysical methods, as well as structural and alteration mapping, are planned in 2021 for the entire camp, in order to enhance the geological understanding, confirm new conceptual structural models and highlight additional exploration targets. Later in 2021, pending completion of permitting processes, additional scout drilling is expected for the other exploration licenses in the vicinity of Ada Tepe. While assays from the current drilling programs are pending for Kuklitsa, and partially for Synap and Surnak, the table below summarizes the significant intercepts received to date.

Significant drill intercepts from the Surnak prospect received during the first quarter of 2021:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)	Ag (g/t)
SUDD074	384357	4587658	444	312	-48	87	104.1	17.1	1.40	10.66
and	-	-	-	-	-	109	125.3	16.3	1.06	9.59
and	-	-	-	-	-	133	151	18	0.81	9.21
and	-	-	-	-	-	216	234.8	18.8	1.32	7.05
SUDD075	384025	4587826	448	82	-34	93	99	6	1.22	9.04
and	-	-	-	-	-	105	110.3	5.3	1.47	9.54
SUDD076	383996	4587783	465	80	-42	116	122	6	0.86	7.46
and	-	-	-	-	-	132	142	10	1.04	8.83
and	-	-	-	-	-	172	179	7	0.80	1.59
SUDD078	384241	4587434	480	320	-46	6	38	32	1.52	47.12
SUDD079	384239	4587431	480	259	-40	0	13	13	0.82	12.33
SUDPMK01	384042	4587882	449	51	-22	5	21	16	1.58	2.95
and	-	-	-	-	-	26.7	36	9.3	0.61	4.19
and	-	-	-	-	-	42	54	12	0.64	3.70
SUDPMK02	384042	4587880	449	80	-26	5.7	30	24.3	0.98	4.08
and	-	-	-	-	-	147.8	155	7.2	3.31	54.69

1) Coordinates are in UTM grid.
2) Cut-off grade of 0.6 g/t Au, 5.0 metres minimum length, 4.0 metres maximum internal dilution.
3) The true width has not been reported due to the disseminated style and variable geometries of mineralization.

Significant drill intercepts from the Synap prospect received during the first quarter of 2021:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)	Ag (g/t)
SYDD011	386456	4586977	348	272	-46	44	65	21	0.63	1.65
SYDD012	386500	4586935	337	41	-51	64	109	45	0.66	0.69
SYDD013	386594	4586856	335	225	-45	95	99	4	0.80	2.18
SYDD014	386500	4586936	340	260	-46	48	69	21	0.94	0.58
SYDD015	386498	4586934	340	233	-71	44	66.4	22.4	0.88	0.73
SYDD016	386458	4586979	349	48	-52	70	91	21	0.70	0.73
and	-	-	-	-	-	96	107	11	0.89	0.72
SYDD017	386457	4586979	349	311	-42	53	57	4	0.99	1.16
SYDD020	386616	4586701	279	219	-41	8	12	4	4.19	1.98

1) *Coordinates are in UTM grid.*
2) *Cut-off grade of 0.6 g/t Au, 4.0 metres minimum length, 4.0 metres maximum internal dilution.*
3) *The true widths are 80-85% of downhole interval widths, based on the overall shape of the mineralized body.*

Timok gold project

DPM continues to advance exploration activities at Timok with a focus on adding Mineral Resources to extend the project mine life. The drilling programs are currently focused on the Chocolate, Chocolate South, Frasen and Čoka Rakita targets, all of which are located immediately south-east of the Bigar Hill deposit, along a NW-SE oriented mineralized corridor.

Drilling programs on the Chocolate, Chocolate South and Frasen prospects continued in the first quarter of 2021 with 12 holes, for a total of 3,249 metres (BIDD162 - BIDD174). The programs were designed to target shallow oxide-gold mineralization to support a potential Mineral Resource estimate at Chocolate and Chocolate South, as well as the extension at depth of higher-grade, sediment hosted, skarn mineralization at Frasen. While drilling is ongoing and assays are pending for multiple holes, the table below summarizes the significant intercepts received to date.

Significant drill intercepts from the Chocolate and Chocolate South prospects received during the first quarter of 2021:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	Au (g/t)
BIDD160	571567	4897244	895	270	-60	62	69	7	0.26
BIDD161	571670	4897180	889	240	-45	0	20	20	1.47
BIDD164	571428	489817	766	80	-70	86	100	14	0.3
and	-	-	-	-	-	124	129	5	0.34
BIDD165	571797	4897168	907	235	-45	13	27	14	0.6
and	-	-	-	-	-	105	112.6	7.6	0.72
and	-	-	-	-	-	113.9	119.9	6	0.27

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

Drilling continued at the Čoka Rakita prospect in the first quarter of 2021 with 4,757 metres completed in 10 holes (RADD014 to RADD023). At shallow levels, the program aims to delineate a body of disseminated gold mineralization intersected during historic exploration programs within the epiclastic and dioritic intrusive units. At deeper levels, drilling revealed the potential for gold-rich skarn/manto-type mineralization within the contact zone of a carbonaceous sedimentary package and the fertile diorite intrusions, returning wide intercepts of strong skarn alteration and high grade gold mineralization. See table below for significant drill intercepts.

Significant drill intercepts from the Čoka Rakita prospect reported during the first quarter of 2021:

HOLE ID	EAST	NORTH	RL	AZ	DIP	FROM (m)	TO (m)	LENGTH (m)	AuEq (g/t)	Au (g/t)	Cu (%)
RADD013	573199	4895771	940	255	-60	567	603	36	5.26	5.26	-
including	-	-	-	-	-	569	575	6	16.15	16.15	-
including	-	-	-	-	-	581	586	5	11.12	11.12	-
RADD014	573254	4895880	926	276	-54	508	525	17	1.18	1.18	-
and	-	-	-	-	-	600	620	20	2.96	2.87	0.07
RADD015	572968	4896087	902	277	-55	455	465	9	1.03	0.34	0.51
RADD016	573042	4895851	918	270	-54	25	37	12	1.37	1.37	-
and	-	-	-	-	-	393	418	25	2.51	1.39	0.1
and	-	-	-	-	-	427	451	24	1.23	0.73	0.37
RADD020	573168	4895951	907	285	-53	533	559	26	6.4	6.3	0.08
including	-	-	-	-	-	550	556	6	20.61	20.48	0.1

1) *Coordinates are in UTM 34 North.*
2) *Intervals are reported at a cut-off grade of 1 g/t AuEq using 5 metres minimum length and 5 metres maximum internal dilution. Including intervals that are reported at a cut-off grade of 5 g/t AuEq using 5 metres minimum length and 3 metres dilution.*
3) *AuEq was calculated at a gold price of $1,400 per ounce and a copper price of $2.75 per pound with no recovery discount and no upper cuts applied.*
4) *Based on the limited understanding of the geometry of the mineralized body, true widths are considered to be 90% or more of the reported downhole interval.*

Approximately 20,000 metres of drilling are planned for the second quarter of 2021, including exploration and infill drilling in order to support the FS for the Timok gold project. Exploration drilling at Timok will be focused on shallow oxide Mineral Resource delineation at the Chocolate and Chocolate south targets, proximal to Bigar Hill, as well as target delineation drilling on Čoka Rakita, Frasen and other under-explored sulphide targets.

Sampling, Analysis and QAQC of Exploration Core and Channel Samples

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

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

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

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

Gold analyses are done using a conventional 50-gram fire assay and AAS finish. Multi-element analyses for 49 elements, including Ag, Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10 ppm for Ag and 1% for Cu, Pb and Zn are re-analyzed using high grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

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

DEVELOPMENT AND OTHER MAJOR PROJECTS

Timok gold project

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 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:

- After-tax NPV$^{5\%}$ of $135 million and internal rate of return of 21% assuming a gold price of $1,500 per ounce;
- 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
- Life of mine average all-in sustaining cost of $693 per ounce of gold.

Based on the positive results of the PFS, the Company is proceeding with a FS, which is expected to be completed in the first quarter of 2022. As a result, expenditures related to the FS of $0.7 million were capitalized as at March 31, 2021.

Initial capital is expected to be $211 million, with several initiatives to reduce the initial capital estimate and optimize overall economics, including the potential for contractor mining and adding additional existing resources associated with the Chocolate prospect to the mine plan, to be evaluated as part of the FS.

The FS will continue to focus on the oxide portion of the deposit, however, there is potential to incorporate additional existing Mineral Resources into the mine plan by processing the sulphide portion of the ore body, which will be evaluated in parallel with the FS. The Company advanced FS fieldwork activities in the first quarter of 2021.

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

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

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

OFF BALANCE SHEET ARRANGEMENTS

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

SELECTED QUARTERLY INFORMATION

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

$ millions	**2021**	2020				2019		
except per share amounts	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	**138.0**	151.8	156.0	154.0	147.8	135.4	88.3	97.3
Net earnings (loss)	**19.8**	50.1	53.3	49.0	42.5	(93.3)	7.5	15.6
Net earnings (loss) attributable to:								
• Non-controlling interests	**(0.2)**	(0.2)	(0.4)	0.2	(0.7)	(0.6)	0.2	(0.4)
• Discontinued operations	**(0.7)**	0.1	(1.5)	0.8	(2.5)	(2.3)	0.8	(1.5)
• Continuing operations	**20.7**	50.2	55.2	48.0	45.7	(90.4)	6.5	17.5
Net earnings (loss) per share:	**0.11**	0.28	0.30	0.27	0.24	(0.52)	0.04	0.09
• Discontinued operations	**-**	-	(0.01)	-	(0.01)	(0.01)	-	(0.01)
• Continuing operations	**0.11**	0.28	0.31	0.27	0.25	(0.51)	0.04	0.10
Net earnings (loss) diluted per share:	**0.11**	0.27	0.29	0.27	0.24	(0.52)	0.04	0.09
• Discontinued operations	**-**	-	(0.01)	-	(0.01)	(0.01)	-	(0.01)
• Continuing operations	**0.11**	0.27	0.30	0.27	0.25	(0.51)	0.04	0.10
Adjusted net earnings from continuing operations(1)	**31.0**	44.0	51.6	44.1	48.6	16.1	3.4	17.3
Adjusted basic earnings per share from continuing operations(1)	**0.17**	0.24	0.28	0.25	0.27	0.09	0.02	0.09

1) *Adjusted net earnings and adjusted basic earnings per share for the second, third and fourth quarters of 2020 were decreased by $0.9 million ($0.00 per share), $1.1 million ($0.01 per share) and $3.0 million ($0.02 per share), respectively, to conform with current period presentation. These adjustments pertain to a deferred tax recovery not related to current period earnings resulting from changes in unrecognized tax benefits triggered by unrealized gains on publicly traded securities, which, together with the related deferred income tax expense, were recognized in other comprehensive income (loss).*

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

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

	2021	2020				2019		
Average	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
LBMA gold *($/ounce)*	**1,800**	1,874	1,912	1,710	1,584	1,481	1,474	1,310
LME settlement copper *($/pound)*	**3.85**	3.25	2.96	2.42	2.56	2.67	2.63	2.77
LBMA spot silver *($/ounce)*	**26.29**	24.39	24.39	16.33	16.94	17.31	17.02	14.89

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 months ended March 31, 2021 are the same as those described in the Company's MD&A for the year ended December 31, 2020.

NON-GAAP FINANCIAL MEASURES

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as Non-GAAP measures. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are used by management and investors to assist with assessing the Company's performance, including its ability to generate sufficient cash flow to meet its return objectives and support its investing activities and debt service obligations. In addition, the 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, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

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

Cash cost per tonne of ore processed, cash cost per pound of copper in gold-copper concentrate produced, cash cost per ounce of gold in gold-copper concentrate produced, cash cost per ounce of gold in gold concentrate produced, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold and cash cost per tonne of complex concentrate smelted, net of by-product credits, capture the important components of the Company's production and related costs. Management and investors utilize these metrics as an important tool to monitor cost performance at the Company's operations. In addition, the 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, cash cost per pound of copper produced, cash cost per ounce of gold produced and cash cost per tonne of complex concentrate smelted, net of by-product credits to its cost of sales:

$ thousands, unless otherwise indicated **For the three months ended March 31, 2021**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed *(mt)*	**543,602**	**218,654**	**-**	
Metals contained in gold-copper concentrate produced[1]:				
Gold *(ounces)*	**23,935**	**33,379**	**-**	
Copper *(pounds)*	**7,173,626**	**-**	**-**	
Complex concentrate smelted *(mt)*	**-**	**-**	**23,009**	
Cost of sales	**32,864**	**23,675**	**29,104**	**85,643**
Add/(deduct):				
Depreciation, amortization & other	**(5,969)**	**(14,020)**	**(4,550)**	
Change in concentrate inventory	**(4,258)**	**(192)**	**-**	
Total cash cost before by-product credits	**22,637**	**9,463**	**24,554**	
By-product credits	**(931)**	**(305)**	**(2,295)**	
Total cash cost after by-product credits	**21,706**	**9,158**	**22,259**	
Cash cost per tonne of ore processed	**41.64**	**43.28**	**-**	
Cash cost per pound of copper produced[2]	**1.19**	**-**	**-**	
Cash cost per ounce of gold produced[2]	**551**	**274**	**-**	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	**-**	**-**	**967**	

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

$ thousands, unless otherwise indicated **For the three months ended March 31, 2020**	**Chelopech**	**Ada Tepe**	**Tsumeb**	**Total**
Ore processed *(mt)*	545,830	233,471	-	
Metals contained in gold-copper concentrate produced[1]:				
Gold (ounces)	28,540	30,332	-	
Copper (pounds)	9,381,122	-	-	
Complex concentrate smelted *(mt)*	-	-	65,010	
Cost of sales	29,641	22,936	34,347	86,924
Add/(deduct):				
Depreciation, amortization & other	(7,166)	(12,359)	(4,319)	
Change in concentrate inventory	(2,671)	(1,224)	-	
Total cash cost before by-product credits	19,804	9,353	30,028	
By-product credits	(776)	(187)	(6,809)	
Total cash cost after by-product credits	19,028	9,166	23,219	
Cash cost per tonne of ore processed	36.28	40.06	-	
Cash cost per pound of copper produced[2]	0.70	-	-	
Cash cost per ounce of gold produced[2]	436	302	-	
Cash cost per tonne of complex concentrate smelted, net of by-product credits	-	-	357	

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

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

$ thousands, unless otherwise indicated	Three Months	
Ended March 31,	**2021**	2020
Cost of sales	**32,864**	29,641
Add/(deduct):		
Depreciation, amortization & other	**(5,969)**	(7,166)
Treatment charges, transportation and other related selling costs(1)	**17,817**	26,245
By-product credits	**(28,255)**	(25,177)
Cash cost of sales, net of by-product credits	**16,457**	23,543
Rehabilitation related accretion expenses	**51**	79
General and administrative expenses(2)	**2,103**	969
Cash outlays for sustaining capital	**2,115**	1,592
Cash outlays for leases	**207**	124
All-in sustaining costs	**20,933**	26,307
Payable gold in concentrate sold *(ounces)*(3)	**35,534**	38,765
Cash cost per ounce of gold sold, net of by-product credits	**463**	607
All-in sustaining cost per ounce of gold	**589**	679

1) *Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of $5.9 million (2020 – $6.2 million) in the first quarter of 2021.*
2) *Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech's proportion of total revenue.*
3) *Includes payable gold in pyrite concentrate sold in the first quarter of 2021 of 9,384 ounces (2020 – 9,107 ounces).*

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

$ thousands, unless otherwise indicated	Three Months	
Ended March 31,	**2021**	2020
Cost of sales	**23,675**	22,936
Add/(deduct):		
Depreciation, amortization & other	**(14,020)**	(12,359)
Treatment charges, transportation and other related selling costs	**880**	918
By-product credits	**(258)**	(167)
Cash cost of sales, net of by-product credits	**10,277**	11,328
Rehabilitation related accretion expenses	**31**	29
General and administrative expenses(1)	**1,684**	660
Cash outlays for sustaining capital	**2,467**	1,927
Cash outlays for leases	**397**	232
All-in sustaining costs	**14,856**	14,176
Payable gold in concentrate sold *(ounces)*	**33,033**	29,489
Cash cost per ounce of gold sold, net of by-product credits	**311**	384
All-in sustaining cost per ounce of gold	**450**	481

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

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

$ thousands, unless otherwise indicated	**Three Months**	
Ended March 31,	**2021**	2020
Cash cost of sales, net of by-product credits(1)	**26,734**	34,871
Rehabilitation related accretion expenses(1)	**82**	108
General and administrative expenses(2)	**3,787**	1,629
Cash outlays for sustaining capital(1)	**4,582**	3,519
Cash outlays for leases(1)	**604**	356
All-in sustaining costs	**35,789**	40,483
Payable gold in concentrate sold *(ounces)*	**68,567**	68,254
Cash cost per ounce of gold sold, net of by-product credits	**390**	511
All-in sustaining cost per ounce of gold	**522**	593

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

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

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

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

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

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

$ thousands, except per share amounts	**Three Months**	
Ended March 31,	**2021**	2020
Net earnings attributable to common shareholders	**20,719**	45,701
Add/(deduct):		
Net losses related to Sabina special warrants, net of income taxes of $nil for all periods	**5,399**	2,955
Deferred tax adjustment not related to current period earnings(1)	**4,904**	-
Adjusted net earnings	**31,022**	48,656
Basic earnings per share	**0.11**	0.25
Adjusted basic earnings per share	**0.17**	0.27

1) *Represents changes in unrecognized tax benefits included in net earnings during the first quarter of 2021 related to unrealized losses on publicly traded securities, which, together with the related deferred income tax recovery, were recognized in other comprehensive income (loss).*

Adjusted EBITDA from continuing operations

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

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

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

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Earnings before income taxes	**35,277**	51,383
Add/(deduct):		
Depreciation and amortization	**24,178**	24,056
Finance cost	**1,403**	2,219
Interest income	**(92)**	(42)
Net losses related to Sabina special warrants	**5,399**	2,955
Adjusted EBITDA	**66,165**	80,571

Free cash flow from continuing operations

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

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

$ thousands	**Three Months**	
Ended March 31,	**2021**	2020
Cash provided from operating activities	**47,591**	10,995
Add changes in non-cash working capital	**15,277**	47,222
Cash provided from operating activities, excluding changes in non-cash working capital	**62,868**	58,217
Cash outlays for sustaining capital	**(10,222)**	(6,082)
Principal repayments related to leases	**(1,057)**	(923)
Interest payments	**(582)**	(779)
Free cash flow	**51,007**	50,433

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

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

Growth capital expenditures

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

Sustaining capital expenditures

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

Average realized price reconciliation

Average realized gold and copper prices are 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 cost 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:

$ thousands, unless otherwise indicated	**Three Months**	
Ended March 31,	**2021**	2020
Total revenue from continuing operations	**138,030**	147,787
Add/(deduct):		
Tsumeb revenue	**(8,908)**	(41,624)
Treatment charges and other deductions	**18,697**	27,163
Final settlements reflecting cost adjustments on provisional concentrate sales	**2,692**	(2,428)
Silver revenue	**(1,123)**	(977)
Revenue from gold and copper	**149,388**	129,921
Revenue from gold	**121,998**	105,555
Payable gold in concentrate sold *(ounces)*	**68,567**	68,254
Average realized gold price per ounce	**1,779**	1,547
Revenue from copper	**27,390**	24,366
Payable copper in concentrate sold *('000s pounds)*	**7,279**	9,520
Average realized copper price per pound	**3.76**	2.56

RISKS AND UNCERTAINTIES

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, exploration, development, financing, construction, commissioning and operation of its mine, mill and concentrate processing facilities. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geo-political, environmental, regulatory, health, legal, tax and market risks impacting, among other things, precious metals and copper prices, acid prices, toll rates, foreign exchange rates, inflation, the availability and cost of capital to fund the capital requirements of the business and the supply chain related to the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements contained in this MD&A. The Company endeavors to manage these risks and uncertainties in a balanced manner with a view to mitigating risk while maximizing total shareholder returns. 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 2020 Annual MD&A and AIF. These risks, including the risk related to COVID-19, discussed below, along with other potential risks not specifically discussed in the Company's MD&A and AIF, should be considered when evaluating the Company and its guidance. Additional risks not identified by the Company may also affect the Company.

COVID-19

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

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

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

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

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 March 31, 2021, they have been designed effectively to provide reasonable assurance regarding required disclosures and the reliability of financial reporting and the preparation of financial statements for external purposes.

NI 52-109 also requires Canadian public companies to disclose any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, ICFR. No material changes were made to the ICFR in the first three months of 2021.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms or similar expressions. The Forward Looking Statements in this MD&A relate to, among other things: measures the Company is undertaking in response to the COVID-19 outbreak, including its impacts on the Company's global supply chains, the level of and duration of reductions or curtailments in operating levels at any of the Company's operations or in its exploration and development activities; expected cash flows; the price of gold, copper, silver and acid, toll rates, metals exposure and stockpile interest deductions at Tsumeb; Tsumeb's ability to continue to benefit from EPZ/SEZ tax incentives in Namibia; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; estimated capital costs, operating costs and other financial metrics, including those set out in the three-year outlook provided by the Company; currency fluctuations; the impact of any impairment charges; the processing of Chelopech concentrate; timing of further optimization work at Tsumeb; potential benefits of any upgrades and/or expansion, including the planned rotary furnace installation, at the Tsumeb smelter; results of economic studies; success of exploration activities; the completion and results of a FS for the Timok gold project; 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; success of permitting activities; permitting timelines; success of investments, including potential acquisitions; requirements for additional capital; government regulation of mining and smelting operations; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; the payment of dividends; the timing and number of common shares of the Company that may be purchased pursuant to the Bid; and timing and possible outcome of pending litigation or legal proceedings, if any.

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: risks relating to the

Company's business generally and the impact of global pandemics, including COVID-19, including changes to the Company's supply chain, product shortages, delivery and shipping issues, closure and/or failure of plant, equipment or processes to operate as anticipated, employees and contractors becoming infected, lost work hours and labour force shortages; fluctuations in metal and acid prices, toll rates and foreign exchange rates; possible variations in ore grade and recovery rates; inherent uncertainties in respect of conclusions of economic evaluations and economic studies, including the PFS and the FS; uncertainties with respect to timing of the FS; changes in project parameters, including schedule and budget, as plans continue to be refined; uncertainties with respect to actual results of current exploration activities; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; limitations on insurance coverage; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of current and planned reclamation activities; opposition by social and non-governmental organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; failure to achieve certain cost savings or the potential benefits of any upgrades and/or expansion, including the planned rotary furnace installation, at the Tsumeb smelter; cyber-attacks and other cybersecurity risks; there being no assurance that the Company will purchase additional common shares of the Company under the Bid; risks related to the implementation, cost and realization of benefits from digital initiatives; discretion of the Company with respect to the use of proceeds from the sale of MineRP; uncertainties with respect to realizing the targeted MineRP earn-outs as well as those risk factors discussed or referred to in any other documents (including without limitation the Company's most recent AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at www.sedar.com.

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

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

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

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

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

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

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

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

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

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

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

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

This MD&A 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. Subject to the SEC Modernization Rules described below, the United States reporting requirements are currently governed by the United States Securities and Exchange Commission ("SEC") Industry Guide 7 ("SEC Industry Guide 7") under the

Securities Act of 1933. The definitions used in NI 43-101 are incorporated by reference from the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") – Definition Standards adopted by CIM Council on May 10, 2014 (the "CIM Definition Standards"). For example, the terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in NI 43-101, and these definitions differ from the definitions in SEC Industry Guide 7. Furthermore, while the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101, these terms are not defined terms under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. Further, under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Any reserves reported by the Company in the future and in compliance with NI 43-101 may not qualify as "reserves" under SEC Industry Guide 7. Further, until recently, the SEC has not recognized the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of "reserve". The 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, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding 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 March 31, 2021 and December 31, 2020

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

	March 31, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash	**175,706**	149,532
Accounts receivable	**106,423**	84,920
Inventories	**41,229**	43,049
Other current assets *(note 5(c) & 5(d))*	**7,654**	10,818
	331,012	288,319
Assets held for sale *(note 3)*	**31,600**	30,713
	362,612	319,032
Non-Current Assets		
Investments at fair value *(note 5(a) & 5(b))*	**68,111**	106,595
Exploration and evaluation assets *(note 4)*	**672**	-
Mine properties	**148,716**	155,438
Property, plant & equipment	**362,092**	364,337
Intangible assets	**16,117**	16,139
Deferred income tax assets	**8,349**	9,470
Other long-term assets	**4,223**	3,849
	608,280	655,828
TOTAL ASSETS	**970,892**	974,860
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**92,935**	72,234
Income tax liabilities	**6,428**	910
Current portion of long-term liabilities	**5,680**	5,929
	105,043	79,073
Liabilities held for sale *(note 3)*	**7,864**	6,003
	112,907	85,076
Non-Current Liabilities		
Rehabilitation provisions	**50,097**	51,338
Share-based compensation plans	**13,169**	19,002
Other long-term liabilities	**14,242**	14,160
	77,508	84,500
TOTAL LIABILITIES	**190,415**	169,576
EQUITY		
Share capital	**526,809**	525,219
Contributed surplus	**6,779**	7,078
Retained earnings	**239,304**	224,701
Accumulated other comprehensive income	**1,232**	41,671
Equity attributable to common shareholders of the Company	**774,124**	798,669
Non-controlling interests	**6,353**	6,615
TOTAL EQUITY	**780,477**	805,284
TOTAL LIABILITIES AND EQUITY	**970,892**	974,860

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three months ended March 31, 2021 and 2020

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

	Three months ended March 31, **2021**	2020
Continuing Operations		
Revenue *(note 13)*	**138,030**	147,787
Costs and expenses		
Cost of sales	**85,643**	86,924
General and administrative expenses	**3,865**	1,971
Corporate social responsibility expenses	**479**	723
Exploration and evaluation expenses	**4,630**	3,745
Finance cost	**1,403**	2,219
Other expense	**6,733**	822
	102,753	96,404
Earnings before income taxes	**35,277**	51,383
Current income tax expense	**8,272**	5,286
Deferred income tax expense	**6,291**	408
Net earnings from continuing operations	**20,714**	45,689
Discontinued Operations		
Net loss from discontinued operations *(note 3)*	**(892)**	(3,253)
Net earnings	**19,822**	42,436
Net earnings (loss) attributable to:		
Common shareholders of the Company		
From continuing operations	**20,719**	45,701
From discontinued operations	**(657)**	(2,530)
Non-controlling interests	**(240)**	(735)
Net earnings	**19,822**	42,436
Earnings (loss) per share attributable to common shareholders of the Company		
- Basic		
From continuing operations	**0.11**	0.25
From discontinued operations	**(0.00)**	(0.01)
- Diluted		
From continuing operations	**0.11**	0.25
From discontinued operations	**(0.00)**	(0.01)

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 months ended March 31, 2021 and 2020

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

	Three months ended March 31,	
	2021	2020
Net earnings	**19,822**	42,436
Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:		
Foreign exchange option contracts designated as cash flow hedges		
Unrealized losses, net of income tax recovery of $nil (2020 - $nil)	**(620)**	(4,448)
Deferred cost of hedging, net of income tax recovery of $nil (2020 - $nil)	**(17)**	(11,804)
Realized (gains) losses transferred to cost of sales, net of income tax expense of $nil (2020 - $nil)	**(1,223)**	53
Commodity swap contracts designated as cash flow hedges		
Unrealized losses, net of income tax recovery of $667 (2020 - $nil)	**(6,942)**	-
Deferred cost of hedging, net of income tax recovery of $40 (2020 - $nil)	**(373)**	-
Realized losses transferred to revenue, net of income tax recovery of $104 (2020 - $nil)	**933**	-
Cost of hedging transferred to revenue, net of income tax recovery of $1 (2020 - $nil)	**13**	-
Currency translation adjustments from discontinued operations	**(136)**	(4,196)
Other comprehensive loss items that will not be reclassified subsequently to profit or loss:		
Unrealized losses on publicly traded securities, net of income tax recovery of $4,904 (2020 - $nil)	**(32,110)**	(24,550)
	(40,475)	(44,945)
Comprehensive loss	**(20,653)**	(2,509)
Comprehensive income (loss) attributable to:		
Common shareholders of the Company		
From continuing operations	**(19,620)**	4,952
From discontinued operations	**(757)**	(5,794)
Non-controlling interests	**(276)**	(1,667)
Comprehensive loss	**(20,653)**	(2,509)

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2021 and 2020

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

	Three months ended March 31, 2021	2020
OPERATING ACTIVITIES		
Earnings before income taxes	**35,277**	51,383
Revenue transferred from deferred revenue	**-**	(17,901)
Depreciation and amortization	**24,178**	24,056
Changes in non-cash working capital *(note 9(a))*	**(15,277)**	(47,222)
Other Items not affecting cash *(note 9(b))*	**4,612**	5,059
Payments for settlement of derivative contracts	**(1,165)**	(1,962)
Income taxes paid	**(34)**	(2,418)
Cash provided from operating activities of continuing operations	**47,591**	10,995
Cash used in operating activities of discontinued operations *(note 3)*	**(415)**	(1,570)
INVESTING ACTIVITIES		
Purchase of publicly traded securities	**(3,930)**	-
Expenditures on exploration and evaluation assets	**(38)**	-
Expenditures on mine properties	**(2,915)**	(1,159)
Expenditures on property, plant and equipment	**(7,719)**	(5,943)
Expenditures on intangible assets	**(549)**	(1,059)
Cash used in investing activities of continuing operations	**(15,151)**	(8,161)
Cash used in investing activities of discontinued operations *(note 3)*	**-**	(55)
FINANCING ACTIVITIES		
Proceeds from share issuance	**1,040**	772
Repayments of credit facilities *(note 6(a))*	**-**	(10,000)
Lease obligations	**(1,057)**	(923)
Dividend paid *(note 10)*	**(5,442)**	-
Interest and finance fees paid	**(807)**	(779)
Cash used in financing activities of continuing operations	**(6,266)**	(10,930)
Cash used in financing activities of discontinued operations *(note 3)*	**(105)**	(88)
Increase (decrease) in cash of continuing operations	**26,174**	(8,096)
Decrease in cash of discontinued operations	**(520)**	(1,713)
Cash at beginning of period, continuing operations	**149,532**	21,283
Cash at beginning of period, discontinued operations	**582**	2,157
Cash at end of period, continuing operations	**175,706**	13,187
Cash at end of period, discontinued operations	**62**	444

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 three months ended March 31, 2021 and 2020

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

	March 31, 2021		March 31, 2020	
	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	**181,400,125**	**525,219**	180,537,053	522,351
Shares issued on exercise of stock options	**580,164**	**1,040**	364,131	772
Transferred from contributed surplus on exercise of stock options		**550**		391
Balance at end of period	**181,980,289**	**526,809**	180,901,184	523,514
Contributed surplus				
Balance at beginning of period		**7,078**		9,150
Share-based compensation expense		**248**		235
Transferred to share capital on exercise of stock options		**(550)**		(391)
Other changes in contributed surplus		**3**		(3)
Balance at end of period		**6,779**		8,991
Retained earnings				
Balance at beginning of period		**224,701**		45,007
Net earnings attributable to common shareholders of the Company		**20,062**		43,171
Dividend distribution *(note 10)*		**(5,459)**		(3,618)
Balance at end of period		**239,304**		84,560
Accumulated other comprehensive income (loss)				
Balance at beginning of period		**41,671**		10,108
Other comprehensive loss		**(40,439)**		(44,013)
Balance at end of period		**1,232**		(33,905)
Total equity attributable to common shareholders of the Company		**774,124**		583,160
Non-controlling interests				
Balance at beginning of period		**6,615**		6,278
Net loss attributable to non-controlling interests		**(240)**		(735)
Other comprehensive loss attributable to non-controlling interests		**(36)**		(932)
Other changes in non-controlling interests		**14**		3
Balance at end of period		**6,353**		4,614
Total equity at end of period		**780,477**		587,774

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

1. CORPORATE INFORMATION

Dundee Precious Metals Inc. ("DPM") is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. DPM is a publicly listed company incorporated 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 1 Adelaide Street East, Suite 500, P. O. Box 195, Toronto, Ontario, M5C 2V9.

As at March 31, 2021, 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 properties located in Serbia, Canada, Bulgaria and Ecuador including:

- 100% of Avala Resources Ltd., which is focused on the exploration and development of the Timok gold project in Serbia;
- 8.9% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada; and
- 23.5% of INV Metals Inc. ("INV"), which is focused on the exploration and development of the Loma Larga gold property located in Ecuador.

Discontinued operations *(note 3)*:

DPM also owns:

- 73.7% of MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile, through MineRP Holdings Inc. ("MineRP").

2. 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, 2020, 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, 2020.

These condensed interim consolidated financial statements were approved by the Board of Directors on May 5, 2021.

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

3. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

On December 22, 2020, the Company and other shareholders of MineRP collectively entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB ("Epiroc") for the sale of MineRP (the "MineRP Disposition"). Under the MineRP Disposition, the consideration for DPM's equity interest in MineRP and the repayment of DPM shareholder loans consists of (i) approximately $41.0 million in cash, subject to a working capital adjustment following closing and (ii) potential additional proceeds in the form of an earn-out conditional on the achievement of certain revenue targets by MineRP in 2021 and 2022. The cash proceeds are net of approximately $5.1 million held in escrow on closing to secure against any post closing adjustments related to working capital and any potential breaches in representations and warranties for a period up to 2 years. The MineRP Disposition closed on May 3, 2021.

As a result of the MineRP Disposition, the assets and liabilities of MineRP have been presented as held for sale in the condensed interim consolidated statement of financial position as at March 31, 2021 and December 31, 2020, 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 months ended March 31, 2021 and 2020. As a consequence, certain comparative figures in the condensed interim consolidated statements of earnings (loss) and cash flows have been reclassified to conform with current period presentation.

The following table summarizes the assets and liabilities of MineRP which have been aggregated and presented as held for sale as at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Cash	**62**	582
Accounts receivable	**3,421**	1,524
Property, plant & equipment	**1,142**	1,265
Intangible assets	**26,758**	27,153
Other long-term assets	**217**	189
Total assets held for sale	**31,600**	30,713
Accounts payable and accrued liabilities	**5,976**	4,038
Current portion of long-term liabilities	**302**	303
Deferred income tax liabilities	**950**	950
Other long-term liabilities	**636**	712
Total liabilities held for sale	**7,864**	6,003
Non-controlling interests of net assets held for sale	**6,247**	6,504

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

The following table summarizes the operating results of MineRP which have been aggregated and presented as discontinued operations for the three months ended March 31, 2021 and 2020:

	Three months ended March 31,	
	2021	2020
Revenue	**3,888**	3,917
Costs and expenses		
Cost of sales	**2,949**	3,647
General and administrative expenses	**1,753**	1,534
Other expense	**89**	2,053
	4,791	7,234
Loss before income taxes	**(903)**	(3,317)
Deferred income tax recovery	**(11)**	(64)
Net loss from discontinued operations	**(892)**	(3,253)

4. EXPLORATION AND EVALUATION ASSETS

In February 2021, the Company announced the results of a pre-feasibility study ("PFS") for its Timok gold project in Serbia. Based on the results of the PFS, the Board of Directors approved proceeding with a feasibility study ("FS"). As a result, $0.7 million costs related to the FS for the Timok gold project were capitalized to exploration and evaluation assets in the condensed interim consolidated statements of financial position as at March 31, 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:

		Carrying Amount	
	Financial instrument classification	**March 31, 2021**	December 31, 2020
Financial assets			
Cash	Amortized cost	**175,706**	149,532
Accounts receivable on provisionally priced sales	Fair value through profit or loss	**67,290**	52,957
Other accounts receivable	Amortized cost	**39,133**	31,963
Restricted cash	Amortized cost	**2,094**	2,111
Sabina special warrants *(a)*	Fair value through profit or loss	**6,729**	12,128
Publicly traded securities *(b)*	Fair value through other comprehensive income	**61,382**	94,467
Commodity swap contracts *(c)*	Derivatives for cash flow and fair value hedges	**1,717**	104
Foreign exchange option contracts *(d)*	Derivatives for cash flow hedges	**4,504**	6,364
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**82,325**	66,465
Commodity swap contracts *(c)*	Derivatives for cash flow and fair value hedges	**10,610**	5,769

The carrying values of all the financial assets and liabilities measured at amortized cost approximate their fair values as at March 31, 2021 and December 31, 2020.

(a) Sabina special warrants

During the three months ended March 31, 2021, the Company purchased an additional 512,820 common shares of Sabina at an average price of $1.56 (Cdn$1.95) per share. As at March 31, 2021, 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 months ended March 31, 2021, the Company recognized unrealized losses on the Sabina special warrants of $5.4 million (2020 – $2.9 million) in other expense in the condensed interim consolidated statements of earnings (loss).

(b) Publicly traded securities

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

During the three months ended March 31, 2021, the Company increased its equity interest in INV from 19.4% to 23.5% for an additional cost of $3.1 million.

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

For the three months ended March 31, 2021, the Company recognized unrealized losses on these publicly traded securities of $37.0 million (2020 – $24.6 million) in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

(c) Commodity swap contracts

The Company enters into 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 March 31, 2021, the Company’s outstanding QP Hedges, all of which mature within five months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighed average fixed price of QP Hedges
Payable gold	31,290 ounces	$1,761.67/ounce
Payable copper	10,394,783 pounds	$3.66/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 March 31, 2021, the Company had outstanding commodity swap contracts in place in respect of its projected copper production as summarized in the table below:

Year of projected production	Volume of copper hedged (pounds)	Average fixed price ($/pound)
Balance of 2021	23,135,961	3.68

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

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding London Metal Exchange forward copper prices and New York Commodity Exchange forward gold and silver prices, as applicable. As at March 31, 2021, the net fair value loss on all outstanding commodity swap contracts was $8.9 million (December 31, 2020 – $5.7 million), of which $1.7 million (December 31, 2020 – $0.1 million) was included in other current assets and $10.6 million (December 31, 2020 – $5.8 million) in accounts payable and accrued liabilities.

The Company recognized net gains of $1.4 million (2020 – net losses of $1.0 million) for the three months ended March 31, 2021 in revenue on these commodity swap contracts.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $6.7 million (2020 - $nil) 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 $0.4 million (2020 – $nil) 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.

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

(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.

As at March 31, 2021, 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 2021	1,135,400,000	18.52	15.67

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

The Company designates the intrinsic value of 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 March 31, 2021, the net fair value gain on all outstanding foreign exchange option contracts was $4.5 million (December 31, 2020 – $6.4 million), which was included in other current assets.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $1.8 million (2020 – $4.4 million) in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized realized gains of $1.2 million (2020 – realized losses of $0.1 million) for the three months ended March 31, 2021 in cost of sales on the spot component of settled contracts.

For the three months ended March 31, 2021, the Company recognized unrealized losses of $0.02 million (2020 – $11.8 million) 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

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

- Level 3: based on inputs which have a significant effect on fair value that are not observable from market data.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2021 and December 31, 2020:

				As at March 31, 2021
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Accounts receivable on provisionally priced sales	**-**	**67,290**	**-**	**67,290**
Sabina special warrants	**-**	**-**	**6,729**	**6,729**
Publicly traded securities	**61,382**	**-**	**-**	**61,382**
Commodity swap contracts	**-**	**1,717**	**-**	**1,717**
Foreign exchange option contracts	**-**	**4,504**	**-**	**4,504**
Financial liabilities				
Commodity swap contracts	**-**	**10,610**	**-**	**10,610**

				As at December 31, 2020
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	52,957	-	52,957
Sabina special warrants	-	-	12,128	12,128
Publicly traded securities	94,467	-	-	94,467
Commodity swap contracts	-	104	-	104
Foreign exchange option contracts	-	6,364	-	6,364
Financial liabilities				
Commodity swap contracts	-	5,769	-	5,769

During the three months ended March 31, 2021 and the year ended December 31, 2020, 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, 2020 to March 31, 2021:

Balance as at January 1, 2020	6,488
Unrealized gains included in net earnings	5,640
Balance as at December 31, 2020	12,128
Unrealized losses included in net earnings	**(5,399)**
Balance as at March 31, 2021	**6,729**

6. DEBT

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

DPM has a committed RCF of $150.0 million with a consortium of banks. In February 2021, the Company extended the RCF's maturity date from February 2023 to February 2024. The Company's borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company's funded net debt to adjusted earnings before interest, taxes, depreciation and amortization ("Debt Leverage Ratio"), as defined in the RCF agreement. The RCF is secured by pledges of the Company's investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

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

As at March 31, 2021 and December 31, 2020, DPM was in compliance with all financial covenants and $nil was drawn under the RCF.

(b) Tsumeb overdraft facility

Tusmeb has a Namibian $100.0 million ($6.8 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 March 31, 2021 and December 31, 2020, $nil was drawn from this facility.

(c) Other credit agreements and guarantees

In February 2021, Chelopech and Ada Tepe increased its multi-purpose credit facility from $16.0 million to $21.0 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $14.1 million (December 31, 2020 – $6.1 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 ($24.6 million) credit facility to support mine closure and rehabilitation obligations. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $24.6 million (December 31, 2020 – $25.8 million) had been utilized against this credit facility in the form of letters of guarantee, which were posted with the Bulgarian Ministry of Energy.

In February 2021, Ada Tepe increased its multi-purpose credit facility from $5.3 million to $10.3 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2021, $0.2 million (December 31, 2020 – $0.2 million) had been utilized against this multi-purpose revolving facility in the form of letters of credit and letters of guarantee.

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

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

7. SHARE-BASED COMPENSATION PLANS

The following is a summary of the new grants under the Company's share-based compensation plans in April 2021:

	Number of units granted	Fair value granted
Restricted Share Units	**674,592**	**4,129**
Performance Share Units	**225,723**	**1,383**
Deferred Share Units	**46,506**	**287**
DPM Stock Options	**452,428**	**1,092**

For the three months ended March 31, 2021, mark-to-market adjustments related to the change in DPM's share price resulted in a decrease in share-based compensation of $2.9 million (2020 – $4.9 million).

8. 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.

The remuneration of the key management of the Company recognized in the condensed interim consolidated statements of earnings (loss) for the three months ended March 31, 2021 and 2020 was as follows:

	Three months ended March 31,	
	2021	2020
Salaries, management bonuses and director fees	**842**	906
Other benefits	**62**	66
Share-based compensation	**(1,777)**	(1,073)
Total remuneration	**(873)**	(101)

9. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Changes in non-cash working capital

	Three months ended March 31,	
	2021	2020
Increase in accounts receivable and other assets	**(17,823)**	(39,715)
Decrease in inventories	**2,280**	5,405
Increase (decrease) in accounts payable and accrued liabilities	**1,428**	(11,360)
Decrease in other liabilities	**(1,162)**	(1,552)
	(15,277)	(47,222)

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

(b) Other items not affecting cash

	Three months ended March 31,	
	2021	2020
Net finance cost	**1,311**	2,177
Share-based compensation expense	**248**	235
Net losses on Sabina special warrants	**5,399**	2,955
Net (gains) losses on commodity swap contracts	**(1,343)**	775
Net (gains) losses on foreign exchange option contracts	**(1,223)**	53
Other, net	**220**	(1,136)
	4,612	5,059

10. DIVIDEND

On February 11, 2021, the Company declared a quarterly dividend of $0.03 (2020 – $0.02) per common share payable on April 15, 2021 to shareholders of record on March 31, 2021 resulting in dividend distributions of $5.5 million (2020 – $3.6 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity for the three months ended March 31, 2021. As at March 31, 2021, the Company recognized a dividend payable of $5.5 million (December 31, 2020 – $5.4 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position. For the three months ended March 31, 2021, the Company also paid $5.4 million (2020 – $nil) of dividends which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows.

On May 5, 2021, the Company declared a dividend of $0.03 per common share payable on July 15, 2021 to shareholders of record on June 30, 2021.

11. COMMITMENTS AND OTHER CONTINGENCIES

(a) Commitments

The Company had the following minimum contractual commitments as at March 31, 2021:

	up to 1 year	**1 - 5 years**	**Total**
Capital commitments	9,093	-	**9,093**
Purchase commitments	18,637	16,919	**35,556**
Total commitments	**27,730**	**16,919**	**44,649**

As at March 31, 2021, Tsumeb had approximately $91.7 million (December 31, 2020 – $76.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. ("IXM") pursuant to a tolling agreement (the "Tolling Agreement"). As at March 31, 2021, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately $58.4 million (December 31, 2020 – $45.4 million). Under the Tolling Agreement, the Company was obliged to eliminate excess secondary materials by April 30, 2021.

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 December 31, 2022; 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.

(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.

12. FINANCIAL RISK MANAGEMENT IN RESPONSE TO CORONAVIRUS ("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. The Company's Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

In April 2020, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in response to a government directive to the natural resources industry aimed at limiting staffing levels. Full operations resumed in May 2020 with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites. During the three months ended March 31, 2021, Tsumeb's maintenance shutdown, which was originally planned for 30 days, was extended to 45 days in part as a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support.

The Company continues to closely assess and monitor the COVID-19 situation, particularly as governments in various jurisdictions maintain and/or implement new measures to manage a resurgence in the number of cases and the impact on their medical systems and economies. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location directed at safeguarding employees, managing potential supply chain disruptions, and maintaining production at each of its operations. Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations.

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

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results.

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.

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

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

The operating results of MineRP have been presented as a discontinued operation and the assets and liabilities of MineRP have been presented as held for sale as a result of the MineRP Disposition *(note 3).*

The following table summarizes the relevant information by segment for the three months ended March 31, 2021 and 2020:

					Three months ended March 31, 2021
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Continuing Operations					
Revenue *(a)*	**71,705**	**57,417**	**8,908**	**-**	**138,030**
Earnings (loss) before income taxes	**36,805**	**33,343**	**(20,456)**	**(14,415)**	**35,277**
Capital expenditures	**4,292**	**4,338**	**9,234**	**1,167**	**19,031**

					Three months ended March 31, 2020
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing Operations					
Revenue *(a)*	63,134	43,029	41,624	-	147,787
Earnings (loss) before income taxes	33,091	19,956	7,321	(8,985)	51,383
Capital expenditures	4,405	1,790	2,414	973	9,582

(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 months ended March 31, 2021 and 2020:

	Three months ended March 31, 2021	2020
Revenue recognized at a point in time from:		
Sale of concentrate	**132,081**	105,742
Processing concentrate	**6,613**	34,996
Acid sales	**2,295**	6,628
Mark-to-market price adjustments on provisionally priced sales	**(2,959)**	421
Total revenue	**138,030**	147,787

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

The following table summarizes the total assets and total liabilities by segment as at March 31, 2021 and December 31, 2020:

					As at March 31, 2021
	Chelopech	**Ada Tepe**	**Tsumeb**	**Corporate & Other**	**Total**
Total current assets	**137,600**	**89,888**	**25,551**	**77,973**	**331,012**
Total non-current assets	**174,636**	**243,483**	**115,847**	**74,314**	**608,280**
Assets held for sale				**31,600**	**31,600**
Total assets	**312,236**	**333,371**	**141,398**	**183,887**	**970,892**
Liabilities	**62,149**	**30,149**	**44,061**	**46,192**	**182,551**
Liabilities held for sale				**7,864**	**7,864**
Total liabilities	**62,149**	**30,149**	**44,061**	**54,056**	**190,415**

					As at December 31, 2020
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	98,584	63,651	46,969	79,115	288,319
Total non-current assets	175,518	256,771	111,750	111,789	655,828
Assets held for sale				30,713	30,713
Total assets	274,102	320,422	158,719	221,617	974,860
Liabilities	52,830	27,776	37,660	45,307	163,573
Liabilities held for sale				6,003	6,003
Total liabilities	52,830	27,776	37,660	51,310	169,576

CORPORATE INFORMATION

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[3] Corporate Governance and Nominating Committee
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[5] Lead Director (*Deputy Chair, effective February 11, 2021)*
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President and Chief Executive Officer

Hume Kyle
Executive Vice President and Chief Financial Officer

Michael Dorfman
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Kelly Stark-Anderson
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Vice President, Commercial

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Vice President and General Manager, Bulgaria

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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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