



DUNDEE PRECIOUS METALS ANNOUNCES SALE OF MINERP

TORONTO, Dec. 22, 2020 (GLOBE NEWSWIRE) -- **Dundee Precious Metals Inc. (TSX: DPM)** (“DPM” or “the Company”) today announced that DPM and other shareholders (collectively, “the Vendors”) of MineRP Holdings Inc. (“MineRP”) have entered into a definitive agreement for the sale of 100% of MineRP (the “Transaction”) to Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB (“Epiroc” or “the Purchaser”).

Consideration for DPM’s fully-diluted 70% equity interest in MineRP and the repayment of DPM shareholder loans include:

- Approximately US\$40 million in cash representing the estimated portion payable to DPM on closing of the Transaction (“DPM’s Closing Proceeds”); and
- Potential additional payments in the form of an earn-out of up to US\$28.7 million representing the portion payable to DPM upon the achievement of certain MineRP revenue targets in 2021 and 2022 (the “Earn-out”).

“We acquired MineRP in 2017 as part of our ongoing strategy to drive innovation at DPM and to leverage a technology with the potential to transform the mining industry,” said David Rae, President & Chief Executive Officer of Dundee Precious Metals. “Having substantially advanced our initiatives and supported MineRP in developing its software to position it for its next phase of growth, the time is right for DPM to divest our interest as we continue to focus on our core mining assets.

“The proceeds from this transaction, together with potential additional proceeds under the earn-out, will further strengthen our balance sheet and support our mining business. We would like to wish MineRP and Epiroc well in taking the business to the next level.”

Key terms of the transaction

DPM’s Closing Proceeds are estimated to be approximately US\$40 million and are comprised of cash proceeds relating to the Company’s 70% fully-diluted equity ownership of MineRP, the repayment of its shareholder loans, and any accrued interest. DPM may receive potential additional proceeds from the Earn-out of up to US\$28.7 million, which are payable on the achievement of certain revenue targets by MineRP in 2021 and 2022.

The other 25% of MineRP is held by Emerald Panther Investments 99 Proprietary Limited, a holding company owned by MineRP management, and 5% is held by DPM’s chairman and its former chief executive officer in the form of options exercisable into MineRP shares.

DPM’s Closing Proceeds are prior to any Earn-out payments, and are net of i) estimated

transaction expenses; and ii) certain amounts to be placed in escrow to secure against any post-closing adjustments related to working capital and to secure against any potential breaches in representations and warranties for a period of 60 days and 2 years.

DPM expects to use the proceeds from the Transaction to further strengthen its balance sheet and to support its core mining business, in-line with DPM's disciplined capital allocation framework, which consists of reinvesting in the business and returning capital to shareholders.

The Company has made certain representations and warranties and provided certain indemnities to the Purchaser customary with transactions of this nature.

The transaction is subject to South African competition review approval and is expected to close late in Q1 or early Q2 2021.

The Corum Group acted as financial advisor to MineRP in the Transaction.

About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. The Company's operating assets include the Chelopech operation, which produces a gold-copper concentrate containing gold, copper and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; the Ada Tepe operation, which produces a gold concentrate containing gold and silver, located in southern Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold and exploration properties located in Canada and Serbia, and its 9.4% interest in Sabina Gold & Silver Corp and 19.4% interest in INV Metals Inc.

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Cautionary Note Regarding Forward Looking Statements

This news release contains "forward looking statements" or "forward looking information" (collectively, "Forward Looking Statements") that involve a number of risks and uncertainties. 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. Forward looking statements in this news release include, without limitation, statements with respect to the potential payments and upside from the

Earnout; timing of the closing of the Transaction; expected benefits to the Company and MineRP from the Transaction; South African competition approval; the Company's expected use of proceeds; and the impact on its balance sheet. Forward Looking Statements are based on certain key assumptions and the opinions and estimates 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 news release, such factors include, among others, there being no assurance that the Transaction will close, uncertainties with respect to obtaining required South African regulatory approvals, discretion of the Company with respect to the use of proceeds from the sale, uncertainties with respect to realizing the targeted Earnouts, uncertainties with respect to realizing the benefits of the Transaction, risks relating to the Company's business generally and the impact of COVID-19, as well as those risk factors discussed or referred to in any other documents (including without limitation the Company's most recent Annual Information Form) 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. The reader has been cautioned that the foregoing list is not exhaustive of all factors which may have been used. Although the Company has attempted to identify important factors that could cause 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 speak only as of the date hereof. Unless required by securities laws, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

Source: Dundee Precious Metals, Inc.