



## Dundee Precious Metals Announces Updated Mineral Resource and Mineral Reserve Estimate for the Ada Tepe Gold Mine and Improved Life of Mine Plan

**Toronto, October 16, 2020** – Dundee Precious Metals Inc. (TSX: DPM) (“DPM” or “the Company”) is pleased to announce an updated Mineral Resource and Mineral Reserve Estimate and improved life of mine (“LOM”) plan for its Ada Tepe gold mine in Bulgaria.

### Highlights

- Total Proven and Probable Mineral Reserves of 4.26 million tonnes (“Mt”) at 4.8 grams per tonne (“g/t”) of gold and 3.0 g/t of silver for 658 thousand ounces of gold and 414 thousand ounces (“K oz.”) of silver, respectively;
- Optimized LOM plan with a higher grade and recovered gold ounce profile, compared to the original 2014 LOM plan;
- Improved estimate based on detailed reconciliation data; and
- Supports previously issued 2020 guidance and three-year outlook for Ada Tepe.

“We are very pleased with the updated Mineral Reserves and the optimized mine plan for Ada Tepe,” said David Rae, President and CEO. “We are proud of our operating team at Ada Tepe, which has continued to exceed our expectations since the start of operations last year. The optimized mine plan further supports Ada Tepe’s potential to drive strong operating results within our portfolio.”

### Updated Mineral Resource and Mineral Reserves Estimate

The Mineral Resource and Mineral Reserve update for the Ada Tepe mine was initiated to account for detailed reconciliation studies conducted since the start-up of operations, grade control drilling, and mining depletion to July 31, 2020.

The Mineral Reserves statement is shown below and is effective as of July 31, 2020.

<b>Ada Tepe Mineral Reserve Estimates</b> (As at July 31, 2020)					
Category	Tonnes (Mt)	Grade (g/t)		Metal content (M oz.)	
		Au	Ag	Au	Ag
<b>Proven</b>					
Upper Zone	1.10	3.67	2.12	0.130	0.075
Wall Zone	1.69	6.61	4.17	0.358	0.226
Stockpile					
Subtotal Proven	2.79	5.45	3.36	0.488	0.301

<b>Probable</b>					
Upper Zone	1.32	3.54	2.36	0.151	0.100
Wall Zone	0.03	4.46	2.85	0.005	0.003
Stockpile	0.12	3.77	2.55	0.014	0.010
<b>Subtotal Probable</b>	<b>1.48</b>	<b>3.58</b>	<b>2.38</b>	<b>0.170</b>	<b>0.113</b>
<b>Proven and Probable</b>					
Upper Zone	2.42	3.60	2.25	0.280	0.175
Wall Zone	1.72	6.57	4.15	0.363	0.229
Stockpile	0.12	3.77	2.55	0.014	0.010
<b>Total</b>	<b>4.26</b>	<b>4.80</b>	<b>3.02</b>	<b>0.658</b>	<b>0.414</b>

Footnotes:

1. Mineral Reserves have been estimated using a gold cut-off of 0.6 g/t for the Upper Zone, and 0.8 g/t for the Wall Zone.
2. Long-term metal prices assumed for the evaluation of the Mineral Reserves are \$1,250/oz. for gold and \$17/oz. for silver.
3. Mineral Reserves include mining depletion as of July 31, 2020.
4. Probable ore includes stockpile inventory as of July 31, 2020.

The Mineral Resource statement is shown below and is effective as of July 31, 2020. Mineral Resources for the Upper Zone and overburden material are reported exclusive of Mineral Reserves and within the Reserve pit design. No Mineral Resources are reported for the Wall Zone material, as this has been converted to Mineral Reserves.

<b>Ada Tepe Mineral Resource Estimate, exclusive of Mineral Reserves</b>					
<i>(As at July 31, 2020)</i>					
<b>Resource category</b>	<b>Tonnes (Mt)</b>	<b>Grade (g/t)</b>		<b>Metal content (M oz.)</b>	
		Au	Ag	Au	Ag
Measured	0.00	0.00	0.00	0.000	0.000
Indicated	0.00	0.00	0.00	0.000	0.000
<b>Total Measured and Indicated</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.000</b>	<b>0.000</b>
Inferred	0.32	2.09	1.51	0.021	0.015

Footnote:

1. Figures have been rounded to reflect that this is an estimate.
2. Measured, Indicated and Inferred Mineral Resources have been reported in accordance with National Instrument 43-101 ("NI 43-101") and the classification adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM").
3. Estimates of Measured and Indicated Mineral Resources are reported exclusive of those Mineral Resources modified to produce Mineral Reserves.
4. Mineral Reserves and Resources may be subject to legal, political, environmental and other risks and uncertainties.
5. Mineral Resources are based on a gold cut-off grade of 0.6 g/t for the Upper Zone and overburden and 0.8 g/t for the Wall Zone; have been calculated using metal prices of US\$1,400/oz. for gold and US\$17/oz. for silver; and are effective as at July 31, 2020.
6. Mineral Resources are constrained to material within the Reserve shell because it has reasonable prospects for eventual economic extraction and therefore fulfils the criteria for Mineral Resources.

A technical report for the Ada Tepe mine, prepared in accordance with NI 43-101, will be filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) within 45 days of this news release.

## **Mineral Resource and Mineral Reserves Estimation Approach**

The previous Mineral Resource estimate, effective at December 31, 2013, employed a multiple indicator kriging (“MIK”) approach for the Upper Zone Resource domain.

The current estimate was undertaken using mineralization volumes created using a single Indicator Kriged contour (“IK”), followed by Ordinary Kriged (“OK”) block estimates. This approach, which uses information gathered during mining to align with operational grade control estimation procedures, is more suitable for detailed mine planning and reconciliation studies. The new model has resulted in a higher grade Mineral Resource inventory for the Upper Zone relative to the previous Mineral Resource Estimate, with lower tonnage and more gold ounces (not accounting for depletion). This change in approach and the resultant grade-tonnage relationship is well-supported by detailed reconciliation studies that have been conducted from the start of operations.

The updated Mineral Resource estimate also includes approximately 91,000 metres of close-spaced grade control drilling within the LOM pit design and detailed in-pit mapping, which was used to prepare 3D geologic interpretations. Grade control reverse circulation drilling, completed on a 5 metre by 5 metre spacing, has identified additional mineralization within the Upper Zone, which has been captured within the updated models.

Mineral Reserves were constrained within a pit design, based on a selected pit scenario derived from a Whittle pit optimization study. Relative to the previous 2014 Reserve pit design, the strip ratio increased slightly due to the changes in the estimation approach. However, the new design incorporates additional geotechnical recommendations, which has offset much of the additional waste.

## **Life of Mine Plan**

Based on the final pit design, a strategic mine planning study was conducted to optimize net present value of mine cash flows, balanced against operational constraints that include mine production, process plant throughput rates, stockpiling capacity and mine life.

The chosen optimal scenario maintains production until 2026 and assumes a plant throughput of approximately 750 thousand tonnes per annum. This scenario generated an improved and optimized recovered gold ounce profile when compared with the previous 2014 LOM plan.

The tables below show the current LOM plan, including actual operating results up until July 31, 2020, compared to the original 2014 LOM plan.

2020 Life of Mine Plan										
	Unit	Total / Average	2019 <sup>1</sup>	2020 <sup>2</sup>	2021	2022	2023	2024	2025	2026
Total Ore Processed	Kt	<b>5,316</b>	471	891	882	749	749	679	617	279
Grade										
Au	g/t	<b>4.80</b>	4.56	4.76	5.29	5.07	6.22	4.09	3.54	3.74
Ag	g/t	<b>2.93</b>	2.62	2.60	2.90	2.95	3.80	2.79	2.76	2.95
Contained Metal										
Au	K oz.	<b>820</b>	69	136	150	122	150	89	70	34
Ag	K oz.	<b>501</b>	40	74	82	71	92	61	55	26
Recovered Metal										
Au	K oz.	<b>700</b>	57	115	128	106	129	76	60	29
Ag	K oz.	<b>293</b>	23	43	50	44	58	33	28	14
Strip Ratio	t:t	<b>2.91</b>	2.70	2.22	1.94	3.63	3.19	4.88	3.85	1.40

Footnotes:

1. Figures for 2019 include actual operating results for the year.
2. Figures for 2020 include actual operating results up until July 31, 2020, with the remaining portion of the year derived from the LOM plan.

2014 Life of Mine Plan										
	Unit	Total / Average	2019	2020	2021	2022	2023	2024	2025	2026
Total Ore Processed	Kt	<b>6,204</b>	809	803	813	837	773	785	789	595
Grade										
Au	g/t	<b>4.04</b>	3.42	5.01	5.59	3.40	6.06	3.29	2.83	2.37
Ag	g/t	<b>2.22</b>	1.92	2.60	2.84	1.91	3.16	1.93	1.72	1.53
Contained Metal										
Au	K oz.	<b>807</b>	89	129	146	91	151	83	72	45
Ag	K oz.	<b>443</b>	50	67	74	51	79	49	44	29
Recovered Metal										
Au	K oz.	<b>686</b>	76	110	124	78	128	71	61	39
Ag	K oz.	<b>310</b>	35	47	52	36	55	34	31	20
Strip Ratio	t:t	<b>2.62</b>	2.09	0.90	1.32	3.31	3.60	4.67	3.73	3.85

### Three-Year Outlook

The revised LOM plan supports the Company's previously issued 2020 guidance and three-year outlook for Ada Tepe as shown below.

	2020 Guidance	2021 Outlook	2022 Outlook
Gold contained in concentrate produced (K oz.)	94 – 115	105 – 130	105 – 130
Cash cost per tonne of ore processed (\$/t)	50 – 60	N/A	N/A
Sustaining capital expenditures (US\$ millions)	9 – 11	4 – 5	4 – 5

For more information regarding the Company's 2020 guidance and three-year outlook, refer to the Management's Discussion and Analysis for the period ended June 30, 2020, issued on July 30, 2020, which can be found on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and is available at [www.sedar.com](http://www.sedar.com).

## **Exploration**

On the Ada Tepe mine concession, approximately 8,000 metres of drilling are planned at the Surnak prospect and two other satellite deposits for the fourth quarter of 2020, with the goal of establishing Mineral Resources and extending Ada Tepe's mine life.

Additional exploration activities in 2020 have focused on target delineation and resource definition drilling of epithermal veins on the Chiirite license, located approximately 25 kilometres north-east of Ada Tepe, with approximately 6,000 metres of drilling completed this year.

For 2021, DPM is planning approximately 32,000 metres of drilling at Ada Tepe, with a focus on delineation of additional resources within the mine license and advancing other prospective targets on regional licences.

## **Technical Information**

The Mineral Resource and Mineral Reserve estimates for Ada Tepe and other scientific and technical information which supports this news release was prepared by CSA Global (UK) Ltd. ("CSA Global"), in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects, as relates to Mineral Resources, Maria O'Connor, BSc, MAusIMM, MAIG, Manager Resources - EMEA of CSA Global and as relates to Mineral Reserves, under the supervision of Karl van Olden, BSc (Eng), GDE, MBA, FAusIMM, Mining Manager of CSA Global. Both are Qualified Persons ("QP"), as defined under NI 43-101. Maria O'Connor and Karl van Olden are independent of the Company.

Ross Overall, Corporate Mineral Resource Manager, of the company, who is a QP, as defined under NI 43-101, has reviewed and approved the contents of this news release.

## **About Dundee Precious Metals Inc.**

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, Serbia and Ecuador, including its 9.4% interest in Sabina Gold & Silver Corp. and its 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. The Forward Looking Statements in this news release relate to, among other things:; the price of gold, copper, silver and acid, and other commodities; mine life; production forecasts; 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; results of economic studies; and success of exploration activities.. Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and the Qualified Persons, 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, risks relating to the Company’s business generally and the impact of COVID-19, including, changes to the Company’s supply chain; product shortages; delivery and shipping issues; closures and/or failure of plant, equipment or processes to operate as anticipated; employees and contractors becoming infected with COVID-19; lost work hours; labour force shortages; fluctuations in metal and acid prices, toll rates and foreign exchange rates; possible variations in ore grade and recovery rates; uncertainties inherent to the conclusions of economic evaluations and economic studies; 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; limitation 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-government organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; cyber attacks and other cybersecurity risks; 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](http://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 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 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.