



Dundee Precious Metals Announces C\$43.7 Million Strategic Equity Investment by the European Bank for Reconstruction and Development

12/22/2016

TORONTO, ONTARIO--(Marketwired - Dec. 22, 2016) - Dundee Precious Metals Inc. (TSX:DPM) ("DPM" or the "Company") is pleased to announce that it has entered into a definitive agreement with respect to a C\$43.7 million strategic equity investment in DPM by the European Bank for Reconstruction and Development ("EBRD").

The investment is to be effected by way of a private placement of 17,843,120 common shares of the Company to be issued to the EBRD at a price of C\$2.45 per share. As a result of this transaction, the EBRD will hold approximately 9.99% of the Company's common shares (on a non-diluted basis). Proceeds will be used for the construction of the Krumovgrad project in Bulgaria and will serve to further strengthen the Company's financial position and flexibility during the construction phase of this project.

Rick Howes, President and CEO, commented: "We are very pleased to be building upon our existing partnership with the EBRD. We view this strategic investment as a strong endorsement of our Krumovgrad project and our environmental and social responsibility practices at our operations. The EBRD is a leading multilateral development bank investing in more than 30 countries from Morocco to Mongolia and from Estonia to Egypt. Our board and senior management team look forward to the EBRD's continued in-country support as we explore opportunities to grow our business and advance our Krumovgrad project toward commercial operation in the fourth quarter of 2018."

Eric Rasmussen, EBRD Director for Natural Resources, said: "Dundee Precious Metals is a long-standing partner of the EBRD in Bulgaria. By becoming a shareholder, we are taking our cooperation to the next level. This ever closer partnership will enable us to work together to further raise standards in the mining sector, focusing on innovation, sustainability and employment opportunities."

As part of EBRD's investment, DPM will undertake to extend its compliance with EBRD's environmental, social, economic inclusion and equal opportunity standards to all operations. EBRD has also been granted certain rights, including a right to maintain its pro rata equity interest.

The transaction is subject to normal and customary conditions precedent for a transaction of this nature. Unless

otherwise agreed by the Company and the EBRD, the transaction is scheduled to close by January 23, 2017, subject to regulatory approvals, including the approval of the Toronto Stock Exchange.

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 continuing operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, 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 Bulgaria, Serbia, and northern Canada, including the permitted-for-construction Krumovgrad gold project, which is expected to commence production in the fourth quarter of 2018, and its 10.7% interest in Sabina Gold & Silver Corp.

FORWARD-LOOKING STATEMENTS

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company's most recent annual information form under the heading "Risk Factors" which has been filed electronically by means of the Canadian Securities Administrators' website located at www.sedar.com. The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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