DUNDEE PRECIOUS METALS ANNOUNCES 2015 FIRST QUARTER RESULTS

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

Toronto, Ontario, May 6, 2015 – Dundee Precious Metals Inc. (TSX: DPM; DPM.WT.A)

FINANCIAL AND OPERATING HIGHLIGHTS:

- ***Metals production*** **–** Achieved gold and copper production in the first quarter of 2015 of 34,743 ounces and 8.7 million pounds, respectively, up 31% and down 7% relative to the first quarter of 2014;
- ***All-in sustaining cost per ounce of gold*** **–** Well below the industry average at $585 and 15% lower than full year 2014;
- ***Smelter*** **–** 2015 first quarter production of 43,101 tonnes was 12% lower than 2014 primarily as a result of the annual maintenance shutdown. Physical construction of acid plant substantially complete with production of saleable acid scheduled to commence in the third quarter of 2015;
- ***Near term growth opportunities progressing*** **–** Krumovgrad local permitting and approval process remains on track to be in position to commence construction in the fourth quarter of 2015; and
- ***Financial position*** **–** Exited the first quarter of 2015 with approximately $182 million of cash resources, including the undrawn portion of the Company's long-term revolving credit facility.

Dundee Precious Metals Inc. ("DPM" or the "Company") today reported first quarter 2015 net loss attributable to common shareholders of $3.1 million ($0.02 per share) compared to net earnings attributable to common shareholders of $10.0 million ($0.07 per share) for the same period in 2014.

Net loss attributable to common shareholders for the first quarter of 2015 was impacted by several items not reflective of the Company's underlying operating performance, including unrealized gains and losses attributable to hedging future copper and gold production, net gains and losses attributable to DPM's equity settled warrants, net gains and losses on Sabina warrants and impairment losses on publicly traded securities. Excluding these items, adjusted net loss(1) during the first quarter of 2015 was $1.6 million ($0.01 per share) compared to $2.3 million ($0.02 per share) for the corresponding period in 2014. The reduced loss was due primarily to higher volumes of payable metals in concentrate sold consistent with the increase in concentrate deliveries reflecting the drawdown of copper concentrate inventories and higher gold grades and recoveries at Chelopech, the favourable impact of a stronger U.S. dollar and lower general and administrative expenses. These favourable factors were partially offset by weaker results from Tsumeb due to advancing the annual maintenance shutdown, previously planned for the second quarter, and lower revenue per tonne as a result of a higher proportion of lower margin third party concentrate and higher stockpile interest and estimated metal exposure, as well as lower metal prices.

"Chelopech continued to perform well in the period and benefitted from reduced cash costs, generating a solid adjusted EBITDA despite lower metal prices and copper grades during the quarter" said Rick Howes, President and CEO. "The advancement of Tsumeb's annual maintenance shutdown reduced throughput for the quarter but this is not expected to impact the 2015 production guidance. Kapan is on track to achieve higher mine production in the second half of 2015, in line with guidance, and significantly lower 2015 cash costs compared with 2014 as a result of a stronger U.S. dollar and a number of productivity and cost saving initiatives. We remain focused on optimizing operational performance, reducing costs at each of our operations, and securing the remaining permits for the Krumovgrad Gold Project so as to be in position to commence construction by the end of this year."

Adjusted EBITDA

Adjusted EBITDA[1] during the first quarter of 2015 was $19.9 million compared to $16.7 million in the corresponding period in 2014, driven by the same factors affecting adjusted net loss[1].

The average market price for gold during the first quarter of 2015 decreased by 6% to $1,220 per ounce compared to $1,293 per ounce in the corresponding period in 2014. The average market price for copper during the first quarter of 2015 decreased by 17% to $2.64 per pound compared to $3.19 per pound in the corresponding period in 2014. The average realized copper price, including realized hedging gains, for the first quarter of 2015 was $3.20 per pound compared to $3.25 in the corresponding period in 2014.

Production

Production of copper and zinc concentrates in the first quarter of 2015 of 26,897 tonnes was 7% lower than the corresponding period in 2014 due primarily to lower copper grades at Chelopech, partially offset by higher volumes of ore processed at Chelopech and Kapan.

Relative to the first quarter of 2014, gold contained in copper and zinc concentrates produced in the first quarter of 2015 increased by 31% to 34,743 ounces, copper production decreased by 7% to 8.7 million pounds, silver production increased by 22% to 158,541 ounces and zinc production decreased by 7% to 2.9 million pounds. The increase in gold contained in copper and zinc concentrates produced was due primarily to higher gold grades at Chelopech and Kapan, higher gold recoveries at Chelopech and higher volumes of ore mined and processed at Chelopech and Kapan. The decrease in copper contained in copper concentrate produced was due primarily to lower copper grades at Chelopech, partially offset by higher volumes of ore mined and processed at Chelopech and Kapan and higher copper grades and recoveries at Kapan. The increase in silver contained in copper and zinc concentrates produced was due primarily to higher silver grades at Kapan, higher silver recoveries at Chelopech and higher volumes of ore mined and processed at Chelopech and Kapan. The decrease in zinc contained in zinc concentrate produced was due primarily to lower zinc grades at Kapan.

Chelopech operated as planned in the first quarter of 2015, with the exception of copper produced, which resulted from lower grades. Annualized first quarter of 2015 copper production was below guidance. However, higher copper grades at Chelopech over the balance of the year, in accordance with the mine plan, are expected to support the achievement of the 2015 guidance.

Gold contained in pyrite concentrate produced in the first quarter of 2015 was 10,756 ounces (2014 – 4,792 ounces).

Concentrate smelted during the first quarter of 2015 of 43,101 tonnes was 12% lower than the corresponding period in 2014 due primarily to unplanned downtime on the Ausmelt furnace caused by refractory lining problems in the period and the advancement of the annual maintenance shutdown to March 2015 from June 2015. Operations resumed on April 5, 2015.

Deliveries

Deliveries of copper and zinc concentrates during the first quarter of 2015 of 32,015 tonnes were 3% higher than the corresponding period in 2014 due primarily to a drawdown of copper concentrate inventories reflecting the timing of shipments.

Relative to the first quarter of 2014, payable gold in copper and zinc concentrates sold in the first quarter of 2015 increased by 24% to 33,941 ounces, payable copper in copper concentrate sold increased by 3% to 9.9 million pounds, payable silver in copper and zinc concentrates sold decreased by 13% to 95,747 ounces and payable zinc in zinc concentrate sold increased by 1% to 2.0 million pounds. The increases in payable gold and copper in copper and zinc concentrates sold were consistent with the increased copper concentrate deliveries and higher gold grades and recoveries at Chelopech. The decrease in silver payable in concentrate sold was due primarily to lower copper concentrate deliveries at Kapan.

Payable gold in pyrite concentrate sold in the first quarter of 2015 was 7,336 ounces (2014 – 2,878 ounces).

Cash cost per ounce of gold sold

Consolidated cash cost per ounce of gold sold, net of by-product credits[(1)], during the first quarter of 2015 of $357 was 37% lower than the cash cost of $563 during the corresponding period in 2014 due primarily to higher volumes of payable gold in copper and zinc concentrates sold, a stronger U.S. dollar relative to the Euro and the Armenian dram and the benefits of cost improvement initiatives undertaken at Kapan, which have partially offset cost pressures related to labour, electricity and consumables.

All-in sustaining cost per ounce of gold

Consolidated all-in sustaining cost per ounce of gold, net of by-product credits[(1)], in the first quarter of 2015 was $585 compared to $1,048 in the corresponding period in 2014. This decrease was due primarily to the same factors affecting cash cost per ounce of gold sold, as well as lower cash outlays for sustaining capital expenditures and lower general and administrative expenses allocated to Chelopech and Kapan.

Cash provided from operating activities

Cash provided from operating activities in the first quarter of 2015 of $0.6 million was $11.0 million lower than the cash provided from operating activities of $11.6 million in the corresponding period in 2014. This decrease was due primarily to an increase in non-cash working capital primarily related to the timing of receipts and disbursements, lower volumes of concentrate smelted at Tsumeb and lower metal prices, partially offset by higher volumes of payable metals in concentrate sold.

Cash provided from operating activities, before changes in non-cash working capital[(1)], during the first quarter of 2015 of $18.4 million was $1.5 million higher than the corresponding period in 2014.

Capital expenditures

Capital expenditures during the first quarter of 2015 totalled $18.4 million compared to $68.1 million in the corresponding period in 2014. The quarter over quarter decrease was due primarily to lower spending on both the Krumovgrad project and the acid plant project at Tsumeb, and the completion of the pyrite recovery project at Chelopech in the first quarter of 2014.

Financial position

As at March 31, 2015, DPM maintained a consolidated cash position of $16.6 million, an investment portfolio valued at $7.2 million and $165.0 million of additional liquidity under its committed long-term revolving credit facility. These cash resources, together with the cash flow currently being generated, support the Company's on-going operating and capital requirements.

2015 Guidance

The Company's production and cash cost guidance for 2015 is set out in the following table and is unchanged from the guidance issued in February 2015:

2015 Production & Cash Cost Guidance				
	Chelopech	**Kapan**	**Tsumeb**	**Consolidated**
Ore mined/milled ('000s tonnes)	1,900 – 2,100	400 – 500	-	**2,300 – 2,600**
Complex concentrate smelted ('000s tonnes)	-	-	190 – 220	**190 – 220**
Metals contained in copper and zinc concentrates produced(1),(2)				
Gold ('000s ounces)	108 – 120	22 – 30	-	**130 – 150**
Copper (million pounds)	39.5 – 43.5	2.2 – 2.9	-	**41.7 – 46.4**
Zinc (million pounds)	-	8.8 – 11.8	-	**8.8 – 11.8**
Silver ('000s ounces)	210 – 235	365 – 485	-	**575 – 720**
Payable gold in pyrite concentrate sold ('000s ounces)	33 – 36	-	-	**33 – 36**
Cash cost per tonne of ore processed ($)(3),(4)	35 – 40	68 – 85	-	**42 – 48**
Cash cost per ounce of gold sold, net of by-product credits ($)(1),(3),(4)	240 – 400	550 – 900	-	**300 – 500**
All-in sustaining cost per ounce of gold ($)(1),(3),(4)	-	-	-	**720 – 810**
Cash cost per tonne of concentrate smelted ($)(3),(4)	-	-	320 – 400	**320 – 400**
Cash cost per ounce of gold sold in pyrite concentrate ($)(4)	950 – 1,040	-	-	**950 – 1,040**

(1) Excludes metals in pyrite concentrate and, where applicable, the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, which is reported separately.

(2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.

(3) Based on foreign exchange rates that approximate current rates and, where applicable, a copper price of $3.20 per pound, a silver price of $16.50 per ounce and a zinc price of $1.00 per pound. The copper price reflects the impact of 90% of 2015 copper production being hedged at $3.21 per pound.

(4) Cash cost per tonne of ore processed, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold, cash cost per tonne of concentrate smelted and cash cost per ounce of gold sold in pyrite concentrate are not defined measures under GAAP. Refer to the "Non-GAAP Financial Measures" section of the management's discussion and analysis for the three months ended March 31, 2015 (the "MD&A") for further discussion of these items, including reconciliations to IFRS measures.

For 2015, the majority of the Company's growth capital expenditures(1) will be focused on the completion of the acid plant and new converters at Tsumeb and securing the remaining permits and planning for the commencement of construction related to the Krumovgrad Gold Project. In aggregate, these expenditures are expected to range between $70 million and $90 million. Sustaining capital expenditures(1) are expected to range between $33 million and $40 million.

Cash costs are expected to be at the low end of the guidance, reflecting the favourable impact of a stronger U.S. dollar and various cost improvement initiatives being undertaken at each operation.

The 2015 guidance provided above is not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced and volumes of concentrate smelted is expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages. Production in the second half of 2015 is expected to be higher than the first half based on the existing mine plans at Chelopech and Kapan and the timing of the annual maintenance shutdown at Tsumeb, which was completed on April 5, 2015. 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 and, where applicable, the receipt of necessary permits and approvals. Further details can be found in the Company's MD&A under the section "2015 Guidance".

Preparations continued in the period at Kapan for the planned production increase in the second half of 2015. Additional production equipment is scheduled to arrive ahead of the increase in output while development activity in the second quarter of 2015 is expected to provide the necessary workplaces to achieve a sustained increase in metals production supporting the 2015 guidance.

Despite lower volumes of concentrate smelted at Tsumeb in the first quarter of 2015, it is expected that Tsumeb will achieve its 2015 guidance.

(1) Adjusted net loss, adjusted basic loss per share, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), cash from operating activities, before changes in non-cash working capital, cash cost per ounce of gold sold, net of by-product credits, all-in sustaining cost per ounce of gold, and growth and sustaining capital expenditures are not defined measures under International Financial Reporting Standards ("IFRS"). Presenting these measures from period to period helps management and investors evaluate earnings and cash flow trends more readily in comparison with results from prior periods. Refer to the "Non-GAAP Financial Measures" section of the MD&A for further discussion of these items, including reconciliations to IFRS measures.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

$ millions, except where noted	Three Months	
Ended March 31,	**2015**	2014
Revenue	**64.9**	76.4
Gross profit (1)	**1.0**	12.8
(Loss) earnings before income taxes	**(1.3)**	12.1
Net (loss) earnings attributable to common shareholders	**(3.1)**	10.0
Basic (loss) earnings per share ($)	**(0.02)**	0.07
Adjusted EBITDA (2)	**19.9**	16.7
Adjusted net loss (2)	**(1.6)**	(2.3)
Adjusted basic loss per share ($) (2)	**(0.01)**	(0.02)
Cash provided from operating activities	**0.6**	11.6
Cash provided from operating activities, before changes in non-cash working capital (2)	**18.4**	16.9
Copper and zinc concentrates produced (mt)	**26,897**	29,061
Metals contained in copper and zinc concentrates produced:		
Gold (ounces)	**34,743**	26,607
Copper ('000s pounds)	**8,699**	9,355
Zinc ('000s pounds)	**2,929**	3,134
Silver (ounces)	**158,541**	130,323
Tsumeb – concentrate smelted (mt)	**43,101**	49,150
Deliveries of copper and zinc concentrates (mt)	**32,015**	31,192
Payable metals in copper and zinc concentrates sold:		
Gold (ounces)	**33,941**	27,325
Copper ('000s pounds)	**9,876**	9,586
Zinc ('000s pounds)	**2,008**	1,980
Silver (ounces)	**95,747**	109,613
Payable gold in pyrite concentrate sold (ounces)	**7,336**	2,878
Cash cost per ounce of gold sold, net of by-product credits ($) (2)	**357**	563
All-in sustaining cost per ounce of gold ($) (2)	**585**	1,048
Cash cost per tonne of concentrate smelted at Tsumeb($) (2)	**410**	307

(1) Gross profit is regarded as an additional GAAP measure and is presented in the Company's condensed interim unaudited consolidated statements of (loss) earnings. Gross profit represents revenue less cost of sales and is one of several measures used by management and investors to assess the underlying operating profitability of a business.

(2) Adjusted EBITDA; adjusted net loss; adjusted basic loss per share; cash flow provided from operating activities, before changes in non-cash working capital; cash cost of sales per ounce of gold sold, net of by-product credits; all-in sustaining cost per ounce of gold; and cash cost per tonne of concentrate smelted, are not defined measures under IFRS. Refer to the MD&A for reconciliations to IFRS measures.

DPM's unaudited condensed interim consolidated financial statements, and MD&A for the first quarter ended March 31, 2015, are posted on the Company's website at www.dundeeprecious.com and have been filed on SEDAR at www.sedar.com.

The Company will be holding a call and a webcast to discuss its 2015 first quarter results on Thursday, May 7, 2015, at 9:00 a.m. (E.S.T.). Participants are invited to join the live webcast (listen/view only) at: www.gowebcasting.com/6408. Alternatively, participants can access a listen only telephone option at 416-340-2218 or North America Toll Free at 1-866-225-0198. A replay of the call will be available at 905-

694-9451 or North America Toll Free at 1-800-408-3053, passcode 4613199. The audio webcast for this conference call will also be archived and available on the Company's website at www.dundeeprecious.com.

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition, exploration, development, mining and processing of precious metals. The Company's principal operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver, located east of Sofia, Bulgaria; the Kapan operation, which produces a copper concentrate and a zinc concentrate, both containing gold and silver, located in southern Armenia; and the Tsumeb smelter, a concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold properties located in Bulgaria, Serbia, and northern Canada, including interests held through its 50.1% owned subsidiary, Avala Resources Ltd., and its 12.1% interest in Sabina Gold & Silver Corp.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward looking statements” that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the timing and amount of estimated future production and output, life of mine, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing and possible outcome of pending litigation. Often, but not always, forward looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “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. Forward looking statements are based on the opinions and estimates of management 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. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; 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, 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; fluctuations in metal prices; unanticipated title disputes; claims or litigation; limitation on insurance coverage; as well as those risk factors discussed or referred to in the Company's MD&A under the heading “Risks and Uncertainties” and under the heading “Cautionary Note Regarding Forward-Looking Statements” which include further details on material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from forward-looking statements, and other documents (including without limitation the Company's 2014 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. 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. 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.

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