



**DUNDEE PRECIOUS METALS ANNOUNCES 2019 FOURTH QUARTER AND ANNUAL RESULTS,  
INITIATES THREE-YEAR OUTLOOK AND DECLARES INAUGURAL DIVIDEND  
(All monetary figures are expressed in U.S. dollars unless otherwise stated)**

**Toronto, Ontario, February 13, 2020 – Dundee Precious Metals Inc. (TSX: DPM)**

**FOURTH QUARTER AND ANNUAL FINANCIAL AND OPERATING HIGHLIGHTS:**

- **Record annual metals production** – Strong fourth quarter performance from Chelopech and Ada Tepe delivered the highest production quarter of the year and contributed to record annual gold production of 230,592 ounces, above the mid-point of 2019 guidance. Copper production of 37.2 million pounds was also in line with 2019 guidance;
- **Improving performance at Tsumeb** – Achieved throughput of 215,289 tonnes in line with its revised 2019 guidance, with a solid ramp-up to full production in the fourth quarter following an unplanned outage in the third quarter. Finalized new agreement such that smelter is now fully contracted for the next three years;
- **Increasing cash flows** – Generated \$52.9 million in cash flow from operating activities and \$11.8 million of free cash flow<sup>(1)</sup> in the fourth quarter; generated annual year cash flow from operating activities of \$99.4 million and increased free cash flow by 25% to \$67.2 million;
- **Solid cost performance at all operations** – Fourth quarter all-in sustaining cost per ounce of gold<sup>(1)</sup> declined to \$679; reported an all-in sustaining cost per ounce of gold for 2019 of \$725 and a cash cost per tonne of complex concentrate smelted<sup>(1)</sup>, of \$421, both of which were in line with 2019 guidance and reflect continued focus on cost containment;
- **Initiation of three-year outlook** – Longer term outlook provided, highlighting strong production profile of approximately 275,000 ounces of gold and 35 million pounds of copper per year, declining all-in sustaining costs, and the potential for significant cash flow generation;
- **Inaugural dividend** – Introduction of a quarterly dividend of \$0.02 per share highlighting commitment to disciplined capital allocation and confidence in outlook;
- **Strong financial position and liquidity** – Ended 2019 with approximately \$188 million of cash resources, comprised of the undrawn portion of the Company's long-term revolving credit facility ("RCF"), an increased cash position of \$23.4 million and a reduced debt balance of \$10.0 million; and
- **Growing adjusted net earnings** – Reported a net loss attributable to common shareholders in the fourth quarter and for 2019 of \$92.7 million and \$70.9 million, respectively, as a result of a \$107.0 million non-cash write-down. Reported adjusted net earnings<sup>(1)</sup> of \$15.9 million in the fourth quarter and for the full year, reported adjusted net earnings increased by 18% to \$34.3 million relative to 2018 with the declaration of commercial production at Ada Tepe.

"This was a pivotal year for DPM as we transition to a mid-tier producer. In 2019, we commenced production at our second gold mine, Ada Tepe, which delivered impressive performance following its commissioning in June. As a result, we generated record gold production and increased our free cash flow by approximately 25% year-over-year," said Rick Howes, President and CEO. "We are forecasting another strong year for 2020 as we realize a full year of benefits from our two operating mines. In order to provide longer term visibility, we have initiated a three-year outlook that highlights our strong potential for significant cash flow generation from our portfolio."

"Following a multi-year capital investment phase and highly successful optimization of our assets, we are also pleased to be in a position to reward our shareholders by declaring an inaugural quarterly dividend. This reflects our commitment to disciplined capital allocation and our confidence that we will continue to deliver strong results in the coming years. Our intention is to establish a sustainable dividend based on our free cash flow outlook while maintaining sufficient capital to reinvest in our business."

Dundee Precious Metals Inc. (“DPM” or the “Company”) today reported a fourth quarter net loss attributable to common shareholders of \$92.7 million (\$0.52 per share) compared to \$1.3 million (\$0.01 per share) for the same period in 2018. The net loss attributable to common shareholders in 2019 was \$70.9 million (\$0.40 per share) compared to net earnings attributable to common shareholders of \$38.1 million (\$0.21 per share) for the same period in 2018.

Net earnings (loss) attributable to common shareholders in the fourth quarter and twelve months of 2019 and 2018 were impacted by several items not reflective of the Company’s underlying operating performance, most notably an impairment charge in respect of Tsumeb in 2019 as well as unrealized gains on commodity price hedges that, prior to the adoption of IFRS 9 in 2018, did not receive hedge accounting treatment and net gains and losses on Sabina Gold and Silver Corp. (“Sabina”) special warrants, which are excluded from adjusted net earnings (loss)<sup>(1)</sup>.

Adjusted net earnings in the fourth quarter and twelve months of 2019 were \$15.9 million (\$0.09 per share) and \$34.3 million (\$0.19 per share), respectively, compared to an adjusted net loss of \$3.1 million (\$0.02 per share) and adjusted net earnings of \$29.0 million (\$0.16 per share) for the corresponding periods in 2018. These increases were due primarily to the start-up of Ada Tepe, which achieved commercial production in June 2019, higher realized gold prices and a stronger U.S. dollar relative to the Euro and ZAR, partially offset by lower volumes of complex concentrate smelted at Tsumeb.

#### Tsumeb Impairment Charge

As at December 31, 2019, the Company assessed the recoverable amount of Tsumeb, triggered by the timing of the anticipated expansion project being delayed and the ability to optimize the mix of feed being processed by the smelter.

As a result of this assessment, the Company recognized an impairment charge of \$107.0 million. This charge is primarily attributable to the increased opportunity to process additional volumes of third party complex concentrate at Tsumeb by capitalizing on, from time to time, market demand to process Chelopech concentrate, which has more available outlets than other complex third party concentrate processed by Tsumeb. While this has the potential to generate additional overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech rather than higher throughput and higher margins at Tsumeb. The ability to optimize mix, as well as the actual timing and volume of expected additional third party complex concentrate coming to market, could also result in Tsumeb’s expansion being further delayed and possibly deferred indefinitely if a long term contract cannot be secured to support the expansion to 370,000 tonnes. At present, the outlook for additional third party complex concentrate coming to market remains favourable as is the prospect for entering into a long-term arrangement. In 2019, the Company contracted additional supply under its tolling agreement with IXM S.A., on terms in line with existing arrangements, such that the smelter’s existing capacity is now fully contracted for the next three years. In addition, the Government of Namibia recently issued an Environmental Clearance Certificate to the Company, which provides the approval required to move forward with the expansion.

#### Adjusted EBITDA

Adjusted EBITDA<sup>(1)</sup> in the fourth quarter and twelve months of 2019 was \$55.0 million and \$138.2 million, respectively, compared to \$12.5 million and \$99.5 million in the corresponding periods in 2018, reflecting the same factors that affected adjusted net earnings (loss), except for depreciation, interest and income taxes, which are excluded from adjusted EBITDA.

#### Production

In the fourth quarter of 2019, gold contained in concentrate produced increased by 52% to 69,491 ounces, including 26,528 ounces from Ada Tepe, which achieved full design capacity in the third quarter of 2019, and copper production increased by 17% to 10.0 million pounds due primarily to higher copper grades and recoveries at Chelopech, in each case, relative to the corresponding period in 2018.

In 2019, gold contained in concentrate produced increased by 15% to 230,592 ounces, including 57,193 ounces from Ada Tepe, and copper production increased by 2% to 37.2 million pounds, in each case, relative to 2018. The increase in gold production was due primarily to the start of commercial production at Ada Tepe in June 2019, partially offset by lower gold grades and recoveries at Chelopech, in line with its 2019 mine plan.

Complex concentrate smelted at Tsumeb during the fourth quarter of 2019 of 48,614 tonnes was 23% lower than the corresponding period in 2018 due primarily to the timing of the Ausmelt furnace maintenance shutdown that occurred in the fourth quarter in 2019 versus the third quarter in 2018.

Complex concentrate smelted at Tsumeb during 2019 of 215,289 tonnes was 7% lower than 2018 due primarily to the pressurization event in the Ausmelt offgas system that occurred in September 2019 during a restart after routine maintenance. Repairs to the damaged offgas system components were completed over a 14-day period and during the restart of the facility, it was determined that the initial pressurization event had also caused damage to the lining of the furnace. This resulted in advancing the Ausmelt furnace reline, baghouse and ducting maintenance originally planned for October 2019 to September 2019. This work was completed over a 38-day period, 10 days longer than planned, due primarily to delays in receiving materials. The next Ausmelt furnace maintenance shutdown is currently scheduled for 2021, based on an expected operating cycle of 18 to 24 months.

#### Metals Sold

Payable gold in concentrate sold in the fourth quarter of 2019 increased by 136% to 79,109 ounces relative to the corresponding period in 2018 due primarily to gold production from Ada Tepe, the timing of concentrate deliveries and a drawdown of concentrate inventories at Chelopech and Ada Tepe. Payable copper in concentrate sold in the fourth quarter of 2019 of 11.0 million pounds was 56% higher than the corresponding period in 2018 due primarily to higher deliveries of gold-copper concentrate as a result of the timing of concentrate deliveries and a drawdown of concentrate inventories at Chelopech.

In 2019, payable gold in concentrate sold increased by 21% to 198,664 ounces relative to 2018 due primarily to the start of commercial production at Ada Tepe in June 2019, partially offset by lower gold grades at Chelopech. In 2019, payable copper in concentrate sold of 34.1 million pounds was comparable to 2018.

#### Cost Measures

Cost of sales in the fourth quarter and twelve months of 2019 of \$98.2 million and \$306.4 million, respectively, was \$32.5 million and \$33.5 million higher than the corresponding periods in 2018 due primarily to higher depreciation and gold concentrate deliveries at Ada Tepe following the commencement of production in June 2019, partially offset by the favourable impact of a stronger U.S. dollar relative to the ZAR and Euro.

All-in sustaining cost per ounce of gold in the fourth quarter of 2019 of \$679 was \$185 lower than the corresponding period in 2018 due primarily to deliveries of low-cost gold produced at Ada Tepe, following the achievement of full design capacity in the third quarter of 2019.

All-in sustaining cost per ounce of gold in 2019 of \$725 was \$65 higher than 2018 due primarily to lower gold grades in gold-copper concentrate produced at Chelopech and higher cash outlays for sustaining capital expenditures, in line with 2019 guidance, partially offset by deliveries of low-cost gold produced at Ada Tepe in 2019.

Cash cost per tonne of complex concentrate smelted at Tsumeb during the fourth quarter of 2019 of \$465 was \$52 higher than the corresponding period in 2018 due primarily to lower volumes of complex concentrate smelted stemming from the timing of the Ausmelt furnace maintenance shutdown, partially offset by the favourable impact of a weaker ZAR relative to the U.S. dollar.

Cash cost per tonne of complex concentrate smelted at Tsumeb during 2019 of \$421 was \$24 lower than 2018 due primarily to the favourable impact of a weaker ZAR relative to the U.S. dollar, partially offset by lower volumes of complex concentrate smelted.

#### Cash provided from operating activities

Cash provided from operating activities in the fourth quarter and twelve months of 2019 was \$52.9 million and \$99.4 million, respectively, compared to \$32.7 million and \$98.1 million in the corresponding periods in 2018 reflecting the same underlying factors affecting net earnings (loss), except for depreciation, any impairment charges or reversals thereof, and changes in working capital. In addition, during the fourth quarter and twelve months of 2019, Ada Tepe delivered 12,123 ounces of gold pursuant to the prepaid forward gold sales arrangement resulting in \$16.5 million of deferred revenue being 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 respect of the prepaid forward gold sales arrangement.

#### Free Cash Flow

Free cash flow in the fourth quarter and twelve months of 2019 was \$11.8 million and \$67.2 million, respectively, compared to negative cash flow of \$4.3 million and free cash flow of \$53.9 million in the corresponding periods in 2018. Free cash flow was impacted by the same factors affecting cash provided from operating activities, with the exception of changes in working capital, which are excluded from free cash flow, and outlays for sustaining capital, lease obligations and interest, which are included in free cash flow.

#### Capital Expenditures

Capital expenditures incurred during the fourth quarter and twelve months of 2019 were \$20.1 million and \$73.8 million, respectively, compared to \$23.6 million and \$107.4 million in the corresponding periods in 2018.

Growth capital expenditures<sup>(1)</sup> incurred during the fourth quarter and twelve months of 2019 were \$1.5 million and \$36.5 million, respectively, compared to \$14.1 million and \$80.0 million in the corresponding periods in 2018. The period over period decline in growth capital expenditures was related principally to the construction of the Ada Tepe gold mine. Sustaining capital expenditures<sup>(1)</sup> incurred during the fourth quarter and twelve months of 2019 were \$18.6 million and \$37.3 million, respectively, compared to \$9.5 million and \$27.4 million in the corresponding periods in 2018 and were in line with 2019 guidance. Fourth quarter changes were due primarily to the timing of executing planned projects and the timing of the Ausmelt maintenance shutdown. The increase in 2019 sustaining capital expenditures was in line with 2019 guidance and reflected higher spending, as planned, for the work being done at Chelopech to extend the life of its tailings management facility.

#### Timok Gold Project, Serbia

The Company filed a National Instrument 43-101 (“NI 43-101”) Technical Report on August 29, 2019 supporting the preliminary economic assessment (“PEA”) of the Timok gold project. The PEA is based on the updated Mineral Resource estimate completed in September 2018 and provides a base case which, primarily considers the oxide and transitional material types. Following optimization work completed in 2019 to incorporate the sulphide portion of the resource, geotechnical work is currently underway prior to initiating a potential prefeasibility study. If approved, the prefeasibility study would be initiated in the first half of 2020. For additional details, refer to the press releases entitled “Dundee Precious Metals Files NI 43-101 Technical Report Supporting the Preliminary Economic Assessment of the Timok Gold Project in Serbia” dated August 29, 2019 and “NI 43-101 Technical Report – Mineral Resource Estimate Update for the Timok Gold Project Serbia” dated November 7, 2018, both found on DPM’s website and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Exploration

At Chelopech, diamond drilling continued in the fourth quarter of 2019 from underground positions along the Southeast Breccia Pipe Zone and from surface at the Wedge South target and at the Krasta prospect. Results from the first two holes at the Wedge South target are encouraging and further drilling is in progress. At Ada

Tepe, drilling continued during the fourth quarter of 2019 on the concession and exploration licenses near the mine. In Serbia, drilling in the fourth quarter of 2019 focused on shallow oxide targets at the Timok gold project as well as extensions of higher grade copper gold porphyry mineralization at depth at the Tulare project. In Quebec, mapping and prospecting in the second half of 2019 have defined new drill targets on the Malartic project.

### Financial Position

As at December 31, 2019, DPM had \$23.4 million of cash, \$59.4 million of investments, comprised primarily of its 10.4% interest in Sabina and 19.5% equity interest in INV Metals Inc. ("INV"), and \$165.0 million of undrawn capacity under its RCF. With the start-up of Ada Tepe and the corresponding expected increase in operating cash flow, the Company amended the terms and size of its RCF, resulting in, among other things, the cancellation of tranches A and C in April 2019 and the increase of tranche B from \$150 million to \$175 million in June 2019.

### Inaugural Dividend

DPM announced that its Board of Directors has approved the introduction of a regular dividend and declared an inaugural quarterly dividend of \$0.02 per common share. This dividend is payable on April 15, 2020 to shareholders of record as at 5:00 p.m. Toronto local time on March 31, 2020 and qualifies as an "eligible dividend" for Canadian income tax purposes. Dividends paid to shareholders outside of Canada (non-resident investors) will be subject to Canadian non-resident withholding taxes. For Canadian shareholders, the U.S. dollar dividend will be converted to Canadian dollars using the spot exchange rate on April 14, 2020, the date prior to the payment date.

The level of this dividend was set with the intention of establishing a sustainable dividend 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. With strong free cash flow expected from the business in the coming years based on the current market environment, the Company will consider increasing its regular dividend and/or, from time to time, declaring a supplemental dividend.

The declaration, amount and timing of any future dividend is 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, its outlook for sustainable free cash flow and capital, and other factors considered relevant by the Board of Directors. Based on the Company's current financial position and outlook, the Board of Directors expects to declare future quarterly dividends in the amount of \$0.02 per common share. Subject to authorization by the Board of Directors and compliance with all applicable laws, the record date for future dividends is expected to be the last business day of March, June, September and December in each year and the payment date is expected to be approximately two weeks thereafter. The exact record date and other details of future dividends, if any, will be announced by the Company separately at such time a dividend is declared and authorized by the Board of Directors.

### Normal Course Issuer Bid ("NCIB")

The Company intends to initiate an NCIB to purchase up to 9,000,000 common shares of the Company ("Shares") on the Toronto Stock Exchange ("TSX"). The NCIB has been approved by the Company's Board of Directors, however, it is subject to acceptance by the TSX and, if accepted, will be made in accordance with the applicable rules and policies of the TSX and applicable Canadian securities laws.

Pursuant to the NCIB, it is expected that the Company will be able to purchase up to 9,000,000 Shares, representing 5% of the total outstanding Shares as of February 13, 2020, over a period of twelve months commencing after TSX approval. In accordance with TSX rules, any daily purchases, other than pursuant to a block purchase exception, on the TSX under the NCIB will be limited to a maximum 25% of the average daily trading volume on the TSX for the six months ended January 31, 2020. 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 NCIB will be cancelled. The actual timing and number of Shares that may be purchased pursuant to the NCIB will be subject to DPM's ongoing capital requirements and

management's view that, from time to time, DPM's Shares 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.

The Company commenced an NCIB on May 16, 2018 (the "Previous Bid"), which expired on May 15, 2019. Under the Previous Bid, the Company sought and obtained approval to purchase up to 8,900,000 Shares but did not purchase any Shares under the Previous Bid as it continued to fund the development of its Ada Tepe mine in Bulgaria.

(1) Adjusted net earnings (loss), adjusted basic earnings (loss) per share, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), all-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits, free cash flow, and growth and sustaining capital expenditures have no standardized meaning 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 Management's Discussion and Analysis for the three and twelve months ended December 31, 2019 (the "MD&A") for further discussion of these items, including reconciliations to IFRS measures.

## KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>\$ millions, except where noted</i>	<b>Three Months</b>		<b>Twelve Months</b>	
<b>Ended December 31,</b>	<b>2019</b>	2018	<b>2019</b>	2018
Revenue	<b>139.7</b>	83.0	<b>419.1</b>	377.1
Cost of sales	<b>98.2</b>	65.7	<b>306.4</b>	272.9
Earnings (loss) before income taxes	<b>(85.3)</b>	(1.6)	<b>(57.0)</b>	44.4
Net earnings (loss) attributable to common shareholders	<b>(92.7)</b>	(1.3)	<b>(70.9)</b>	38.1
Basic earnings (loss) per share	<b>(0.52)</b>	(0.01)	<b>(0.40)</b>	0.21
Adjusted EBITDA <sup>(1)</sup>	<b>55.0</b>	12.5	<b>138.2</b>	99.5
Adjusted net earnings (loss) <sup>(1)</sup>	<b>15.9</b>	(3.1)	<b>34.3</b>	29.0
Adjusted basic earnings (loss) per share <sup>(1)</sup>	<b>0.09</b>	(0.02)	<b>0.19</b>	0.16
Cash provided from operating activities	<b>52.9</b>	32.7	<b>99.4</b>	98.1
Free cash flow <sup>(1)</sup>	<b>11.8</b>	(4.3)	<b>67.2</b>	53.9
Metals contained in concentrate produced:				
Gold (ounces)	<b>69,491</b>	45,848	<b>230,592</b>	201,095
Copper ('000s pounds)	<b>10,031</b>	8,559	<b>37,250</b>	36,673
Silver (ounces)	<b>57,783</b>	35,127	<b>180,370</b>	183,283
Payable metals in concentrate sold:				
Gold (ounces) <sup>(2)</sup>	<b>79,109</b>	33,455	<b>198,664</b>	163,595
Copper ('000s pounds)	<b>11,060</b>	7,070	<b>34,131</b>	33,651
Silver (ounces)	<b>64,212</b>	29,218	<b>156,159</b>	165,035
All-in sustaining cost per ounce of gold <sup>(1)</sup>	<b>679</b>	864	<b>725</b>	660
Complex concentrate smelted at Tsumeb (tonnes)	<b>48,614</b>	63,061	<b>215,289</b>	232,043
Cash cost per tonne of complex concentrate smelted at Tsumeb <sup>(1)</sup>	<b>465</b>	413	<b>421</b>	445

1) Adjusted EBITDA; adjusted net earnings (loss); adjusted basic earnings (loss) per share; free cash flow; all-in sustaining cost per ounce of gold; and cash cost per tonne of complex concentrate smelted at Tsumeb, net of by-product credits, are not defined measures under IFRS. Refer to the "Non-GAAP Financial Measures" section of the MD&A for reconciliations to IFRS measures.

2) Payable gold in concentrate sold in the fourth quarter of 2019 is approximately 3,000 ounces lower than the payable gold in concentrate sold reported in the Company's January 9, 2020 news release due to a finalization adjustment.

DPM's audited consolidated financial statements for the years ended December 31, 2019 and 2018 and MD&A for the three and twelve months ended December 31, 2019 are posted on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## THREE-YEAR OUTLOOK

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DPM continues to focus on increasing the profitability of its business by optimizing existing assets, including Ada Tepe, which achieved full design tonnage at the mine and mill in September 2019. This is expected to generate further growth in gold production and declining all-in sustaining costs as highlighted in the 2020 to 2022 outlook and supplemental detailed 2020 guidance below, as well as a significant increase in cash flow.

### 2020 to 2022 Outlook

DPM is initiating a three-year outlook for gold and copper production, complex concentrate smelted, all-in sustaining cost, cash cost per tonne of complex concentrate smelted, and sustaining capital expenditures for 2020 to 2022, supplemented with detailed guidance for 2020.

DPM's three-year outlook reflects the production schedules outlined in the Chelopech Technical Report entitled "Mineral Resource & Reserve Update, Chelopech Project, Chelopech, Bulgaria" dated March 28, 2018 and the Technical Report for Ada Tepe entitled "Revised NI 43-101 Technical Report, Ada Tepe Deposit, Krumovgrad Project, Bulgaria", dated November 7, 2017, adjusted where applicable to incorporate the current mine plan for each operation and inflationary impacts since the filing of the relevant Technical Report. For 2021 and 2022, all production and cost estimates do not yet incorporate any cost savings initiatives, operating performance improvements in respect of mine and smelter throughput, potential improvements to mine grades and recoveries, or variations in third party processing mix at Tsumeb to capitalize on the potential to process Chelopech concentrate at higher margins through other facilities. These Technical Reports have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are available on the Company's website ([www.dundeeprecious.com](http://www.dundeeprecious.com)).

Highlights include:

- **Strong gold production profile:** Gold production is forecast to grow by approximately 20% in 2020, based on the mid-point of 2020 guidance, as a result of a full-year contribution from Ada Tepe and continued strong performance at Chelopech. Gold production is expected to be maintained at this increased level through 2022.
- **Stable copper production:** Copper production for 2020 is expected to be in line with 2019, and stable through 2022.
- **All-in sustaining cost to trend lower:** For 2020, all-in sustaining cost is expected to be slightly higher compared to 2019, based on the mid-point of 2020 guidance. This increase is largely a result of normal course cost inflation, as well as higher sustaining capital expenditures (see 2020 Guidance). For 2021 and 2022, all-in sustaining cost is expected to decline.
- **Improving smelter performance:** The smelter is expected to deliver a record level of throughput in 2020. Annual estimates for complex concentrate smelted vary due to the timing of scheduled maintenance shutdowns, the next of which is planned for 2021, resulting in an expected decrease in complex concentrate smelted for that year, with 2022 expected to be in-line with the record level expected for 2020. Cash cost per tonne of complex concentrate smelted is expected to remain stable for each of 2020 and 2022, with an increase expected for 2021, as a result of a planned maintenance shutdown.
- **Sustaining capital expenditures expected to decline:** Sustaining capital expenditures for 2020 are expected to increase compared with 2019, reflecting the addition of Ada Tepe as a producing mine and increased costs related to the ongoing cell construction and operation of the integrated mine waste facility ("IMWF"), as well as investments to extend the life of Chelopech's tailings management facility. For 2021 and 2022, sustaining capital expenditures are expected to be below 2020 levels, with 2022 being representative of the longer-term range.

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

<i>\$ millions, unless otherwise indicated</i>	<b>2019 Results</b>	<b>2020 Guidance</b>	<b>2021 Outlook</b>	<b>2022 Outlook</b>
Gold contained in concentrate produced ('000s ounces) <sup>(1),(2)</sup>				
Chelopech	174	163 – 184	145 – 165	145 – 165
Ada Tepe	57	94 – 115	105 – 130	105 – 130
Total	231	257 – 299	250 – 295	250 – 295
Copper contained in concentrate produced (million pounds)				
Chelopech	37	35 – 40	30 – 40	30 – 40
All-in sustaining cost per ounce of gold <sup>(3),(4),(5),(7)</sup>	725	700 – 780	670 – 750	670 – 750
Complex concentrate smelted ('000s tonnes)	215	230 – 265	220 – 250	240 – 265
Cash cost per tonne of complex concentrate smelted <sup>(3),(4)</sup>	421	370 – 450	395 – 475	380 – 455
Sustaining capital expenditures (\$ millions) <sup>(3),(4),(6)</sup>				
Chelopech	16	17 – 22	13 – 17	9 – 12
Ada Tepe	4	9 – 11	4 – 5	4 – 5
Tsumeb	16	12 – 15	16 – 20	16 – 20
Consolidated	37	43 – 54	33 – 42	29 – 37

1) Gold produced includes gold in pyrite concentrate produced of 47,000 to 53,000 ounces for 2020, and 39,000 to 44,000 ounces for each of 2021 and 2022.

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 1.15, US\$/ZAR exchange rate of 14.50, a copper price of \$2.75 per pound, and have not been adjusted for inflation.

4) All-in sustaining cost per ounce of gold, cash cost per tonne of complex concentrate smelted and sustaining capital expenditures have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of the MD&A for more information.

5) Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold.

6) Consolidated sustaining capital expenditures include \$5 million related to corporate digital initiatives for 2020.

7) All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash items plus treatment charges, penalties, transportation and other selling costs, sustaining capital and lease expenditures, 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.

The Company's detailed guidance for 2020 is set out in the following table:

<i>\$ millions, unless otherwise indicated</i>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Tsumeb</b>	<b>Consolidated Guidance</b>
Ore processed ('000s tonnes)	2,090 – 2,200	765 - 892	-	2,855 – 3,092
Cash cost per tonne of ore processed <sup>(3),(4)</sup>	38 - 40	50 - 60	-	-
Metals contained in concentrate produced <sup>(1),(2)</sup>				
Gold ('000s ounces)	163 - 184	94 - 115	-	257 - 299
Copper (million pounds)	35 - 40	-	-	35 - 40
Payable metals in concentrate sold <sup>(1)</sup>				
Gold ('000s ounces)	135 - 153	94 - 114	-	229 - 267
Copper (million pounds)	33 – 38	-	-	33 - 38
All-in sustaining cost per ounce of gold <sup>(3),(4),(5),(8)</sup>	-	-	-	700 - 780
Complex concentrate smelted ('000s tonnes)	-	-	230 - 265	230 - 265
Cash cost per tonne of complex concentrate smelted <sup>(3),(4)</sup>	-	-	370 - 450	370 - 450
Corporate general and administrative expenses <sup>(3),(6)</sup>	-	-	-	18 - 22
Exploration expenses <sup>(3)</sup>	-	-	-	13 - 15
Evaluation expenses	-	-	-	2 - 8
Sustaining capital expenditures <sup>(3),(4),(7)</sup>	17 – 22	9 – 11	12 – 15	43 - 54
Growth capital expenditures <sup>(3),(4)</sup>	4 – 7	0 – 1	1 – 2	5 - 10

1) Gold produced includes gold in pyrite concentrate produced of 47,000 to 53,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 29,000 to 33,000 ounces.

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

3) Based on Euro/US\$ exchange rate of 1.15, US\$/ZAR exchange rate of 14.50 and copper price of \$2.75 per pound, 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 and sustaining and growth capital expenditures have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of the MD&A for more information.
- 5) Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold.
- 6) Excludes mark-to-market adjustments on share-based compensation and MineRP's general and administrative expenses.
- 7) Consolidated sustaining capital expenditures include approximately \$5 million related to corporate digital initiatives.
- 8) All-in sustaining cost per ounce of gold represents Chelopech and Ada Tepe cost of sales less depreciation, amortization and other non-cash items plus treatment charges, penalties, transportation and other selling costs, sustaining capital and lease expenditures, 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.

The foregoing three-year outlook and supplemental detailed 2020 guidance is 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. 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 described below:

### *Chelopech*

Gold contained in concentrate produced in 2020 is expected to be between 163,000 ounces and 184,000 ounces in 2020, which is comparable to 2019 and reflects grades at expected life of mine levels. Gold contained in concentrate produced in 2021 and 2022 is expected to be slightly lower compared to the outlook for 2020, as a result of lower grades. Grade control drilling to convert the higher grade upper zone mineralization into Mineral Reserve will continue and could offset some of the decreases in grade, as was the case for 2019.

Copper contained in concentrate produced in 2020 is expected to be between 35 million pounds to 40 million pounds, which is comparable to 2019, and is expected to be 30 million pounds to 40 million pounds for 2021 and 2022.

Sustaining capital expenditures in 2020 are expected to be comparable to 2019 and include approximately \$8.0 million to complete the work associated with extending the life of Chelopech's tailings management facility. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be between \$4.0 million and \$7.0 million.

Sustaining capital expenditures are expected to decline in each of 2021 and 2022, following the completion of the tailings management upgrade in 2020.

### *Ada Tepe*

Gold contained in concentrate produced in 2020 is expected to be between 94,000 ounces and 115,000 ounces. For 2021 and 2022, gold contained in concentrate produced is expected to increase to between 105,000 ounces and 130,000 ounces, largely a result of an expected increase in grade.

A portion of 2020 production will be used in partial satisfaction of the \$50.0 million of upfront proceeds received in 2016 under the prepaid forward gold sales arrangement. As a result, no cash will be received in 2020 in respect of 31,756 ounces of gold, which will be delivered in 2020 to satisfy this arrangement. From an earnings perspective, \$42.2 million of deferred revenue as at December 31, 2019 related to the prepaid forward gold sales arrangement will be recognized as revenue.

Sustaining capital expenditures are expected to be between \$9.0 million and \$11.0 million in 2020, including \$7.0 million to \$9.0 million for the IMWF. Sustaining capital expenditures for the 2020 to 2022 period are higher than the most recent Technical Report for Ada Tepe as they incorporate normal course cost inflation and include IMWF-related costs, which were previously classified as operating costs in the Technical Report, as sustaining capital. The estimates also include increased costs in respect of IMWF activities associated with additional equipment, contractors and waste handling. This cost impact is expected to be

reduced during 2021, following a transition from the use of contract work to DPM personnel, which is expected to commence in mid-2020.

### *Tsumeb*

The smelter is expected to deliver record performance in 2020, with complex concentrate smelted estimated to be between 230,000 tonnes and 265,000 tonnes, representing a 15% increase from 2019 production levels based on the mid-point of 2020 guidance. Complex concentrate smelted for 2021 is expected to be between 220,000 tonnes and 250,000 tonnes, reflecting a planned furnace maintenance shutdown. Complex concentrate smelted for 2022 is expected to increase to 240,000 tonnes to 265,000 tonnes, in-line with estimated 2020 levels, as there is no planned furnace maintenance shutdown.

Cash costs are expected to remain stable for each of 2020 and 2022, with an increase expected for 2021 as a result of a planned maintenance shutdown. These estimates do not incorporate ongoing cost saving initiatives, with cash cost per tonne figures being largely a function of throughput.

Based on an expected operating cycle of the Ausmelt furnace of 18 to 24 months going forward, sustaining capital expenditures for Tsumeb assume a planned maintenance shutdown every other year. In 2020, sustaining capital expenditures are expected to be lower than 2019, largely due to the absence of a planned shutdown. For 2021, sustaining capital expenditures are expected to be \$16.0 million to \$20.0 million, similar to 2019 actual expenditures, which also contained a maintenance shutdown. For 2022, sustaining capital is expected to be \$16.0 million to \$20.0 million, reflecting the estimated capital cost for additional hazardous waste disposal capacity.

### *All-in sustaining cost*

The all-in sustaining cost for our mining operations is expected to range between \$700 to \$780 per ounce of gold in 2020 and reflects normal course escalation in power, labour and maintenance at both sites, and elevated sustaining capital costs associated with the extension of Chelopech's tailings management facility and additional near-term costs related to Ada Tepe's IMWF. All-in sustaining cost is expected to decline to \$670 to \$750 per ounce of gold for 2021 and 2022, reflecting lower forecast sustaining capital.

### *Exploration and evaluation expenditures*

Expenditures related to exploration in 2020 are expected to range between \$13.0 million and \$15.0 million, in line with 2019 spending. The 2020 budget is being used to fund brownfield drill programs of 15,000 metres on mine concessions and exploration licenses at the Chelopech and Ada Tepe mines in Bulgaria and a further 3,000 metres is planned at the Timok gold project in Serbia. The remaining exploration budget will be deployed primarily toward other greenfield projects in Bulgaria, Serbia and the Malartic project in Quebec.

Evaluation expenditures are related to the potential costs associated with moving forward with a prefeasibility study on the Timok gold project. Following optimization work completed in 2019 to incorporate the sulphide portion of the resource, geotechnical work is currently underway prior to initiating a potential prefeasibility study. If approved, the prefeasibility study would be initiated in the first half of 2020.

### Qualified Person

The technical information in this press release, with respect to the Company's material mineral projects, has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101 Standards of Disclosure for Mineral Projects 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 Richard Gosse, M.Sc. (Mineral Exploration), Vice President, Exploration of DPM, who is a Qualified Person as defined under NI 43-101, and not independent of the Company.

## 2019 Fourth Quarter and Annual Results and Three-Year Outlook Call and Webcast (Listen/View only)

The Company will hold a call and webcast to discuss its 2019 fourth quarter and annual results on Friday, February 14, 2020 at 9:00 a.m. EST. The call will be hosted by Rick Howes, President and Chief Executive Officer, who will be joined by David Rae, Executive Vice President and Chief Operating Officer, Hume Kyle, Executive Vice President and Chief Financial Officer, together with other members of the executive management team. The call will be accessible via a live webcast and by telephone.

Date: Friday, February 14, 2020  
Time: 9:00 am EST  
Webcast: <https://edge.media-server.com/mmc/p/wzqittuw>  
Canada and USA Toll Free: 1-844-264-2104  
Outside Canada or USA: 1-270-823-1169  
Replay: 1-855-859-2056  
Replay Passcode: 6439379

### **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 operations, 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 10.4% interest in Sabina and 19.5% interest in INV.

### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

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This press 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 press release relate to, among other things: certain statements with respect to the estimated capital costs, operating costs, key project operating costs and financial metrics and other project economics, including the three-year outlook provided by the Company; the commencement of a preliminary feasibility study for Timok; timing of further optimization work at Tsumeb and potential benefits of the planned rotary furnace installation; the processing of Chelopech concentrate; the impact of any impairment charges; the timing and number of Shares that may be purchased pursuant to the NCIB; price of gold, copper, silver and acid; toll rates; smelter metal recoveries and stockpile interest deductions; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cost measures, capital expenditures, rates of return at certain of the Company’s deposits and timing of the development of new deposits; results of economic studies; success of exploration activities; success of permitting activities; permitting time lines; currency fluctuations; 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; and timing and possible outcome of pending litigation. Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and Qualified Persons (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 press release, such factors include, among others: no assurance that the Company will purchase any Shares under the NCIB or that the NCIB will be approved by the TSX; the uncertainties with

respect to actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations and economic studies; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; 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; social and non-government organizations opposition to mining projects and smelting operations; fluctuations in metal and acid prices, toll rates and foreign exchange rates; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber attacks; risks related to the implementation, cost and realization of benefits from digital initiatives; failure to realize projected financial results from MineRP; risks related to operating a technology business reliant on the ownership, protection and ongoing development of key intellectual properties; 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 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 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 speak 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 opinions should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

For further information, please contact:

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