



Dundee Precious Metals Achieves 2016 Production Guidance and Provides Notice of Fourth Quarter and Full Year 2016 Financial Results

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TORONTO, ONTARIO--(Marketwired - Jan. 11, 2017) - Dundee Precious

Metals Inc. (TSX:DPM) ("DPM" or "the Company") announced its mine and smelter production results for the three months and year ended December 31, 2016 and confirmed the timing of the release of fourth quarter and full year 2016 operating and financial results, together with the related conference call and webcast.

"Our focus remains on optimizing and stabilizing smelter performance and successfully executing our growth plans," said Rick Howes, President and CEO. "With Krumovgrad construction underway, and on track to commence production in late 2018, we expect significant low cost gold growth generating good margins and free cash flow for the business."

On a consolidated basis, ore milled, metals production and complex concentrate smelted in 2016 were in line with the Company's 2016 guidance.

Production Highlights

Fourth quarter and full year 2016 mine and metals production at the Chelopech mine and complex concentrate smelted at the Tsumeb smelter are provided below.

	Chelopech		Kapan (1)		Tsumeb		Consolidated		Year 2016 Consolidated Guidance (2)
	Q4 2016	Full Year	Q4 2016	Full Year	Q4 2016	Full Year	Q4 2016	Full Year	
Ore milled ('000s tonnes)	547	2,212	-	104	-	-	547	2,316	2,161 - 2,381
Metals contained in copper concentrate produced									
Gold ('000s ounces)	31.6	118.4	-	5.2	-	-	31.6	123.6	114 - 124
Copper (million pounds)	8.8	38.5	-	0.6	-	-	8.8	39.1	35.7 - 39.7
Silver ('000s ounces)	51.0	227.7	-	90.1	-	-	51.0	317.8	315 - 345
Zinc (million pounds)	-	-	-	2.8	-	-	-	2.8	2.8
Complex Concentrate smelted ('000s tonnes)	-	-	-	-	61.3	200	61.3	200	195 - 205
Payable gold in pyrite concentrate sold ('000s ounces)	8.1	31.4	-	-	-	-	8.1	31.4	26 - 40

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- (1) Kapan results reflect four months of operations. Completion of the sale to Polymetal International plc occurred on April 28, 2016.
(2) As disclosed in Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2016 and issued on November 8, 2016.

Chelopech gold production increased in the fourth quarter compared to the third quarter due to better gold grade zones from which higher gold recoveries to copper concentrate were achieved. Copper production was in line with the mine plan. Gold and copper production at Chelopech finished the year in line with the increased guidance issued on November 8, 2016. Initial 2016 guidance ranged between 95,000 and 108,000 oz.

The Tsumeb smelter achieved its updated 2016 guidance issued on November 8, 2016. The guidance was reduced due to the aggregate impact of ongoing converter optimization post commissioning, converter refractory repairs, and the furnace shutdown in late July 2016 following a Namibia-wide power outage which led to an additional rebricking of the furnace. In December, the operation achieved record smelting production and the quarterly concentrate production was also a record high at 61,270 tonnes. In combination, these results demonstrate the potential for improved operational performance at the smelter as a result of ongoing optimization.

The Krumovgrad Project development continues to advance in line with Company expectations. Initial earthworks and site preparation activities commenced at the project site in the fourth quarter, as planned, consistent with the project schedule to commence operations in late 2018. In addition, the Company recently announced a C\$43.7 million strategic equity investment by the European Bank for Reconstruction and Development which is scheduled to close by January 23, 2017, subject to regulatory approvals. Proceeds will be used for the construction of the Krumovgrad Project and will serve to further strengthen the Company's financial position and flexibility during the construction phase of this project.

Fourth Quarter and Full Year Results

The Company's fourth quarter and full year 2016 operating and financial results and 2017 guidance are expected to be released after market close on Wednesday, February 15, 2017. The press release, MD&A and consolidated financial statements will be posted on SEDAR at www.sedar.com and on the Company's website at www.dundeprecious.com.

The Company will hold a call and webcast to discuss its fourth quarter and full year results on Thursday, February 16, 2017 at 9:00 am EST. The call will be hosted by Rick Howes, President and Chief Executive Officer, who will be joined by 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.

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.

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, cash costs and other cash measures, 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", "outlook", "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 and economic studies; 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; cyber

attacks; 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 2015 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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