



Dundee Precious Metals Announces New High Grade Copper-Gold Zone Discovered at Chelopech Mine

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Editors Note: There are three images associated with this press release.

Dundee Precious Metals Inc. (TSX:DPM) ("DPM" or "the Company") is pleased to announce the discovery of a new zone of high grade copper and gold mineralization at its Chelopech mine in Bulgaria. The new zone, called Zone 153, is located near existing infrastructure in the upper levels of the mine's Western Area. This zone was discovered as part of the ongoing 'Upper Levels' resource development drill program.

Assays from the first two drill holes in Zone 153 include the following significant intercepts:

- 84.0 metres at 13.58 g/t Au and 2.87% Cu from drill hole EXT150_440_06, including 46.5m at 22.09 g/t Au and 4.26% Cu.
- 16.8 metres at 6.60 g/t Au and 1.86% Cu from drill hole EXT150_440_02, including 6.7m at 13.50 g/t Au and 3.73 % Cu.

True widths are interpreted to be 70% to 85% of intercept lengths. Details are shown in Table 1. Assay results from two other drill holes, EXT150_440_07 and EXT150_440_08, drilled along strike and down dip of hole EXT150_440_06, respectively, are expected during the first week of January 2017.

"We are pleased to announce the discovery of a new high grade zone at Chelopech. This is significant because of the potential to add high grade resources accessible near our existing development," said Rick Howes, President and CEO. "Further work will be required to determine the full extent of this new zone and to assess the impact it will have on the Chelopech life of mine plan. This discovery illustrates the continued success of our in-mine exploration program and the potential that still exists to enhance and extend the life of the Chelopech mine."

Newly discovered Zone 153

Zone 153 is located approximately 150m east of Block 150, 170m north of Block 103 and 250m above Block 152 (see Figures 1 to 3). The zone is open to the northeast, above and for approximately 100m below the 440 level. It is hosted within a broad silica-envelope alteration zone, defined between the 230 and 560 levels which is considered to have high potential for hosting further mineralization.

Zone 153 represents a Cu-Au±Ag high sulphidation type of epithermal mineralization, comprising semi-massive to massive stockwork vein and hydrothermal breccia zones of chalcopyrite, Cu-As-Sb sulfosalts (enargite, tennantite and tetrahedrite) and gold-rich pyrite that is typical of mineralization in the upper levels at Chelopech. The mineralization in Zone 153 is hosted by a breccia which is interpreted to be diatreme-related and may be the upper continuation of the gold-rich Block 152.

Table 1. Significant intercepts are from the 'Zone 153' discovery holes and are reported at a gold equivalent ("AuEq") cut-off grade of 3g/t.

HOLE ID		EAST	NORTH	RL	AZ	DIP	FROM	TO	Est. True Width (m)	Au (g/t)	Cu (%)	AuEq (g/t)
EXT150_440_02		5762	29211.8	442	359.2	0.9	159.0	175.8	13.5	6.60	1.86	10.44
	Including						159.0	165.7	5.4	13.50	3.73	21.19
EXT150_440_02		5762	29211.8	442	359.2	0.9	192.0	210.0	14.8	2.01	0.51	3.05
EXT150_440_06		5762	29211.9	442	6.6	-0.5	150.0	234.0	62.5	13.58	2.87	19.49
	Including						180.0	226.5	34.6	22.09	4.26	30.86

1. AuEq calculation is based on the following formula: Au g/t + 2.06xCu%.
2. Significant intercepts have been calculated with a maximum internal dilution of 4.5 metres.
3. All holes reported are drilled with NQ diamond core.
4. Coordinates are in mine-grid.
5. No upper cuts applied.

Upper Levels Resource Development Drilling Program

DPM initiated the 'Upper Levels' resource development drilling program in mid-2015, to delineate and upgrade resources in proximity to the historically mined areas within the Chelopech mine, above the 390 level. The grades from material in this section of the mine are typically higher grade and are relatively more copper-rich than the average resource grade and were identified as an attractive target for drilling.

The discovery of Zone 153 is the result of drilling on the 440 level that is targeting mineralization outside of the current Chelopech Mineral Resource inventory. Zone 153 was missed by historical exploration drill holes that were mostly vertical and drilled on a 100m x 100m grid. In addition sampling data from a historic development, located 40m below the Zone 153 intercepts, has never been located. As a consequence, Zone 153 trend remains largely untested.

Currently, an initial drilling program has been completed in the Zone 153 area on a 40m x 40m spacing and with limited closer spaced holes, on the eastern flank at a 25m x 25m spacing. Mineralization was observed in drill hole EXT150_440_08 between 162.0m and 183.0m while drill hole EXT150_440_07 is currently in progress and has not reached the interpreted outline of Zone 153. Assays are pending for these two holes.

The Company has immediate plans to continue in-fill drilling from the same drilling location during Q1 2017 and starting in Q2 2017, to test higher elevations of Zone 153 using a second drill rig located on the 505 level. In total,

6000m of drilling has been budgeted to achieve this goal.

Sampling, Analysis and QA/QC

All diamond drill core in holes EXT150_440_02 and EXT150_440_06 is NQ size and was logged and photographed prior to cutting and sampling. All core was sampled at intervals of 1.3 to 1.9 metres with the exception of one sample that was 3.1 metres in length. All core is cut in half along the long axis using a diamond saw: one half of the core is sampled and submitted for assaying; the other half is stored in core trays for reference. The weight of a core sample is three to seven kilograms. Each core sample is placed into a bag with a numbered ticket, which is used to match samples with assay results in the acQuire database. Certified reference materials, blanks and field duplicates are submitted to the laboratory with each batch of samples. The overall quality control sample rate is approximately 5% for reference materials, 2% for blanks, and 5% for field duplicates.

Drill core samples are prepared and assayed at the Chelopech mine laboratory in Bulgaria, which is managed by SGS. All samples are routinely assayed for copper, gold, silver, sulphur and arsenic. The laboratory uses its own quality control samples, which include certified reference materials. There is no evidence of a relationship between core recovery and copper and gold assays.

To view Figures 1-3 please click on the following link: <http://media3.marketwire.com/docs/DundeeFigures1to3.pdf>

Technical Information

The technical information in this press release has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators and has been reviewed and approved by Richard Gosse, M.Sc. (Mineral Exploration), Senior Vice President, Exploration of DPM who is a Qualified Person as defined under NI 43-101 ("QP"), and not independent of the Company. Mr. Gosse has verified the data disclosed in this press release, including the exploration, analytical and testing data underlying the information. His verification included a detailed review of the applicable assays for individual samples represented in summary from herein as well as oversight of the management of applicable drill hole databases and original source data including assay certificates. No limitations were imposed on Mr. Gosse's verification process.

DPM maintains comprehensive Quality Assurance/Quality Control ("QA/QC") programs for all of its exploration and development projects. Key elements of DPM's QA/QC program include chain of custody of samples, regular insertion of certified reference standards and blanks, and duplicate check assays. At Chelopech, drill core is sampled at regular 1.5m intervals, halved and shipped in sealed bags to the independent, SGS managed laboratory in Chelopech where it is analyzed for copper, gold, silver, sulphur and arsenic. Check analyses are completed by ALS Global, Rosia Montana, Romania. Additional information regarding the Company's quality assurance processes is set out in the NI 43-101 Technical Report entitled "Mineral Reserve Update, Chelopech Project, Chelopech, Bulgaria" filed on SEDAR at www.sedar.com on March 28, 2016. For additional technical information on DPM's material properties, including a detailed breakdown of Mineral Reserves and Mineral Resources by category, as well as key assumptions, parameters and risks, refer to DPM's Annual Information Form for the year ended December 31, 2015.

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 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.

To view the photos associated with this press release, please visit the following links:

<http://www.marketwire.com/library/20161220-ChelopechFig1.jpg>

<http://www.marketwire.com/library/20161220-ChelopechFig2.jpg>

<http://www.marketwire.com/library/20161220-ChelopechFig3.jpg>

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