

## **MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The accompanying consolidated financial statements of Dundee Precious Metals Inc. (the “Company”) and all information in this financial report are the responsibility of management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, include management’s best estimates and judgments. Management has reviewed the financial information presented throughout this report and has ensured it is consistent with the consolidated financial statements.

Management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that financial information is timely and reliable. However, any system of internal control over financial reporting, no matter how well designed and implemented, has inherent limitations and may not prevent or detect all misstatements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Board of Directors appoints the Audit Committee, and all of its members are independent directors. The Audit Committee meets periodically with management and the auditors to review internal controls, audit results, accounting principles and related matters. The Board of Directors approves the consolidated financial statements on the recommendation from the Audit Committee.

PricewaterhouseCoopers LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders at the last annual meeting to examine the consolidated financial statements and provide an independent professional opinion. PricewaterhouseCoopers LLP has full and free access to the Audit Committee.

(signed) “David Rae”  
David Rae  
President and Chief Executive Officer

(signed) “Navin Dyal”  
Navin Dyal  
Executive Vice President and  
Chief Financial Officer

February 13, 2025



## Independent auditor's report

To the Shareholders of Dundee Precious Metals Inc.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dundee Precious Metals Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

#### What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of earnings (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were

PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2  
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax to mail: ca\_toronto\_18\_york\_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="254 556 876 630"><b>Assessment of impairment indicators of mine properties and property, plant and equipment</b></p> <p data-bbox="254 651 876 787"><i>Refer to note 2.2(b) – Critical accounting estimates and judgments and note 2.2 (p) – Impairment of non-financial assets to the consolidated financial statements.</i></p> <p data-bbox="254 819 876 913">The carrying values of mine properties and property, plant and equipment were \$68 million and \$162 million as at December 31, 2024, respectively.</p> <p data-bbox="254 945 876 1134">At each reporting date, the carrying values of mine properties and property, plant and equipment are assessed for impairment, if indicators of potential impairment exist. If an indication of potential impairment exists, an estimate of the asset's recoverable amount is calculated.</p> <p data-bbox="254 1165 876 1428">The assessment of impairment indicators is based on a number of external and internal factors, some of which are outside of the Company's control, and require the use of estimates and assumptions related to these factors for each Cash Generating Unit. External factors include market considerations, changes in commodity prices, discount rates and foreign exchange rates.</p> <p data-bbox="254 1459 876 1648">Internal factors include considerations such as production volume, ability to convert resources into reserves, capital and operating expenditures and future development and expansion plans. No impairment indicators were identified by management as at December 31, 2024.</p> <p data-bbox="254 1680 876 1806">We considered this a key audit matter due to the significance of the mine properties and property, plant and equipment, the judgments made by management in its assessment of external and</p>	<p data-bbox="876 556 1529 630">Our approach to addressing the matter included the following procedures, among others:</p> <ul data-bbox="876 651 1529 1806" style="list-style-type: none"><li data-bbox="876 651 1529 819">• Evaluated the reasonableness of management's assessment of impairment indicators for mine properties and property, plant and equipment, which included the following:<ul data-bbox="876 819 1529 1806" style="list-style-type: none"><li data-bbox="876 819 1529 997">– Assessed the completeness of management internal and external factors that could be considered as impairment indicators by considering evidence obtained in other areas of the audit.</li><li data-bbox="876 997 1529 1176">– Assessed market considerations by recalculating the Company's market capitalization and comparing to the carrying amount of the net assets as at December 31, 2024.</li><li data-bbox="876 1176 1529 1281">– Assessed the changes in commodity prices, foreign exchange rates and discount rates by considering external data.</li><li data-bbox="876 1281 1529 1585">– Assessed the Company's production volume, ability to convert resources into reserves, and capital and operating expenditures, by considering current and past performance, changes in mineral reserves and resources based on publicly available reserve and resource statements and evidence obtained in other areas of the audit.</li><li data-bbox="876 1585 1529 1806">– Assessed future development and expansion plans by reading board minutes, inquiries with management and considering information included in press releases.</li></ul></li></ul>



#### Key audit matter

#### How our audit addressed the key audit matter

internal factors that could lead to indicators of impairment and the subjectivity in performing procedures to test management's assessment.

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#### Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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#### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



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## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Manuel Eduardo Pereyra.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
February 13, 2025

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024 and 2023  
(in thousands of U.S. dollars)

		December 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2.2(e),3(c)	634,830	595,285
Accounts receivable	3(c),5	325,725	99,230
Inventories	6	32,945	38,491
Other current assets	3(a)	7,485	1,102
		<b>1,000,985</b>	734,108
Assets held for sale	3(b)	-	82,817
		<b>1,000,985</b>	816,925
<b>Non-Current Assets</b>			
Investments at fair value	4,7	2,759	11,900
Exploration and evaluation assets	8	157,963	147,431
Mine properties	9	67,814	89,503
Property, plant & equipment	10	161,564	192,175
Intangible assets	11	16,295	14,849
Deferred income tax assets	21	8,529	13,015
Other long-term assets		5,296	4,438
		<b>420,220</b>	473,311
<b>TOTAL ASSETS</b>		<b>1,421,205</b>	1,290,236
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	12	70,278	78,639
Income tax liabilities	21	6,295	213
Current portion of long-term liabilities	15	6,913	5,639
		<b>83,486</b>	84,491
Liabilities held for sale	3(b)	-	37,374
		<b>83,486</b>	121,865
<b>Non-Current Liabilities</b>			
Rehabilitation provisions	14	23,288	25,440
Share-based compensation liabilities	17	15,622	9,933
Other long-term liabilities	15	11,981	12,448
		<b>50,891</b>	47,821
<b>TOTAL LIABILITIES</b>		<b>134,377</b>	169,686
<b>EQUITY</b>			
Share capital		547,652	559,059
Contributed surplus		5,844	6,304
Retained earnings		734,759	556,777
Accumulated other comprehensive loss	25(c)	(1,427)	(1,590)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,286,828</b>	1,120,550
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,421,205</b>	1,290,236

The accompanying notes are an integral part of the consolidated financial statements

## Signed on behalf of the Board of Directors

(Signed) "David Rae"  
David Rae, Director

(Signed) "Robert M. Bosshard"  
Robert M. Bosshard, Director

# CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, except per share amounts)

		2024	2023
	<b>Notes</b>		
<b>Continuing Operations</b>			
<b>Revenue</b>	28	<b>606,992</b>	520,091
<b>Costs and expenses</b>			
Cost of sales	18	<b>260,701</b>	244,207
General and administrative expenses	18	<b>41,301</b>	36,525
Corporate social responsibility expenses		<b>4,900</b>	4,948
Exploration and evaluation expenses	18	<b>63,018</b>	46,558
Finance costs	19	<b>3,098</b>	3,499
Other income and expense	20	<b>(42,153)</b>	(21,348)
		<b>330,865</b>	314,389
<b>Earnings before income taxes from continuing operations</b>		<b>276,127</b>	205,702
Current income tax expense	21	<b>29,404</b>	29,824
Deferred income tax expense (recovery)	21	<b>3,483</b>	(6,098)
<b>Net earnings from continuing operations</b>		<b>243,240</b>	181,976
<b>Discontinued Operations</b>			
Net earnings (loss) from discontinued operations	3(b)	<b>(7,360)</b>	10,963
<b>Net earnings</b>		<b>235,880</b>	192,939
<b>Net earnings (loss):</b>			
From continuing operations		<b>243,240</b>	181,976
From discontinued operations		<b>(7,360)</b>	10,963
<b>Net earnings</b>		<b>235,880</b>	192,939
<b>Basic and diluted earnings (loss) per share</b>			
From continuing operations	22	<b>1.35</b>	0.98
From discontinued operations	22	<b>(0.04)</b>	0.06

The accompanying notes are an integral part of the consolidated financial statements

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars)

		2024	2023
	<b>Notes</b>		
<b>Net earnings</b>		<b>235,880</b>	192,939
<b>Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:</b>			
<b>Foreign exchange option contracts designated as cash flow hedges from discontinued operations</b>			
Unrealized gains (losses), net of income tax of \$nil for all periods	7(c)	<b>575</b>	(3,263)
Deferred cost of hedging, net of income tax of \$nil for all periods	7(c)	<b>(689)</b>	2,029
Realized (gains) losses transferred to cost of sales, net of income tax of \$nil for all periods	7(c)	<b>(705)</b>	3,803
<b>Other comprehensive income (loss) items that will not be reclassified subsequently to profit or loss:</b>			
Unrealized gains on publicly traded securities, net of income tax of \$nil for all periods	7(a)	<b>5,033</b>	21,890
Transferred to retained earnings on derecognition of investment in Osino	4	<b>(3,989)</b>	-
Transferred to retained earnings on derecognition of investment in Sabina	7(a)	-	(17,717)
Remeasurement of pension obligations, net of income tax recovery of \$36 (2023 - \$34)		<b>(62)</b>	(177)
		<b>163</b>	6,565
<b>Comprehensive income</b>		<b>236,043</b>	199,504
<b>Comprehensive income (loss)</b>			
From continuing operations		<b>244,222</b>	185,972
From discontinued operations		<b>(8,179)</b>	13,532
<b>Comprehensive income</b>		<b>236,043</b>	199,504

*The accompanying notes are an integral part of the consolidated financial statements*

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023  
(in thousands of U.S. dollars)

		2024	2023
	<b>Notes</b>		
<b>OPERATING ACTIVITIES</b>			
Earnings before income taxes		276,127	205,702
Depreciation and amortization		89,249	84,408
Changes in working capital	24(a)	(45,368)	(899)
Other items not affecting cash	24(b)	(15,262)	(5,636)
Payments for settlement of derivative contracts		(11,680)	(16,014)
Interest received		32,308	23,192
Income taxes paid		(28,603)	(29,127)
<b>Cash provided from operating activities of continuing operations</b>		<b>296,771</b>	<b>261,626</b>
<b>Cash provided from (used in) operating activities of discontinued operations</b>	3	<b>(152,059)</b>	<b>14,056</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from Tsumeb Disposition	3(a)	15,886	-
Proceeds from disposal of Osino shares	4	17,828	-
Proceeds from disposal of B2Gold shares	7(a)	-	56,459
Purchase of publicly traded securities	4	(3,675)	(4,273)
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets		273	69
Expenditures on exploration and evaluation assets		(10,497)	(21,201)
Expenditures on mine properties		(9,820)	(6,569)
Expenditures on property, plant and equipment		(20,275)	(24,607)
Expenditures on intangible assets		(4,678)	(3,020)
Decrease (increase) in restricted cash	3(a)	(5,000)	3,738
<b>Cash provided from (used in) investing activities of continuing operations</b>		<b>(19,958)</b>	<b>596</b>
<b>Cash used in investing activities of discontinued operations</b>		<b>(3,946)</b>	<b>(12,969)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from exercise of stock options		4,497	3,732
Dividends paid	25(a)	(28,919)	(30,166)
Payments for share repurchases	25(b)	(49,881)	(65,590)
Principal repayments related to leases		(4,998)	(2,959)
Interest and finance fees paid		(1,792)	(1,459)
<b>Cash used in financing activities of continuing operations</b>		<b>(81,093)</b>	<b>(96,442)</b>
<b>Cash used in financing activities of discontinued operations</b>		<b>(1,994)</b>	<b>(2,934)</b>
Increase in cash and cash equivalents		37,721	163,933
Cash and cash equivalents at beginning of year			
Continuing operations		595,285	429,505
Discontinued operations	3	1,824	3,671
<b>Cash and cash equivalents at end of year</b>	2.2(e)	<b>634,830</b>	<b>597,109</b>

The accompanying notes are an integral part of the consolidated financial statements

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, except for number of shares)

	December 31, 2024		December 31, 2023	
	Number	Amount	Number	Amount
<b>Notes</b>				
<b>Share Capital</b>				
<b>Authorized</b>				
Unlimited common and preference shares with no par value				
<b>Issued</b>				
Fully paid common shares with one vote per share				
<b>Balance at beginning of year</b>	<b>181,433,538</b>	<b>559,059</b>	190,000,202	583,027
Shares issued on exercise of stock options	<b>977,759</b>	<b>4,497</b>	1,171,399	3,732
Shares repurchased	25(b) <b>(5,697,458)</b>	<b>(17,670)</b>	(9,738,063)	(29,549)
Transferred from contributed surplus on exercise of stock options		<b>1,766</b>		1,849
<b>Balance at end of year</b>	<b>176,713,839</b>	<b>547,652</b>	181,433,538	559,059
<b>Contributed surplus</b>				
<b>Balance at beginning of year</b>		<b>6,304</b>		6,436
Share-based compensation expense		<b>852</b>		944
Transferred to share capital on exercise of stock options		<b>(1,766)</b>		(1,849)
Other changes in contributed surplus		<b>454</b>		773
<b>Balance at end of year</b>		<b>5,844</b>		6,304
<b>Retained earnings</b>				
<b>Balance at beginning of year</b>		<b>556,777</b>		411,786
Net earnings		<b>235,880</b>		192,939
Transferred from accumulated other comprehensive income (loss) on derecognition of investment in Osino	4	<b>3,989</b>		-
Transferred from accumulated other comprehensive income (loss) on derecognition of investment in Sabina	7(a)	-		17,717
Dividend distributions	25(a)	<b>(28,689)</b>		(29,624)
Share repurchases, inclusive of tax expense of \$875 (2023 – \$nil)	25(b)	<b>(33,198)</b>		(36,041)
<b>Balance at end of year</b>		<b>734,759</b>		556,777
<b>Accumulated other comprehensive loss</b>				
<b>Balance at beginning of year</b>		<b>(1,590)</b>		(8,155)
Other comprehensive income		<b>163</b>		6,565
<b>Balance at end of year</b>		<b>(1,427)</b>		(1,590)
<b>Total equity at end of year</b>		<b>1,286,828</b>		1,120,550

The accompanying notes are an integral part of the consolidated financial statements

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

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## 1. CORPORATE INFORMATION

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Dundee Precious Metals Inc. (“DPM”) is a Canadian based international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. DPM is a publicly listed company incorporated under the federal laws of Canada. DPM has common shares traded on the Toronto Stock Exchange (“TSX”). The address of DPM’s registered office is 150 King Street West, Suite 902, P.O. Box 30, Toronto, Ontario M5H 1J9.

As at December 31, 2024, DPM’s consolidated financial statements included DPM and its subsidiary companies (collectively, the “Company”).

### Continuing operations:

DPM’s principal subsidiaries included:

- 100% of Dundee Precious Metals Chelopech EAD (“Chelopech”), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria; and
- 100% of Dundee Precious Metals Krumovgrad EAD (“Ada Tepe”), which owns and operates a gold mine located in south eastern Bulgaria, near the town of Krumovgrad.

DPM held interests in a number of exploration and development properties located in Serbia and Ecuador through its subsidiaries, including:

- 100% of Crni Vrh Resources d.o.o. and DPM Avala d.o.o., which hold the Čoka Rakita project and the Timok gold project, respectively, in Serbia; and
- 100% of DPM Ecuador S.A., which is focused on the exploration and development of the Loma Larga gold project and the Tierras Coloradas exploration property in Ecuador.

### Discontinued operations (note 3):

On August 30, 2024, DPM sold its 98% ownership interest of Dundee Precious Metals Tsumeb (Proprietary) Limited (“Tsumeb”), which owns and operates a custom smelter located in Tsumeb, Namibia.

## 2.1 BASIS OF PREPARATION

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The Company’s consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”). These consolidated financial statements were approved by the Board of Directors on February 13, 2025.

## 2.2 MATERIAL ACCOUNTING POLICY INFORMATION

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These consolidated financial statements have been prepared on a historical cost basis except for publicly traded securities and derivative assets and liabilities (note 7) that are measured at fair value.

The Company’s material accounting policies are set out below. The Company has consistently applied these accounting policies to all periods presented in these consolidated financial statements.

### (a) Basis of consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

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The Company uses the acquisition method of accounting for business combinations. The fair value of the acquisition of a subsidiary is based on the fair value of the assets acquired and liabilities assumed, and the fair value of the consideration. The fair value of the assets acquired and liabilities assumed includes any contingent consideration arrangement. Acquisition related costs are expensed as incurred. At the date of acquisition, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values. The Company also recognizes any non-controlling interest in the acquiree at fair value.

The excess, if any, of the consideration paid and the amount of any non-controlling interest recognized over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, where the total consideration paid and the non-controlling interest recognized are less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of earnings (loss).

Subsidiaries are fully consolidated from the date on which control is acquired by the Company and they are deconsolidated from the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All inter-company balances, revenues and expenses and earnings and losses resulting from inter-company transactions are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are a separate component of the Company's equity. Non-controlling interests consist of the non-controlling interests on the date of the original business combination plus the non-controlling interests' share of changes in equity since the date of acquisition.

## **(b) Critical accounting estimates and judgments**

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts of assets, liabilities and contingent liabilities on the date of the consolidated financial statements and the amounts of revenues and expenses during the period reported. Estimates and assumptions are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The significant areas of estimation and/or judgment considered by management in preparing the consolidated financial statements include, but are not limited to:

- Mineral Resource and Mineral Reserve estimates (*note 2.2(l)*);
- impairment of non-financial assets (*note 2.2(p)*);
- rehabilitation provisions and contingencies (*note 2.2(q)*); and
- deferred income tax assets and liabilities (*note 2.2(w)*).

## **(c) Presentation and functional currency**

The Company's presentation currency is the U.S. dollar and the functional currency of DPM and its consolidated subsidiaries is the U.S. dollar as it was assessed by management as being the primary currency of the economic environment in which the Company operates.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## **(d) Foreign currency**

### **Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates on the dates that their fair values are determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rates on the dates of the transactions. Income and expense items are translated at the exchange rate on the dates of the transactions. Exchange gains or losses resulting from the translation of these amounts are included in net earnings (loss), except those arising on the translation of equity instruments that are fair valued through other comprehensive income (loss).

### **Foreign operations**

Foreign operations are comprised of subsidiaries of the Company that have a functional currency other than the U.S. dollar. The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into U.S. dollars at exchange rates on the reporting date. The income and expenses of foreign operations are translated into U.S. dollars at exchange rates on the dates of the transactions. Foreign currency differences are recognized as currency translation adjustments in other comprehensive income (loss). Accumulated currency translation adjustments are reclassified to net earnings (loss) upon the disposal of the associated foreign operation when the gain or loss on disposal is recognized.

## **(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash deposits, guaranteed investment certificates (“GICs”) and/or other highly rated and liquid securities with an original maturity of less than three months. As at December 31, 2024, cash and cash equivalents comprised of cash at banks of \$580.3 million (December 31, 2023 – \$490.3 million) and GICs of \$54.5 million (December 31, 2023 – \$105.0 million) in the consolidated statements of financial position.

## **(f) Inventories**

Inventories of ore and concentrate are measured and valued at the lower of average production cost and net realizable value. Net realizable value is the estimated selling price of the concentrate in the ordinary course of business based on the prevailing metal prices on the reporting date, less estimated costs to complete production and to bring the concentrate to sale. Production costs that are inventoried include the costs directly related to bringing the inventory to its current condition and location, such as materials, labour, other direct costs (including external services and depreciation, depletion and amortization), production related overheads and royalties.

Inventories of spare parts, supplies and other materials are valued at the lower of average cost and net realizable value. Obsolete, redundant and slow moving inventories are identified at each reporting date and written down to their net realizable values.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## **(g) Financial assets and liabilities excluding derivative instruments related to hedging activities**

### **Financial assets**

#### ***Initial recognition and measurement***

Non-derivative financial assets are classified and measured as “financial assets at fair value”, as either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”), and “financial assets at amortized cost”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified accounts receivable on provisionally priced sales or inventories as financial assets measured at FVPL. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

#### ***Subsequent measurement – Financial assets at FVPL***

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income and expense in the consolidated statements of earnings (loss). The Company’s investment in warrants, embedded derivatives, accounts receivable on provisionally priced sales and foreign exchange forward contracts not related to hedging activities are classified as financial assets at FVPL.

#### ***Subsequent measurement – Financial assets at FVOCI***

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company’s investments in publicly traded equity securities are classified as financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss).

#### ***Subsequent measurement – Financial assets at amortized cost***

Financial assets measured at amortized cost are non-derivative financial assets that are held for collection of contractual cash flows, where those cash flows represent repayments of principal and interest. The Company’s other accounts receivable is classified as financial assets at amortized cost.

Dividends from all financial assets are recognized in other income and expense in the consolidated statements of earnings (loss) when the right to receive the dividend is established.

#### ***Derecognition***

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or are transferred, or the Company no longer retains substantially all the risks and rewards of ownership.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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On derecognition of a financial asset, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in other income and expense in the consolidated statements of earnings (loss) except for financial assets at FVOCI, for which the cumulative gain or loss remains in accumulated other comprehensive income (loss) or is transferred to retained earnings and is not reclassified to profit or loss.

## ***Impairment of financial assets***

The Company's only financial assets subject to impairment are other accounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, *Financial Instruments*, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

## **Financial liabilities**

### ***Recognition and measurement***

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are initially recognized at fair value and subsequently measured at amortized cost.

### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income and expense in the consolidated statements of earnings (loss).

## **(h) Derivative financial instruments and hedging activities**

Derivatives are initially recognized at fair value on the dates they are entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For a derivative instrument to qualify for hedge accounting, the Company documents at the inception of the transaction the relationship between a hedging instrument and hedged item, as well as its risk management objectives and strategy for undertaking the hedging transaction. The Company also documents its assessment, both at inception and on an ongoing basis, of whether the derivative used to hedge an underlying exposure is highly effective in offsetting changes in the cash flows of the hedged item.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months.

## **Commodity swap contracts designated as fair value hedges**

The Company designates the spot component of commodity swap contracts to hedge the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales ("QP Hedges") as a fair value hedge.

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The effective portion of changes in fair value of the spot component of these commodity swap contracts are recognized in revenue in the consolidated statements of earnings (loss), together with any changes in the fair value of the hedged accounts receivable on the provisionally priced sales.

The forward point component of these commodity swap contracts is accounted for separately as a cost of hedging. As a result, any change in the fair value of the forward point component is recognized in revenue in the consolidated statements of earnings (loss).

## **Foreign exchange option contracts designated as cash flow hedges from discontinued operations**

The Company designates the intrinsic value of foreign exchange option contracts entered to hedge a portion of its projected operating expenses and capital expenditures denominated in foreign currencies as cash flow hedges.

The effective portion of changes in fair value of the intrinsic value of the options are initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). For hedges of operating expenses, the accumulated fair value change initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) is subsequently recognized in cost of sales in the consolidated statements of earnings (loss) in the period when the underlying hedged operating expenses occur. For hedges of capital expenditures, the accumulated fair value change initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss) is subsequently included in the carrying value of the underlying assets hedged in the period the underlying hedged capital expenditures occur.

The time value, which forms a component of these foreign exchange option contracts, is treated as a separate cost of hedging. As a result, any unrealized fair value change in the time value component of the outstanding foreign exchange option contracts is initially recognized as a deferred cost of hedging in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). The accumulated cost of hedging is subsequently recognized in cost of sales or included in the carrying value of the underlying assets hedged in the period the underlying hedged operating expenses or capital expenditures occur.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for cash flow hedge accounting, the accumulated deferred gains or losses remain in other comprehensive income (loss) until the period the underlying transaction that was hedged occurs at which point they are reclassified and recognized in revenue in the consolidated statements of earnings (loss). If the underlying hedged transaction is no longer expected to occur, the accumulated gains or losses that were initially recognized in other comprehensive income (loss) are immediately reclassified to other income and expense in the consolidated statements of earnings (loss).

The gains or losses relating to the ineffective portion of all cash flow or fair value hedges, if any, are recognized immediately in other income and expense in the consolidated statements of earnings (loss).

### **(i) Offsetting of financial instruments**

Financial assets and financial liabilities are offset if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

### **(j) Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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For instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. These valuation models require the use of assumptions, including future stock price volatility and probability of exercise.

Changes in the underlying assumptions could materially impact the Company's investments at FVPL. Further details on measurement of the fair values of financial instruments are provided in *note 7*.

## **(k) Mineral exploration and evaluation expenditures**

Exploration and evaluation activities involve the search for Mineral Resources and Mineral Reserves, the assessment of technical and operational feasibility and the determination of an identified Mineral Resource or Mineral Reserve's commercial viability. Once the legal right to explore has been acquired, exploration and evaluation expenditures are expensed as incurred until economic production is probable. Exploration expenditures in areas where there is a reasonable expectation to convert existing estimated Mineral Resources to estimated Mineral Reserves or to add additional Mineral Resources with additional drilling and evaluations in areas near existing Mineral Resources or Mineral Reserves and existing or planned production facilities, are capitalized.

Exploration properties that contain Proven and Probable Mineral Reserves, but for which a development decision has not yet been made, are subject to periodic review for impairment when events or changes in circumstances indicate the project's carrying value may not be recoverable.

Exploration and evaluation assets are reclassified to "Mine Properties – Mines under construction" when the technical feasibility and commercial viability of extracting the Mineral Resources or Mineral Reserves are demonstrable and construction has commenced or a decision to construct has been made. Exploration and evaluation assets are assessed for impairment before reclassification to "Mines under construction", and the impairment charge, if any, is recognized through net earnings (loss).

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits will be generated from the exploitation of an exploration and evaluation asset when activities have not yet reached a stage where a reasonable assessment of the existence of Mineral Reserves can be determined. The estimation of Mineral Resources is a complex process and requires significant assumptions and estimates regarding economic and geological data and these assumptions and estimates impact the decision to either expense or capitalize exploration and evaluation expenditures. Management is required to make certain estimates and assumptions about future events and circumstances in order to determine if an economically viable extraction operation can be established. Any revision to any of these assumptions and estimates could result in the impairment of the capitalized exploration and evaluation costs. If new information becomes available after expenditures have been capitalized that the recovery of these expenditures is no longer probable, the expenditures capitalized are written down to the recoverable amount and charged to net earnings (loss) in the period the new information becomes available.

## **(l) Mine properties**

### **Mine Properties – Mines under construction**

All expenditures undertaken in the development, construction, installation and/or completion of mine production facilities are capitalized and initially classified as "Mines under construction". All expenditures related to the construction of mine declines and ore body access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. Expenses incurred after reaching the ore body are regarded as operating development costs and are included in the cost of ore hoisted.

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Upon the commencement of commercial production, all related assets included in “Mines under construction” are reclassified to “Mine Properties – Producing mines” or “Property, plant and equipment”. Determination of commencement of commercial production is a complex process and requires significant assumptions and estimates. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and
- Required production levels, grades and recoveries have been achieved.

## Mine Properties – Producing mines

All assets reclassified from “Mines under construction” to “Producing mines” are stated at cost less accumulated depletion and accumulated impairment charges. Costs incurred for the acquisition of land are stated at cost.

The initial cost of a producing mine comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset.

When a mine construction project moves into production, the capitalization of certain mine construction costs ceases, and from that point on, costs are either regarded as inventory costs or expensed as cost of sales, except for costs related to mine additions or improvements, open pit stripping activities that provide a future benefit, and underground mine development or mineable reserve development, which qualify for capitalization.

## Depletion

The depletion of a producing mine asset is based on the unit-of-production method over the estimated economic life of the related deposit.

## Mineral Resource and Mineral Reserve estimates

The estimation of Mineral Resources and Mineral Reserves, as defined under National Instrument 43-101, *Standards of Disclosure for Mine Projects* (“NI 43-101”), is a complex process and requires significant assumptions and estimates. The Company prepares its Mineral Resource and Mineral Reserve estimates based on information related to the geological data on the size, depth and shape of the ore body which is compiled by appropriately qualified persons. Mineral Resource and Mineral Reserve estimates are based upon factors such as metal prices, capital requirements, production costs, foreign exchange rates, geotechnical and geological assumptions and judgments made in estimating the size and grade of the ore body. Mineral Resource and Mineral Reserve estimates, together with forecast production, determine the life of mine estimates and therefore changes in the Mineral Resource or Mineral Reserve estimates may impact the carrying value of exploration and evaluation assets (*note 2.2(k)*), mine properties, property, plant and equipment (*note 2.2(m)*), depletion and depreciation charges (*note 2.2(m)*), rehabilitation provisions (*note 2.2(q)*), and deferred income tax assets (*note 2.2(w)*).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## (m) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment charges.

The initial cost of property, plant and equipment comprises its purchase price or construction cost, any costs directly attributable to bringing it to a working condition for its intended use, the initial estimate of the rehabilitation costs, and for qualifying assets, applicable borrowing costs during construction. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset. Where an item of property, plant and equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Right-of-use assets relating to leases are also included in property, plant and equipment (*note 2.2(r)*).

### Depreciation

The depreciation of property, plant and equipment related to a mine is based on the unit-of-production method over the estimated economic life of the related deposit, except in the case of an asset whose estimated useful life is less than the life of the deposit, in which case the asset is depreciated over its estimated useful life based on the straight-line method. For all other property, plant and equipment, depreciation is based on the estimated useful life of the asset on a straight-line basis. Depreciation of property, plant and equipment used in a capitalized exploration or development project is capitalized to the project.

Depreciation of property, plant and equipment, which are depreciated on a straight-line basis over their estimated useful lives, is as follows:

<b>Asset Category</b>	<b>Estimated useful life (Years)</b>
Buildings	10 - 20
Machinery and Equipment	3 - 10
Vehicles	5
Computer Hardware	3
Office Equipment	5 - 10

Construction work-in-progress includes property, plant and equipment in the course of construction and is carried at cost less any recognized impairment charge. These assets are reclassified to the appropriate category of property, plant and equipment and depreciation of these assets commences when they are completed and ready for their intended use.

An item of property, plant and equipment, including any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of all assets are reviewed at each financial year end and are adjusted prospectively, if appropriate. Significant judgment is involved in the determination of estimated residual values and useful lives. The actual residual values and useful lives may differ from current estimates.

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Depreciation of mine specific assets is based on the unit-of-production method. The life of these assets is assessed annually with regard to both their anticipated useful life and the present assessments of the economically recoverable reserves and resources of the mine property where these assets are located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and resources. Any changes to these calculations based on new information are accounted for prospectively.

Rates of depreciation and, in turn, the annual depreciation expense could therefore be materially affected by changes in underlying estimates. Changes in estimates can be the result of differences in actual production or changes in forecast future production, changes in Mineral Resources or Mineral Reserves through exploration activities, differences between estimated and actual costs of mining and differences in metal prices used in the estimation of Mineral Reserves.

## Major maintenance and repairs

Expenditures on major maintenance include the cost of replacing part of an asset and overhaul costs. When part of an asset is being replaced and it is probable that future economic benefits associated with the replacement or overhauled item will flow to the Company through an extended life, the expenditure is capitalized as a separate asset and the carrying amount of the replaced part is written off.

## (n) Intangible assets

Intangible assets include software, exploration and software licences and long-term customer contracts.

Intangible assets acquired are measured upon initial recognition at cost, which comprises the purchase price plus any costs directly attributable to the preparation of the asset for its intended use. Identifiable intangible assets acquired through business combinations are initially recognized at fair value as at the date of acquisition.

Research expenditures are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of an identifiable software product are capitalized and recognized as an intangible asset.

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment charges and are amortized on a straight-line basis over their estimated useful lives.

The amortization periods applicable to intangible assets over their estimated useful lives are as follows:

<b>Asset Category</b>	<b>Estimated useful life (Years)</b>
Computer Software	3 - 5
Exploration and Software Licences	3 - 5

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets require the use of estimates and assumptions and are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense attributable to an intangible asset is recognized in the consolidated statements of earnings (loss) in the applicable expense category to which the intangible asset relates.

The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## **(o) Assets and liabilities held for sale and discontinued operations**

Non-current assets or assets in a disposal group that are expected to be recovered primarily through sale rather than through continuing use are classified as assets held for sale. For this to be the case, the asset or a disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups and its sale must be highly probable.

A disposal group is a group of assets which the Company intends to dispose of in a single transaction. These assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment charges on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in net earnings (loss) from discontinued operations. The reversal of any previously recognized impairment charge cannot exceed the carrying amount that would have been determined had no impairment charge been recognized for the asset held for sale.

Assets and liabilities in a disposal group are classified as held for sale and are presented separately in the consolidated statements of financial position.

The measurement of assets held for sale requires the use of estimates and assumptions related to the carrying value and its recoverability through sale. Actual sale proceeds may differ materially from the carrying value.

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and represents a separate line of business or geographical area of operations. The operating results and cash flows of discontinued operations are presented separately in the consolidated statements of earnings (loss) and cash flows.

## **(p) Impairment of non-financial assets**

At each reporting date, the carrying values of mine properties, intangible assets and property, plant and equipment are assessed for impairment if indicators of potential impairment exist. If any indication of potential impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal ("FVLCD") and its value in use based on discounted cash flows. This is determined on an asset-by-asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. If this is the case, individual assets are grouped together into a Cash Generating Unit ("CGU") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or groups of assets. Management has assessed the Company's CGUs as being an individual operating site.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount with the corresponding impairment being charged to earnings (loss) in the period of impairment. Impairment charge is recognized in the consolidated statements of earnings (loss) in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any change in events or circumstances relating to a previously recognized impairment. If a change has occurred, the Company makes an estimate of the recoverable amount for the previously impaired asset or CGU. A previously recognized impairment charge is reversed only if there has been a change in the estimates used to determine the asset or CGU's recoverable amount since the last impairment charge was recognized. If this is the case, the carrying amount of the asset or CGU is increased to its newly determined recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment charge been recognized for the asset or CGU in prior years.

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The assessment of impairment is based on a number of external and internal factors, some of which are outside of the Company's control, and requires the use of estimates and assumptions related to these factors for each CGU. External factors include market considerations ranging from overall economic activity and the supply of and demand for the materials used in and products produced by the Company to changes in commodity prices, toll rates, discount rates, foreign exchange rates and regulatory requirements. Internal factors include considerations such as production volume, ability to convert resources into reserves, capital and operating expenditures, and future development and expansion plans.

These significant estimates and assumptions, some of which may be subjective, require that management make decisions based on the best available information at each reporting period. It is possible that the actual recoverable amount could be significantly different than those estimates. A significant decline in the asset's market value, reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable reserves, resources and exploration potential, and/or adverse market conditions can result in a write-down of the carrying amounts of the Company's assets. Judgment is also required when considering whether significant changes in any of these items indicate a previous impairment may have reversed.

## **(q) Provisions and contingencies**

### **General**

Provisions are recognized when: a) the Company has a present obligation (legal or constructive) as a result of a past event; and b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when it is virtually certain that reimbursement will be received if the Company settles the obligation. The reimbursement shall be treated as a separate asset. If the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision as a result of the passage of time is recognized in finance cost in the consolidated statements of earnings (loss).

A contingent liability is not recognized in the case where no reliable estimate can be made; however, disclosure is required unless the possibility of an outflow of resources embodying economic benefits is remote. By its nature, a contingent liability will only be resolved when one or more future events occur or fail to occur. The assessment of a contingent liability inherently involves the exercise of significant judgment and estimates of the outcome of future events.

### **Rehabilitation provisions**

Mining, processing, development and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes a liability for its rehabilitation obligations in the period when a legal and/or constructive obligation is identified. The liability is measured at the present value of the estimated costs required to rehabilitate operating locations based on the risk free nominal discount rates that are specific to the countries in which the operations are located. A corresponding increase to the carrying amount of the related asset is recorded and depreciated in the same manner as the related asset.

The nature of these restoration and rehabilitation activities includes: i) dismantling and removing structures; ii) rehabilitating mines and tailing dams; iii) dismantling operating facilities; iv) closure of plant and waste sites; and v) restoration, reclamation and re-vegetation of affected areas. Other environmental costs incurred at the operating sites, such as environmental monitoring, water management and waste management costs, are charged to profit or loss when incurred.

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The liability is accreted over time to its expected future settlement value. The accretion expense is recognized in finance costs in the consolidated statements of earnings (loss).

The Company assesses its rehabilitation provisions at each reporting date. The rehabilitation liability and related assets are adjusted at each reporting date for changes in the discount rates and in the estimated amount, timing and cost of the work to be carried out. Any reduction in the rehabilitation liability and therefore any deduction in the related rehabilitation asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is immediately credited to profit or loss.

Significant estimates and assumptions are made by management in determining the nature and costs associated with the rehabilitation liability. The estimates and assumptions required include estimates of the timing, extent and costs of rehabilitation activities, technology changes, regulatory changes, and changes in the discount and inflation rates. These uncertainties may result in future expenditures being different from the amounts currently provided.

## **(r) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement on the inception date.

As a lessee, the Company recognizes a lease obligation and a right-of-use asset in the consolidated statements of financial position on a present-value basis at the date when the leased asset is available for use. Each lease payment is apportioned between a finance charge and a reduction of the lease obligation. Finance charges are recognized in finance costs in the consolidated statements of earnings (loss). The right-of-use asset is included in property, plant and equipment and is depreciated over the shorter of its estimated useful life and the lease term on a straight-line basis.

Lease obligations are initially measured at the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, or if this rate cannot be determined, the Company's incremental borrowing rate.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of the lease obligation;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- rehabilitation costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statements of earnings (loss). Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise primarily small equipment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

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## (s) Share capital

Common shares issued by DPM are classified as equity. Costs directly attributable to the issuance of new shares are recognized in equity as a deduction from the share proceeds. Costs to repurchase and cancel the Company's shares are recognized as a reduction in share capital to the extent of its book value. The excess of the purchase price over the book value is recognized as a reduction in contributed surplus to the extent of available surplus and any further excess is recognized as a reduction in retained earnings in the consolidated statements of changes in shareholders' equity.

## (t) Revenue recognition

Revenue from the sale of concentrate containing gold, copper and silver is recognized when control has been transferred, which is considered to occur when products have been delivered and the significant risks of loss have been transferred to the buyer. Revenue is measured based on the consideration specified in the contract.

Revenue from the sale of concentrate is initially recorded based on a provisional value which is a function of prevailing market prices, estimated weights and grades less smelter and other commercial deductions. Under the terms of the concentrate sales contracts, the final metal price for the payable metal is based on a predetermined quotational period of London Metal Exchange and London Bullion Market daily prices. The price of the concentrate is the sum of the metal payments less the sum of specified deductions, including treatment and refining charges, penalties for deleterious elements, and freight. The terms of these contracts result in embedded derivatives because of the timing difference between the prevailing metal prices for provisional payments and the actual contractual metal prices used for final settlement. These embedded derivatives are adjusted to fair value at the end of each reporting period through to the date of final price determination with any adjustments recognized in revenue.

Any adjustments to the amount receivable for each shipment on the settlement date, caused by final assay results, are adjusted through revenue at the time of determination.

Revenue from processing concentrate related to discontinued operations is recognized when the concentrate has been smelted and is based on the toll rate specified in the toll agreement, which can vary based on the composition of the concentrate processed and prevailing market conditions at the time the agreement was entered. Under each toll agreement, Tsumeb incurs a carrying charge in respect of the concentrate it processes until blister copper is delivered. This carrying charge is recorded as a reduction of revenue. Revenue from processing concentrate is also adjusted for any over or under recoveries of metals delivered relative to contracted rates under the tolling agreement between Tsumeb and IXM S.A. ("IXM").

Revenue from the sale of sulphuric acid, a by-product from processing concentrate at the Tsumeb smelter, is measured at the price specified in the sales contract and is recognized when the control has been transferred.

## (u) Borrowing costs

Borrowing costs directly related to the acquisition and the construction of a qualifying capital asset are capitalized and added to the cost of the asset until such time as the asset is considered substantially ready for its intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using the weighted average cost applicable to relevant general borrowings of the Company during the period. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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## (v) Share-based compensation transactions

### Equity-settled transactions

Stock options are granted to directors and selected employees to buy common shares of the Company. Stock options vest equally over a three-year period and expire five years from the date of grant. Grants of stock options are based on the five-day volume weighted average price ("Market Price") of DPM's common shares on the TSX the day before the effective grant date and reflect the Company's estimate of the number of awards that will ultimately vest. Stock options are measured on the date of grant by reference to the fair value determined using a Black-Scholes valuation model, further details of which are given in *note 17*. The value is recognized as a general and administrative expense in the consolidated statements of earnings (loss) and an increase to contributed surplus in the consolidated statements of changes in shareholders' equity over the period in which the performance and/or service conditions are fulfilled.

The dilutive effect of outstanding stock options is reflected as additional share dilution in the computation of diluted earnings per share.

### Cash-settled transactions

A Deferred Share Unit ("DSU") Plan was established for directors in lieu of cash compensation. The DSUs are paid in cash following separation of a director from the Company based on the closing price of DPM's common shares on the applicable redemption date as elected by the director. The cost of the DSUs is measured initially at fair value based on the closing price of DPM's common shares preceding the day the DSUs are granted. The cost of the DSUs is recognized as a liability under share-based compensation liabilities in the consolidated statements of financial position and as a general and administrative expense in the consolidated statements of earnings (loss). The liability is remeasured to fair value based on the Market Price of DPM's common shares at each reporting date up to and including the settlement date, with changes in fair value recognized in general and administrative expenses in the consolidated statements of earnings (loss).

A Share Unit ("SU") Plan was established for directors, certain employees and eligible contractors ("Participant") of DPM and its wholly-owned subsidiaries in consideration of past services to the Company.

Under this plan, the Board of Directors may, at its sole discretion, (i) grant non-performance based SUs, referred to as restricted share units ("RSUs") and SUs with a performance-based component, referred to as performance share units ("PSUs"), subject to performance conditions to be achieved by the Company; and (ii) determine the entitlement date or dates of such RSUs and PSUs. Non-performance based RSUs vest equally over a three-year period and are paid in cash based on the Market Price of DPM's publicly traded common shares on the entitlement date or dates. PSUs vest after three years from the grant date and are paid in cash based on the Market Price of DPM's common shares, subject to performance criteria established by the Board of Directors on the entitlement date or dates.

The cost of the RSUs and PSUs is measured initially at fair value on the grant date based on the Market Price of DPM's common shares preceding the effective grant date. The cost of RSUs and PSUs is recognized as a liability under share-based compensation liabilities, with the current portion recognized in accounts payable and accrued liabilities, in the consolidated statements of financial position and as an expense in the consolidated statements of earnings (loss) over the vesting period. The liability is remeasured to fair value based on the Market Price of DPM's common shares and, in the case of PSUs, subject to performance criteria, at each reporting date up to and including the settlement date, with changes in fair value recognized in the consolidated statements of earnings (loss).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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## (w) Income taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable loss or income for the period. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the end of the reporting period.

Current income tax assets and current income tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

### Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be generated in future periods to utilize these deductible temporary differences.

The following temporary differences do not result in deferred income tax assets or liabilities:

- The initial recognition of assets or liabilities, not arising from a business combination, that does not affect accounting or taxable profit;
- Initial recognition of goodwill, if any; and
- Investments in subsidiaries, associates and jointly controlled entities where the timing of the reversal of temporary differences can be controlled and reversal in the foreseeable future is not probable.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be generated to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will be generated to allow the deferred income tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current and deferred income taxes related to items recognized directly in equity are recognized in equity and not in profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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Judgment is required in determining whether deferred income tax assets are recognized in the consolidated statements of financial position. Deferred income tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in order to utilize the deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows from operations or other activities and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded on the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could impact tax deductions in future periods and the value of its deferred income tax assets and liabilities.

## (x) Earnings per share

Basic earnings per share is computed by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted earnings per share reflects the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. The number of additional shares for inclusion in diluted earnings per share is determined using the treasury stock method, whereby stock options and warrants, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised at the beginning of the period with proceeds based on the average market price for the period. The incremental number of common shares issued under stock options and warrants is included in the calculation of diluted earnings per share.

## 2.3 NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

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### **IFRS 18, *Presentation and Disclosure in Financial Statements***

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, in response to investors' concerns about comparability and transparency of entities' performance reporting. IFRS 18 introduces a defined structure for the statement of profit or loss to increase comparability of similar entities, especially related to how operating profit or loss is defined. IFRS 18 will replace IAS 1, *Presentation of Financial Statements*, while retaining many of the principles from IAS 1 with limited changes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

### **Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures***

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, providing clarifications for, among other things, the date of recognition and derecognition of financial assets and liabilities, and updating the disclosures for equity instruments designated at FVOCI.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026. The Company does not expect these amendments to have a material impact on its consolidated financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## 3. TSUMEB DISPOSITION AND DISCONTINUED OPERATIONS

On March 7, 2024, DPM entered into a share purchase agreement (“SPA”) with a subsidiary of Sinomine Resource Group Co. Ltd. (“Sinomine”) for the sale of its 98% interest in the Tsumeb smelter for cash consideration of \$49.0 million, on a debt-free and cash-free basis, subject to normal working capital adjustments following closing (the “Tsumeb Disposition”). In July 2024, IXM elected to terminate the existing tolling agreement it had with Tsumeb (the “IXM Tolling Agreement”) as a result of Tsumeb's pending change of control. Consequently, DPM and Sinomine agreed to certain amendments to its previously announced SPA, mainly including: i) DPM agreed to step into IXM's position for a period ending four months following closing of the sale (the “Financing Period”) to purchase new-metal bearing materials and sell the copper blister produced by Tsumeb, and at the end of the Financing Period, Sinomine is contractually obligated to pay DPM for all DPM owned inventories (the “DPM Tolling Agreement”); and ii) a reduction in the cash consideration for the sale of the Tsumeb smelter to Sinomine from \$49.0 million to \$20.0 million. The Tsumeb Disposition was closed on August 30, 2024 and the DPM Tolling Agreement was concluded on December 31, 2024.

### (a) Tsumeb Disposition

#### Net consideration:

Total purchase price	20,000
Estimated closing cash, indebtedness, and working capital adjustments	(4,114)
<b>Net cash consideration received<sup>(i)</sup></b>	<b>15,886</b>
Post-closing working capital adjustment <sup>(ii)</sup>	972
Less: Tsumeb Disposition related costs	(5,428)
<b>Net consideration</b>	<b>11,430</b>
<b>Net assets disposed of:</b>	
Cash	5,876
Inventories	10,206
Accounts receivable	6,313
Restricted cash	1,243
Mine properties	945
Property, plant & equipment	27,681
Intangible assets	439
Other long-term assets	983
<b>Total assets disposed of</b>	<b>53,686</b>
Accounts payable and accrued liabilities	9,005
Current portion of long-term liabilities	3,182
Rehabilitation provisions	22,609
<b>Total liabilities disposed of</b>	<b>34,796</b>
<b>Net assets disposed of</b>	<b>18,890</b>
<b>Loss on Tsumeb Disposition included in net loss from discontinued operations</b>	<b>(7,460)</b>

- (i) Net cash consideration received included \$5.0 million held in escrow at closing to secure against certain indemnity obligations under the SPA for a period up to six months. As at December 31, 2024, this \$5.0 million held in escrow was recognized as restricted cash included in other current assets in the consolidated statements of financial position.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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- (ii) Working capital adjustment was finalized in December 2024, resulting in a favourable final adjustment of \$1.0 million to the Company which was recognized as a reduction in the loss on Tsumeb Disposition included in net loss from discontinued operations for the year ended December 31, 2024.

### (b) Discontinued Operations

As a result of the Company's decision to dispose its interest in Tsumeb, the assets and liabilities of Tsumeb have been presented as held for sale in the consolidated statements of financial position as at December 31, 2023, and the operating results and cash flows of Tsumeb have been presented as discontinued operations in the consolidated statements of earnings (loss) and cash flows for the years ended December 31, 2024 and 2023.

The following table summarizes the assets and liabilities of Tsumeb which have been aggregated and presented as held for sale as at December 31, 2023:

Cash	1,824
Inventories	10,790
Accounts receivable	36,889
Other current assets	819
Restricted cash	1,209
Mine properties	945
Property, plant, & equipment	28,507
Intangible assets	1,258
Other long-term assets	576
<b>Total assets held for sale</b>	<b>82,817</b>
Accounts payable and accrued liabilities	11,125
Current portion of long-term liabilities	3,977
Rehabilitation provisions	21,578
Share-based compensation liabilities	532
Other long-term liabilities	162
<b>Total liabilities held for sale</b>	<b>37,374</b>

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The following table summarizes the operating results of Tsumeb which have been aggregated and presented as discontinued operations for the years ended December 31, 2024 and 2023:

	2024	2023
<b>Revenue<sup>(i)</sup></b>	<b>207,789</b>	114,309
<b>Costs and expenses</b>		
Cost of sales <sup>(i)</sup>	204,676	99,047
Finance cost	2,062	3,089
Other expense <sup>(i)</sup>	951	1,210
	<b>207,689</b>	103,346
<b>Earnings before income taxes from discontinued operations</b>	<b>100</b>	10,963
Income taxes	-	-
<b>Net earnings from discontinued operations before loss on Tsumeb Disposition</b>	<b>100</b>	10,963
<b>Loss on Tsumeb Disposition</b>	<b>(7,460)</b>	-
<b>Net earnings (loss) from discontinued operations</b>	<b>(7,360)</b>	10,963

(i) Revenue, cost of sales and other expense for the year ended December 31, 2024 also included the profit and loss related to the DPM tolling arrangement (note 3(c)).

### (c) DPM Tolling Arrangement

Pursuant to the IXM Tolling Agreement, the cash value of all unprocessed concentrates and contractual secondary materials owed by Tsumeb to IXM became due and payable as a result of the termination of the agreement. On August 29, 2024, Tsumeb settled the estimated cash value with IXM and simultaneously, DPM purchased this inventory from Tsumeb for a total cost of \$61.9 million paid in cash. In addition, Tsumeb transferred to DPM the metal units under the estimated metal recoverable as at August 29, 2024 for a non-cash value of \$16.7 million, for which DPM recovered the cash value through the buyback of the inventory by Sinomine on December 31, 2024.

On August 29, 2024, DPM also entered into the DPM Tolling Agreement with Tsumeb on substantially the same commercial terms as the IXM Tolling Agreement for the Financing Period. Pursuant to the DPM Tolling Agreement, DPM purchased an additional \$233.2 million of concentrates inventory and sold blister produced by the smelter to IXM for a total revenue of \$135.8 million. DPM also charged interest on the value of associated stockpiles of \$3.4 million with an average interest rate of 7.59% during the Financing Period.

On December 31, 2024, the DPM Tolling Agreement was concluded and as a result, Sinomine bought back all inventories, including unprocessed concentrates and contractual secondary materials owed by the smelter to DPM. The Company recognized an accounts receivable of \$168.0 million for the inventory buyback in the consolidated statements of financial position as at December 31, 2024, of which \$161.9 million was received in cash on January 2, 2025. Of the total accounts receivable, \$17.3 million was related to provisionally priced inventories, which will be subject to customary post-closing adjustments.

Given that the DPM tolling arrangement was part of the amendments to the SPA and was considered a mandatory condition to the sale of the smelter, all profit and loss, as well as cash flows, related to the DPM Tolling Agreement were presented as part of the discontinued operations.

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For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The following table summarizes the assets and liabilities pursuant to the DPM Tolling Agreement included in the respective line of items in the consolidated statements of financial position as at December 31, 2024:

Cash	(156,175)
Accounts receivable <sup>(i)</sup>	176,952
<b>Total Assets</b>	<b>20,777</b>

(i) Included primarily a \$168.0 million receivable related to the inventory buyback by Sinomine and a \$8.7 million related to the sale of blister to IXM, of which \$161.9 million was received in cash from Sinomine and \$8.7 million was received in cash from IXM in January 2025.

The following table summarizes the profit and loss related to the DPM Tolling Agreement which has been aggregated and presented as part of the discontinued operations for the year ended December 31, 2024:

Revenue	135,764
Cost of sales	(135,644)
Other income	3,415
<b>Earnings related to DPM Tolling Agreement</b>	<b>3,535</b>

The following table summarizes the change in working capital related to the DPM Tolling Agreement which has been included in cash used in operating activities of discontinued operations for the year ended December 31, 2024:

Increase in accounts receivable and other assets	(160,252)
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#### 4. TERMINATION OF AGREEMENT TO ACQUIRE OSINO RESOURCES CORP. ("OSINO")

On December 18, 2023, the Company announced that it had entered into an arrangement agreement (the "Arrangement Agreement") whereby DPM would acquire all of the issued and outstanding shares of Osino (the "Osino Shares") for consideration consisting of Cdn\$0.775 in cash per Osino Share and 0.0801 of a DPM common share per Osino Share, with an implied value of Cdn\$1.55 per Osino Share.

Concurrently with the Arrangement Agreement, DPM had agreed to purchase an aggregate of Cdn\$10.0 million Osino Shares, in two equal tranches at a price of Cdn\$1.13 per share pursuant to a private placement. The first tranche of the private placement was completed on December 22, 2023, whereby DPM acquired 4,424,779 Osino Shares at a cost of \$3.8 million (Cdn\$5.0 million), and the second and final tranche was completed on January 30, 2024, whereby DPM acquired an additional 4,424,778 Osino Shares at a cost of \$3.7 million (Cdn\$5.0 million).

On February 19, 2024, Osino announced that it had received a binding proposal from a foreign-based mining company (the "Offeror") to acquire all of the Osino Shares for a purchase price of Cdn\$1.90 per Osino Share payable in cash (the "New Proposal"). The New Proposal was determined by the Board of Directors of Osino to constitute a "Superior Proposal" as defined in the Arrangement Agreement. On February 20, 2024, DPM announced that it would not propose to amend the terms of the Arrangement Agreement as previously announced in response to the New Proposal. On February 26, 2024, Osino announced that it had entered into a new binding agreement with the Offeror in respect of the New Proposal and terminated the Arrangement Agreement with DPM.

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In connection with the termination of the Arrangement Agreement, DPM received a net termination fee of \$6.9 million in cash, which was recognized as other income in the consolidated statements of earnings (loss) for the year ended December 31, 2024.

On August 29, 2024, the Offeror acquired Osino. As a result, DPM disposed of all Osino Shares held for cash proceeds of \$17.8 million and transferred the accumulated fair value gain of \$4.0 million on the derecognition of investment in Osino from accumulated other comprehensive income (loss) to retained earnings during the year ended December 31, 2024.

### 5. ACCOUNTS RECEIVABLE

	December 31, 2024	December 31, 2023
Accounts receivable	131,668	91,303
Accounts receivable under the DPM Tolling Agreement ( <i>note 3(c)</i> )	176,952	-
Income tax recoverable ( <i>note 21</i> )	5,761	-
Supplier advances and other prepaids	4,306	4,607
Value added tax receivable	7,038	3,320
	<b>325,725</b>	99,230

### 6. INVENTORIES

	December 31, 2024	December 31, 2023
Ore and concentrate	12,002	14,054
Spare parts, supplies and other	20,943	24,437
	<b>32,945</b>	38,491

For the year ended December 31, 2024, the cost of inventories recognized as an expense and included in cost of sales from continuing operations was \$215.3 million (2023 – \$205.8 million), including a provision for slow moving inventories of \$0.2 million (2023 – \$0.4 million).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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### 7. FINANCIAL INSTRUMENTS

Set out below is a comparison, by category, of the carrying amounts of the Company's financial instruments that are recognized in the consolidated statements of financial position:

	Financial instrument classification	Carrying Amount	
		December 31, 2024	December 31, 2023
<b>Financial assets</b>			
Cash and cash equivalents	Amortized cost	634,830	595,285
Accounts receivable on provisionally priced sales	Fair value through profit or loss	104,355	75,602
Accounts receivable on provisionally priced inventories (note 3(c))	Fair value through profit or loss	17,292	-
Other accounts receivable	Amortized cost	204,078	23,628
Restricted cash	Amortized cost	5,602	602
Derivatives	Fair value through profit or loss	28	1,048
	Fair value through other comprehensive income	2,731	10,852
Publicly traded securities (a)			
Commodity swap contracts (b)	Derivatives for fair value hedges	1,221	-
Foreign exchange option contracts (c)	Derivatives for cash flow hedges	-	819
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	Amortized cost	70,041	77,460
Commodity swap contracts (b)	Derivatives for fair value hedges	237	1,179

The carrying values of all the financial assets and liabilities measured at amortized cost approximate their fair values as at December 31, 2024 and 2023.

#### (a) Publicly traded securities

Publicly traded securities include a portfolio of equity investments in publicly traded mining and exploration companies.

For the year ended December 31, 2024, the Company recognized unrealized gains on these publicly traded securities of \$5.0 million (2023 – \$21.9 million) in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

In August 2024, DPM disposed of all Osino Shares held (note 4). On April 19, 2023, B2Gold Corp. ("B2Gold") acquired Sabina Gold and Silver Corp. ("Sabina"). As a result, DPM exchanged its ownership interest in Sabina for 13,940,753 common shares of B2Gold. The Company subsequently disposed of all B2Gold common shares held for cash proceeds of \$56.5 million and transferred the accumulated fair value gains of \$17.7 million on the derecognition of Sabina common shares from accumulated other comprehensive income (loss) to retained earnings during the year ended December 31, 2023.

#### (b) Commodity swap contracts

The Company enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average metal prices for fixed metal prices to eliminate or substantially reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales ("QP Hedges").

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As at December 31, 2024, the Company's outstanding QP Hedges, all of which mature within one month from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	25,386 ounces	2,633/ounce
Payable copper	5,286,679 pounds	4.10/pound

The Company designates the spot component of commodity swap contracts in respect of QP Hedges as fair value hedges.

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding London Metal Exchange forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at December 31, 2024, the net fair value gain on all outstanding QP Hedges was \$1.0 million (December 31, 2023 – net fair value loss of \$1.2 million), of which \$1.2 million (December 31, 2023 – \$nil) was included in other current assets and \$0.2 million (December 31, 2023 – \$1.2 million) was included in accounts payable and accrued liabilities.

For the year ended December 31, 2024, the Company recognized, in revenue, net losses of \$8.1 million (2023 – \$10.0 million) on QP Hedges.

## (c) Foreign exchange option contracts related to discontinued operations

The Company enters into foreign exchange option contracts from time to time to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies. Foreign exchange option contracts are entered into to provide price protection below a specified "floor" rate and participation up to a specified "ceiling" rate. The option contracts entered into are comprised of a series of call options and put options (which when combined create a price "collar") that are structured so as to provide for a zero upfront cash cost.

The Company designates the intrinsic value of foreign exchange option contracts as cash flow hedges. The time value component of foreign exchange option contracts is treated as a separate cost of hedging.

The fair value gain or loss on these outstanding contracts was calculated based on foreign exchange forward rates quoted in the market. As at December 31, 2024, the Company had no outstanding foreign exchange option contracts. As at December 31, 2023, the net fair value gain on all outstanding foreign exchange option contracts was \$0.8 million, which was included in assets held for sale.

## Effects of hedge accounting

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged items (the Company's accounts receivable on provisionally priced sales, projected payable metal production, and projected operating expenses and capital expenditures denominated in foreign currencies) and the hedging instruments (commodity swap contracts and foreign exchange forward and option contracts). The hedges are effective when the critical terms of the hedging instrument match with the critical terms of the hedged item.

Hedge ineffectiveness can arise from:

- Differences in the timing and/or amount of the cash flows of the hedged item and the hedging instrument; and
- Fair value movements related to counterparty credit risk, which impact the hedging instrument and the hedged item differently.

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The Company's hedging relationships are such that the ratio between the underlying hedged item and the hedging instrument is 1:1. To measure for potential hedge ineffectiveness, the Company compares change in the fair value of the hedging instrument to change in the fair value of the underlying hedged item.

Set out below is a summary of effects of hedge accounting on the Company's consolidated statements of financial position by risk category for its fair value hedges:

	2024	2023
<b>Commodity swap contracts designated as fair value hedges (a)</b>		
Carrying amount		
Assets included in other current assets	1,221	-
Liabilities included in accounts payable and accrued liabilities	(237)	(1,179)
	<u>984</u>	<u>(1,179)</u>
Notional amount	88,528	68,347
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	916	(1,193)
Hedged items	(986)	1,181

(a) As at December 31, 2024, the carrying value of the hedged item, comprised of accounts receivable on provisionally priced sales, was \$104.4 million (December 31, 2023 – \$75.6 million).

See note 25(c) for the effects of hedge accounting on the consolidated statements of earnings (loss) and the consolidated statements of comprehensive income (loss).

### Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: based on inputs which have a significant effect on fair value that are observable, either directly or indirectly from market data; and
- Level 3: based on inputs which have a significant effect on fair value that are not observable from market data.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2024 and 2023:

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Accounts receivable on provisionally priced sales	-	104,355	-	104,355
Accounts receivable on provisionally priced inventories (note 3(c))	-	17,292	-	17,292
Derivatives	-	-	28	28
Publicly traded securities	2,731	-	-	2,731
Commodity swap contracts	-	1,221	-	1,221
<b>Financial liabilities</b>				
Commodity swap contracts	-	237	-	237

	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Accounts receivable on provisionally priced sales	-	75,602	-	75,602
Derivatives	-	-	1,048	1,048
Publicly traded securities	10,852	-	-	10,852
Foreign exchange option contracts	-	819	-	819
<b>Financial liabilities</b>				
Commodity swap contracts	-	1,179	-	1,179

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

## 8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2024	December 31, 2023
Balance at beginning of year	147,431	126,231
Additions	9,935	20,502
Capitalized depreciation	597	698
<b>Balance at end of year</b>	<b>157,963</b>	<b>147,431</b>

Additions to the exploration and evaluation assets for the year ended December 31, 2024 included \$9.9 million (2023 – \$20.0 million) related to the Loma Larga gold project in Ecuador.

Exploration and evaluation expenditures charged directly to net earnings from continuing operations amounted to \$63.0 million (2023 – \$46.6 million), including evaluation expenditures on the Čoka Rakita project in Serbia of \$23.0 million (2023 – \$6.4 million) for the year ended December 31, 2024.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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## 9. MINE PROPERTIES

	December 31, 2024	December 31, 2023
<b>Cost:</b>		
Balance at beginning of year	343,652	336,959
Additions	9,821	6,569
Capitalized depreciation	832	565
Change in rehabilitation provisions (note 14)	(905)	503
Disposals	(179)	-
Reclassified as assets held for sale (note 3)	-	(944)
<b>Balance at end of year</b>	<b>353,221</b>	<b>343,652</b>
<b>Accumulated depletion:</b>		
Balance at beginning of year	254,149	223,439
Depletion	31,437	30,710
Disposals	(179)	-
<b>Balance at end of year</b>	<b>285,407</b>	<b>254,149</b>
<b>Net book value:</b>		
At beginning of year	89,503	113,520
<b>At end of year</b>	<b>67,814</b>	<b>89,503</b>

The costs comprising mine properties related to producing mines. Cost of sales included depletion expense from continuing operations of \$32.3 million (2023 – \$30.7 million) for the year ended December 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

### 10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Construction and Work-in- Progress	Total
<b>Cost:</b>				
Balance as at January 1, 2023	72,304	504,940	21,443	598,687
Additions	1,858	2,528	39,071	43,457
Capitalized depreciation	-	-	501	501
Disposals	(159)	(9,524)	-	(9,683)
Change in rehabilitation provisions (note 14)	(806)	(2,147)	-	(2,953)
Transfers	10	42,927	(42,937)	-
Reclassified as assets held for sale (note 3)	(801)	(47,554)	(8,398)	(56,753)
<b>Balance as at December 31, 2023</b>	<b>72,406</b>	<b>491,170</b>	<b>9,680</b>	<b>573,256</b>
Additions	<b>618</b>	<b>188</b>	<b>25,544</b>	<b>26,350</b>
Capitalized depreciation	-	-	173	173
Disposals	<b>(850)</b>	<b>(2,250)</b>	-	<b>(3,100)</b>
Change in rehabilitation provisions (note 14)	<b>(861)</b>	<b>(1,270)</b>	-	<b>(2,131)</b>
Transfers	<b>2,721</b>	<b>20,684</b>	<b>(23,405)</b>	-
<b>Balance as at December 31, 2024</b>	<b>74,034</b>	<b>508,522</b>	<b>11,992</b>	<b>594,548</b>
<b>Accumulated depreciation:</b>				
Balance as at January 1, 2023	37,881	323,703	-	361,584
Depreciation expense	7,305	48,092	-	55,397
Capitalized depreciation	636	1,124	-	1,760
Depreciation relating to disposals	(68)	(9,346)	-	(9,414)
Reclassified as assets held for sale (note 3)	(199)	(28,047)	-	(28,246)
<b>Balance as at December 31, 2023</b>	<b>45,555</b>	<b>335,526</b>	<b>-</b>	<b>381,081</b>
Depreciation expense	<b>5,884</b>	<b>47,142</b>	-	<b>53,026</b>
Capitalized depreciation	<b>291</b>	<b>1,311</b>	-	<b>1,602</b>
Depreciation relating to disposals	<b>(655)</b>	<b>(2,070)</b>	-	<b>(2,725)</b>
<b>Balance as at December 31, 2024</b>	<b>51,075</b>	<b>381,909</b>	<b>-</b>	<b>432,984</b>
<b>Net book value:</b>				
As at December 31, 2023	26,851	155,644	9,680	192,175
<b>As at December 31, 2024</b>	<b>22,959</b>	<b>126,613</b>	<b>11,992</b>	<b>161,564</b>

Of the total depreciation expense from continuing operations, \$52.1 million (2023 – \$49.7 million) was charged to cost of sales, \$0.7 million (2023 – \$0.7 million) was charged to general and administrative expenses, and \$0.4 million (2023 – \$0.4 million) was charged to exploration and evaluation expenses for the year ended December 31, 2024.

See note 16 for the carrying value of right-of-use assets under leases recognized in property, plant and equipment as at December 31, 2024 and 2023 and other lease related information for the years ended December 31, 2024 and 2023.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

## 11. INTANGIBLE ASSETS

	December 31, 2024	December 31, 2023
<b>Cost:</b>		
Balance at beginning of year	31,668	36,036
Additions	5,266	3,991
Disposals	(121)	-
Reclassified as assets held for sale (note 3)	-	(8,359)
<b>Balance at end of year</b>	<b>36,813</b>	<b>31,668</b>
<b>Accumulated amortization and impairment:</b>		
Balance at beginning of year	16,819	20,535
Amortization	3,736	3,385
Disposals	(37)	-
Reclassified as assets held for sale (note 3)	-	(7,101)
<b>Balance at end of year</b>	<b>20,518</b>	<b>16,819</b>
<b>Net book value:</b>		
At beginning of year	14,849	15,501
<b>At end of year</b>	<b>16,295</b>	<b>14,849</b>

Of the total intangible asset amortization expense from continuing operations, \$2.2 million (2023 – \$1.6 million) was charged to cost of sales, \$1.4 million (2023 – \$1.2 million) was charged to general and administrative expenses, and \$0.1 million (2023 – \$0.1 million) was charged to exploration and evaluation expenses for the year ended December 31, 2024.

## 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	December 31, 2023
Accounts payable	8,261	12,340
Accrued liabilities	42,549	47,350
Value added tax payable	5,692	3,902
Commodity swap contracts (note 7(b))	237	1,179
Share-based compensation liabilities - current portion (note 17)	6,470	6,589
Dividend payable (note 25(a))	7,069	7,279
	<b>70,278</b>	<b>78,639</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

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## 13. DEBT

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### (a) DPM Revolving Credit Facility

DPM has a committed revolving credit facility (the “RCF”) with a consortium of four banks that matures in July 2026, and is secured by pledges of DPM’s investments in Ada Tepe, Chelopech and the Loma Larga gold project and by guarantees from each of the subsidiaries that hold these assets. Initially, DPM is permitted to borrow up to an aggregate principal amount of \$150.0 million, which can be increased pursuant to an accordion feature that permits, subject to certain conditions, the facility to be increased to \$250.0 million. The cost of borrowing is based on the Secured Overnight Financing Rate (“SOFR”), plus a spread, which is currently 2.25%, and can range between 2.25% and 3.50% depending upon DPM’s leverage. The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, and (ii) a minimum net worth equal to \$600 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, as defined under the RCF.

As at December 31, 2024 and 2023, DPM was in compliance with all financial covenants and \$nil was drawn under the RCF.

### (b) Other credit agreements and guarantees

Chelopech and Ada Tepe have a \$21.0 million multi-purpose credit facility that matures on November 30, 2025 and is guaranteed by DPM. As at December 31, 2024, \$15.8 million (December 31, 2023 – \$18.6 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of concession contracts with the Bulgarian Ministry of Energy.

Chelopech and Ada Tepe also have a Euro 21.0 million (\$21.8 million) credit facility to support mine closure and rehabilitation obligations in respect of concession contracts with the Bulgarian Ministry of Energy. This credit facility matures on November 30, 2025 and is guaranteed by DPM. As at December 31, 2024, \$21.8 million (December 31, 2023 – \$23.2 million) had been utilized in the form of letters of guarantee.

Ada Tepe also has a \$10.3 million multi-purpose credit facility that matures on November 30, 2025 and is guaranteed by DPM. As at December 31, 2024, \$5.0 million (December 31, 2023 – \$1.6 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of exploration contracts with the Bulgarian Ministry of Energy.

Advances under these facilities bear interest at a rate equal to the one month SOFR plus 2.5%. The letters of credit and guarantee bear a fee of 0.6% based on the amounts issued.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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### 14. REHABILITATION PROVISIONS

The rehabilitation provisions represent the present value of rehabilitation costs relating to the Chelopech and Ada Tepe sites, which are expected to be incurred between 2025 and 2044.

Key assumptions used in determining the rehabilitation provisions were as follows:

	December 31, 2024	December 31, 2023
<b>Discount period</b>		
Chelopech	2025 - 2044	2024 - 2043
Ada Tepe	2025 - 2036	2024 - 2038
<b>Local discount rate</b>		
Chelopech/Ada Tepe	4.0 %	3.9 %
<b>Local long-term inflation rate</b>		
Chelopech/Ada Tepe	1.8 %	1.9 %

Changes to rehabilitation provisions were as follows:

	Chelopech	Ada Tepe	Tsumeb	Total
Balance as at January 1, 2023	19,612	7,861	23,477	50,950
Change in cost estimate (a)	(1,535)	1,545	-	10
Remeasurement of provisions (b)	224	(748)	(2,079)	(2,603)
Expenditures incurred	(675)	(70)	(1,055)	(1,800)
Accretion expense (note 19)	825	338	2,599	3,762
Reclassified as liabilities held for sale (note 3)	-	-	(22,942)	(22,942)
Balance as at December 31, 2023	18,451	8,926	-	27,377
Change in cost estimate (a)	(605)	(101)	-	(706)
Remeasurement of provisions (b)	(1,654)	(676)	-	(2,330)
Expenditures incurred	-	(357)	-	(357)
Accretion expense (note 19)	701	337	-	1,038
<b>Balance as at December 31, 2024</b>	<b>16,893</b>	<b>8,129</b>	<b>-</b>	<b>25,022</b>

(a) During the years ended December 31, 2024 and 2023, Chelopech and Ada Tepe updated their estimated rehabilitation costs based on the current activities, updated closure plans and existing closure obligations.

(b) Remeasurement of provisions resulted from changes in discount rates, inflation rates and foreign exchange rates at each site.

The current portion of rehabilitation provisions of \$1.7 million (December 31, 2023 – \$2.0 million) is presented as current portion of long-term liabilities in the consolidated statements of financial position (note 15).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

### 15. OTHER LONG-TERM LIABILITIES

	December 31, 2024	December 31, 2023
Leases ( <i>note 16</i> )	13,521	12,534
Pension obligations	3,056	3,010
Other liabilities	2,317	2,543
	18,894	18,087
Less: Current portion	(6,913)	(5,639)
	11,981	12,448

### 16. LEASES

The Company leases various property, equipment and vehicles with lease terms ranging between one to 15 years. Extension and termination options are included in a number of property and equipment leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts, the majority of which are exercisable jointly by both the Company and the respective lessor. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Some of the Company's leased assets are pledged as security for the related lease obligations.

Right-of-use assets recognized in property, plant and equipment (*note 10*) as at December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Buildings	6,007	5,977
Machinery and Equipment	7,025	1,661
	13,032	7,638

Additions to the right-of-use assets during the year ended December 31, 2024 were \$10.3 million (2023 – \$1.1 million).

Lease obligations related to right-of-use assets recognized in the current portion of long-term liabilities and other long-term liabilities (*note 15*) as at December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Current portion of long-term liabilities	4,596	3,096
Other long-term liabilities	8,925	9,438
	13,521	12,534

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

Expenses related to leases recognized in net earnings from continuing operations in the consolidated statements of earnings (loss) for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Depreciation charge of right-of-use assets		
Buildings	1,064	1,148
Machinery and Equipment	3,839	1,720
	<b>4,903</b>	<b>2,868</b>
Finance charges (note 19)	490	332
Expense relating to short-term leases	874	731
Expense relating to leases of low-value assets that are not short-term leases	63	46
Expense relating to variable lease payments not included in lease obligations	1,342	1,537

Total cash outflows for leases from continuing operations for the year ended December 31, 2024 were \$5.5 million (2023 – \$3.4 million).

### 17. SHARE-BASED COMPENSATION PLANS

#### SU plan

DPM has a SU Plan for directors, certain employees and eligible contractors of DPM and its wholly-owned subsidiaries in consideration of past services to the Company. The Board of Directors administers this plan and determines the grants.

#### (a) RSUs

These RSUs vest equally over a three-year period and are paid in cash based on the Market Price of DPM's publicly traded common shares on the entitlement date or dates, which should not be later than December 31 of the year that is three years after the year of service for which the RSUs are granted, as determined by the Board of Directors in its sole discretion.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The following is a summary of the RSUs granted for the years indicated:

	Number of RSUs	Amount
Balance as at January 1, 2023	1,515,160	4,443
RSUs granted	715,688	4,356
RSUs redeemed	(782,505)	(5,745)
RSUs forfeited	(46,440)	(69)
Mark-to-market adjustments		2,552
Reclassified to liabilities held for sale (note 3)	(317,643)	(1,345)
Balance as at December 31, 2023	1,084,260	4,192
RSUs granted	<b>688,375</b>	<b>4,184</b>
RSUs redeemed	<b>(534,439)</b>	<b>(4,018)</b>
RSUs forfeited	<b>(82,141)</b>	<b>(304)</b>
Mark-to-market adjustments		<b>2,201</b>
<b>Balance as at December 31, 2024</b>	<b>1,156,055</b>	<b>6,255</b>

The current portion of RSUs of \$4.2 million (December 31, 2023 – \$2.8 million) was included in accounts payable and accrued liabilities in the consolidated statements of financial position (note 12).

As at December 31, 2024, there was \$3.3 million (December 31, 2023 – \$3.0 million) of expenses relating to unvested RSUs remaining to be charged to net earnings in future periods relating to the RSU plan.

### (b) PSUs

Under the SU Plan, the Board of Directors may, at its sole discretion, (i) grant SUs with a performance-based component, referred to as PSUs, subject to performance conditions to be achieved by the Company, and (ii) determine the entitlement date or dates of such PSUs. These PSUs vest after three years and are paid in cash based on the Market Price of DPM's publicly traded common shares, subject to established performance criteria, on the entitlement date or dates, which shall not be later than December 31 of the year that is three years after the year of service for which the PSUs were granted, as determined by the Board of Directors in its sole discretion.

The following is a summary of the PSUs granted for the years indicated:

	Number of PSUs	Amount
Balance as at January 1, 2023	830,733	2,424
PSUs granted	312,371	1,478
PSUs redeemed	(352,410)	(3,002)
Mark-to-market adjustments		2,581
Reclassified to liabilities held for sale (note 3)	(25,681)	(103)
Balance as at December 31, 2023	765,013	3,378
PSUs granted	<b>370,235</b>	<b>2,065</b>
PSUs redeemed	<b>(227,161)</b>	<b>(2,544)</b>
Mark-to-market adjustments		<b>1,631</b>
<b>Balance as at December 31, 2024</b>	<b>908,087</b>	<b>4,530</b>

The current portion of PSUs of \$2.3 million (December 31, 2023 – \$2.0 million) was included in accounts payable and accrued liabilities in the consolidated statements of financial position (note 12).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

As at December 31, 2024, there was \$2.9 million (December 31, 2023 – \$2.4 million) of expenses remaining to be charged to net earnings from continuing operations in future periods relating to unvested PSUs.

### DSU plan

DPM has a DSU Plan for directors, whereby directors receive a portion of their annual compensation in the form of DSUs. The DSUs vest immediately at the time of the grant and are redeemable in cash equal to the closing price of DPM's common shares on the applicable redemption date as elected by the director.

The following is a continuity of the DSUs for the years indicated:

	Number of DSUs	Amount
Balance as at January 1, 2023	1,841,704	9,151
DSUs granted	187,520	1,241
DSUs redeemed	(674,503)	(4,831)
Mark-to-market adjustments		3,391
Balance as at December 31, 2023	1,354,721	8,952
DSUs granted	<b>150,642</b>	<b>1,262</b>
DSUs redeemed	<b>(266,342)</b>	<b>(2,086)</b>
Mark-to-market adjustments		<b>3,173</b>
<b>Balance as at December 31, 2024</b>	<b>1,239,021</b>	<b>11,301</b>

The current portion of DSUs of \$nil (December 31, 2023 – \$1.8 million) was included in accounts payable and accrued liabilities in the consolidated statements of financial position (*note 12*).

### DPM stock option plan

The Company has established an incentive stock option plan for the directors, selected employees and consultants. Pursuant to the plan, the exercise price of the stock option cannot be less than the Market Price of DPM's common shares on the trading date preceding the effective date of the stock option grant. The aggregate number of shares that can be issued from treasury under this plan is 12,500,000. Stock options granted vest equally over a three-year period and expire five years from the date of grant.

During the year ended December 31, 2024, the Company granted 307,527 (2023 – 264,250) stock options with a fair value of \$0.8 million (2023 – \$0.7 million). The Company recorded stock option expenses of \$0.9 million (2023 – \$0.9 million) for the year ended December 31, 2024 under this stock option plan.

As at December 31, 2024, there was \$0.6 million (December 31, 2023 – \$0.6 million) of expenses remaining to be charged to net earnings in future periods relating to unvested stock options.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The fair value of options granted was estimated using the Black-Scholes option pricing model. The expected volatility is estimated based on the historic average share price volatility. The inputs used in the measurement of the fair values at the time the options were granted were as follows:

	2024	2023
Five year risk free interest rate	2.9% - 3.5%	3.1%
Expected life in years	4.75	5.00
Expected volatility	44.01% - 46.84%	47.32%
Dividends per share	0.16	0.16

The following is a stock option continuity for the years indicated:

	Number of options	Weighted average exercise price per share (Cdn\$)
Balance as at January 1, 2023	2,664,783	5.53
Options granted	264,250	9.97
Options exercised	(1,171,399)	4.33
Balance as at December 31, 2023	1,757,634	6.99
Options granted	307,527	10.25
Options exercised	(977,759)	6.26
Options forfeited	(1,365)	4.66
<b>Balance as at December 31, 2024</b>	<b>1,086,037</b>	<b>8.57</b>

The following lists the options outstanding and exercisable as at December 31, 2024:

Range of exercise prices per share (Cdn\$)	Number of options outstanding	Options outstanding		Options exercisable	
		Weighted average remaining years	Weighted average exercise price per share (Cdn\$)	Number of options exercisable	Weighted average exercise price per share (Cdn\$)
4.40 - 6.85	124,617	1.04	4.99	108,425	4.80
6.86 - 9.91	408,472	1.96	7.55	206,739	7.59
9.92 - 13.00	552,948	3.78	10.13	73,799	9.97
<b>4.40 - 13.00</b>	<b>1,086,037</b>	<b>2.78</b>	<b>8.57</b>	<b>388,963</b>	<b>7.26</b>

The following table summarizes the impact of the mark-to-market adjustments related to the change in DPM's share price on the Company's share-based compensation expenses from continuing operations for the years ended December 31, 2024 and 2023:

	2024	2023
Increase in share-based compensation expenses due to mark-to-market adjustments	8,825	7,557

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The following table summarizes total share-based compensation expenses recognized by the Company in net earnings from continuing operations in the consolidated statements of earnings (loss) for the years ended December 31, 2024 and 2023:

	2024	2023
Share-based compensation expenses recognized in:		
Cost of sales	2,068	2,178
General and administrative expenses	13,861	11,305
Exploration and evaluation expenses	751	392
<b>Total</b>	<b>16,680</b>	<b>13,875</b>

### 18. EXPENSES BY NATURE

Cost of sales, general and administrative expenses, and exploration and evaluation expenses, as reported in net earning from continuing operations in the consolidated statements of earnings (loss), have been regrouped by the nature of the expenses as follows:

	2024	2023
Raw materials, consumables and spare parts	74,817	73,197
Staff costs	71,780	63,022
Service costs	32,297	30,859
Share-based compensation expense	16,680	13,875
Royalties (a)	20,456	18,869
Drilling, assaying and other exploration and evaluation expenses	47,844	32,618
Insurance	4,708	3,643
Depletion of mine properties (note 9)	32,303	30,680
Depreciation of property, plant and equipment (note 10)	53,210	50,796
Amortization of intangible assets (note 11)	3,736	2,932
Other costs	7,189	6,799
	<b>365,020</b>	<b>327,290</b>

(a) Chelopech pays royalties at a fixed rate of 1.5% annually based on the gross value of the gold, silver and copper contained in the ore mined. Ada Tepe pays royalties at a variable royalty rate on a sliding scale between 1.44% and 4.0% applied to the gross value of the gold and silver contained in the ore mined based on a range of pre-tax profit to sales ratios. For the years ended December 31, 2024 and 2023, the royalty rate was 1.5% for Chelopech and 4.0% for Ada Tepe.

### 19. FINANCE COSTS

	2024	2023
Borrowing costs	1,570	2,004
Accretion expense related to rehabilitation provisions (note 14)	1,038	1,163
Finance charges under leases (note 16)	490	332
	<b>3,098</b>	<b>3,499</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

### 20. OTHER INCOME AND EXPENSE

	2024	2023
Realized losses on foreign exchange forward contracts	-	4,516
Net gains on derivatives	-	(2,004)
Net termination fee received from Osino (note 4)	(6,901)	-
Net foreign exchange gains	(995)	(2,064)
Interest income	(34,640)	(23,250)
Other, net	383	1,454
	(42,153)	(21,348)

### 21. INCOME TAXES

The major components of income tax expense recognized in net earnings (loss) from continuing operations are as follows:

	2024	2023
Current income tax expense on earnings	37,363	29,824
Current income tax recovery not related to current earnings (a)	(7,959)	-
Deferred income tax expense (recovery) related to origination and reversal of temporary differences	3,483	(6,098)
<b>Income tax expense</b>	<b>32,887</b>	<b>23,726</b>

(a) Represents an income tax recoverable from taxes paid in prior years resulting from an accelerated tax depreciation on depreciable assets directly related to the ore deposit at Ada Tepe.

The reconciliation of the combined Canadian federal and provincial government statutory income tax rates to the effective tax rate is as follows:

	2024	2023
<b>Earnings before income taxes from continuing operations</b>	<b>276,127</b>	<b>205,702</b>
Combined Canadian federal and provincial statutory income tax rates	26.5%	26.5%
<b>Expected income tax expense</b>	<b>73,174</b>	<b>54,511</b>
Lower rates on foreign earnings	(63,245)	(37,400)
Changes in unrecognized tax benefits	21,794	7,741
Non-taxable portion of capital (gains) losses	1,538	(1,102)
Non-deductible share-based compensation expense	226	260
Other, net	(600)	(284)
<b>Income tax expense</b>	<b>32,887</b>	<b>23,726</b>

In addition, a \$0.9 million tax expense related to share repurchases was recognized directly in equity for the year ended December 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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The significant components of the Company's deferred income taxes as at December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
<b>Deferred income tax assets</b>		
Non-capital losses	71,182	75,791
Capital losses	7,599	5,944
Cumulative Canadian exploration and evaluation expenses	2,220	2,220
Depreciable property, plant and equipment	9,567	12,672
Financing costs	5,901	4,853
Share-based compensation expense	4,067	2,569
Rehabilitation provisions	2,018	2,223
Investments	635	642
Other	1,155	1,314
Gross deferred income tax assets	104,344	108,228
Unrecognized tax benefits	(95,815)	(94,929)
<b>Total deferred income tax assets</b>	<b>8,529</b>	<b>13,299</b>
<b>Deferred income tax liabilities</b>		
Other	-	284
<b>Total deferred income tax liabilities</b>	<b>-</b>	<b>284</b>
<b>Net deferred income tax assets</b>	<b>8,529</b>	<b>13,015</b>

As at December 31, 2024, the Company had \$8.5 million (December 31, 2023 – \$13.0 million) of net deferred income tax assets after offsetting deferred income tax assets and liabilities incurred by the same legal entities in the same jurisdictions in its consolidated statements of financial position.

Of the total deferred income tax assets recognized in 2024, \$6.4 million (2023 – \$11.4 million) is expected to be recovered after more than 12 months. Of the total deferred income tax liabilities recognized in 2024, \$nil (2023 – \$nil) is expected to be payable after more than 12 months.

As at December 31, 2024, the Company had Canadian non-capital losses of \$216.0 million (December 31, 2023 – \$256.9 million) expiring between 2025 and 2044 and Serbian non-capital losses of \$93.0 million (December 31, 2023 – \$51.4 million) expiring between 2025 and 2029 for which no deferred income tax assets had been recognized.

The Company is subject to assessments by various taxation authorities which may interpret tax legislation and tax filing positions differently than the Company. Such differences are provided for when it is probable that the Company's filing position will not be upheld and the amount of the tax exposure can be reasonably estimated. As at December 31, 2024 and 2023, no provisions have been made in the consolidated financial statements for potential tax liabilities relating to such assessments and interpretations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

### 22. EARNINGS PER SHARE

	2024	2023
<b>Net earnings (loss)</b>		
From continuing operations	243,240	181,976
From discontinued operations	(7,360)	10,963
<b>Basic weighted average number of common shares</b>	<b>180,167,032</b>	184,987,439
Effect of stock options	274,211	430,371
<b>Diluted weighted average number of common shares</b>	<b>180,441,243</b>	185,417,810
<b>Basic and diluted earnings (loss) per share</b>		
From continuing operations	1.35	0.98
From discontinued operations	(0.04)	0.06

### 23. RELATED PARTY TRANSACTIONS

#### Key management remuneration

The Company's related parties include its key management. Key management includes directors, the Chief Executive Officer ("CEO"), the Executive and Senior Vice Presidents reporting directly to the CEO.

The remuneration of the key management of the Company recognized in the consolidated statements of earnings (loss) for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
Salaries, management bonuses and director fees	5,124	3,908
Other benefits	340	293
Share-based compensation	11,779	9,100
<b>Total remuneration</b>	<b>17,243</b>	13,301

### 24. SUPPLEMENTARY CASH FLOW INFORMATION

#### (a) Changes in working capital

	2024	2023
Increase in accounts receivable and other assets	(53,294)	(6,083)
(Increase) decrease in inventories	4,496	(3,743)
Increase (decrease) in accounts payable and accrued liabilities	(3,476)	2,849
Increase in other liabilities	6,906	6,078
	<b>(45,368)</b>	(899)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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### (b) Other items not affecting cash

	2024	2023
Share-based compensation expense	852	944
Realized losses on commodity swap contracts	10,230	11,950
Realized losses on foreign exchange forward contracts	-	4,516
Net gains on derivatives	-	(2,004)
Net finance income	(31,539)	(19,752)
Other, net	5,195	(1,290)
	(15,262)	(5,636)

## 25. SUPPLEMENTARY SHAREHOLDERS' EQUITY INFORMATION

### (a) Dividend

During the year ended December 31, 2024, the Company declared a quarterly dividend of \$0.04 (2023 – \$0.04) per common share to its shareholders of record resulting in dividend distributions of \$28.7 million (2023 – \$29.6 million) recognized against its retained earnings in the consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$28.9 million (2023 – \$30.2 million) of dividends which were included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2024 and recognized a dividend payable of \$7.1 million (December 31, 2023 – \$7.3 million) in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2024.

On February 13, 2025, the Company declared a dividend of \$0.04 per common share payable on April 15, 2025 to shareholders of record on March 31, 2025.

### (b) Share repurchases under the Normal Course Issuer Bid ("NCIB")

The Company renewed its NCIB on March 18, 2024 with an expiry date of March 17, 2025. The maximum number of shares that can be repurchased during this period is 15,500,000 shares. The NCIB also allows the Company to implement an automatic share repurchase plan with its designated broker in order to facilitate the purchase of its shares.

During the year ended December 31, 2024, the Company purchased a total of 5,709,458 (2023 – 9,738,063) shares, of which 5,697,458 were cancelled as at December 31, 2024, with the remaining shares cancelled in January 2025. The total cost of these purchases was \$50.9 million (2023 – \$65.6 million), inclusive of tax expense of \$0.9 million (2023 – \$nil), at an average price per share of \$8.76 (Cdn\$12.13) (2023 – \$6.74 (Cdn\$9.10)), of which \$17.7 million (2023 – \$29.6 million) was recognized as a reduction in share capital, and \$33.2 million (2023 – \$36.0 million) as a reduction in retained earnings in the consolidated statements of changes in shareholders' equity. Cash payments of \$49.9 million (2023 – \$65.6 million) were included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2024.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

### (c) Changes in accumulated other comprehensive loss

	2024	2023
<b>Cash flow hedge reserves</b>		
<b>Foreign exchange option contracts from discontinued operations</b>		
Balance at beginning of year	130	(410)
Unrealized gains (losses), net of income taxes	575	(3,263)
Realized (gains) losses transferred to cost of sales, net of income taxes	(705)	3,803
<b>Balance at end of year</b>	-	130
<b>Deferred cost of hedging reserves</b>		
<b>Foreign exchange option contracts from discontinued operations</b>		
Balance at beginning of year	689	(1,340)
Deferred cost of hedging, net of income taxes	(689)	2,029
<b>Balance at end of year</b>	-	689
<b>Unrealized gains (losses) on publicly traded securities</b>		
Balance at beginning of year	1,117	(3,056)
Unrealized gains, net of income taxes	5,033	21,890
Transferred to retained earnings on derecognition of investment in Osino (note 4)	(3,989)	-
Transferred to retaining earnings on derecognition of investment in Sabina (note 7)	-	(17,717)
<b>Balance at end of year</b>	2,161	1,117
<b>Pension obligations</b>		
Balance at beginning of year	(1,080)	(903)
Remeasurements of pension obligations, net of income taxes	(62)	(177)
<b>Balance at end of year</b>	(1,142)	(1,080)
<b>Accumulated currency translation adjustments</b>		
Balance at beginning and end of year	(2,446)	(2,446)
<b>Accumulated other comprehensive loss</b>	(1,427)	(1,590)

## 26. COMMITMENTS AND OTHER CONTINGENCIES

### (a) Commitments

The Company had the following minimum contractual commitments from continuing operations as at December 31, 2024:

	up to 1 year	1 - 5 years	Total
Capital commitments	2,403	-	2,403
Purchase commitments	8,369	4	8,373
<b>Total commitments</b>	<b>10,772</b>	<b>4</b>	<b>10,776</b>

### (b) Contingencies

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. It is not expected that any material liability will arise from current legal proceedings or have a material adverse effect on the Company's future business, operations or financial condition.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

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## 27. FINANCIAL RISK MANAGEMENT

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The Company's principal financial liabilities comprise accounts payable and accrued liabilities. The main purpose of these financial instruments is to assist with the management of the Company's short term and long term cash flow requirements. The Company has various financial assets, such as cash and accounts receivable, which arise directly from its operations.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are market risk (which includes commodity price risk, interest rate risk and foreign currency risk), liquidity risk and credit risk. Management reviews each of these risks and establishes policies for managing them as summarized below.

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and the impact on net earnings (loss) and shareholders' equity, where applicable. Financial instruments affected by market risk include cash, accounts receivable, investments at fair value, commodity swap contracts, foreign exchange option contracts, accounts payable and accrued liabilities. The sensitivity has been prepared using financial assets and liabilities held as at the reporting dates.

The Company has established financial risk management policies to identify and analyze the risks of the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees involved in financial risk management activities understand their roles and obligations.

### Market risk

Market risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risks: commodity price risk, interest rate risk and foreign currency risk. The impact of each of these components is discussed below.

### Commodity price risk

The Company is subject to price risk associated with fluctuations in the market prices for metals. The Company sells its products at prices that are effectively determined by reference to the traded prices on the London Metal Exchange and London Bullion Market. The prices of gold and copper are major factors influencing the Company's business, results of operations and financial condition. The Company regularly enters into commodity swap contracts to reduce the price exposure associated with the time lag between the provisional and final determination of its concentrate sales. In addition, the Company periodically enters into commodity swap contracts to reduce the price exposure associated with projected payable copper production.

The Company's risk management policy, which was approved by the Board of Directors, requires provisional concentrate sales to be fully hedged and permits hedging up to 90%, 85% and 80% of its projected payable copper production in the subsequent 1, 2, and 3 year reporting periods, respectively.

As at December 31, 2024, the impact of a 5% increase or decrease in metal prices impacting the Company's accounts receivable and outstanding commodity swap contracts, with all other variables held constant, would increase or decrease earnings before income taxes from continuing operations by \$1.9 million (2023 – \$1.2 million) and would increase or decrease equity by \$1.7 million (2023 – \$1.1 million).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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The following table demonstrates the effect on 2024 and 2023 earnings before income taxes from continuing operations of a 5% increase in commodity prices on its sales, excluding the impact of any hedges and with all other variables held constant. The impact on equity is the same as the impact on net earnings from continuing operations.

### Effect of a 5% increase in metal prices on earnings before income taxes from continuing operations

	2024	2023
Gold	28,213	25,884
Copper	5,215	5,140
<b>Total increase</b>	<b>33,428</b>	<b>31,024</b>

The effect of a 5% decrease in metal prices, excluding the impact of any hedges and with all other variables held constant, would decrease earnings before income taxes from continuing operations by an equivalent amount.

### Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and floating rate denominated debt and other financial liabilities. As at December 31, 2024, the Company had no debt or floating rate denominated financial liabilities. For the year ended December 31, 2024, a 100 basis point increase or decrease in interest rates across the yield curve, with all other variables held constant, would increase or decrease earnings before income taxes from continuing operations by \$5.8 million (2023 – \$6.0 million). The impact on equity is the same as the impact on net earnings from continuing operations.

### Foreign currency risk

The Company's foreign currency exposures arise primarily from a significant portion of its operating and capital costs being denominated in currencies other than the U.S. dollar, the Company's functional currency. The Company periodically undertakes to purchase, in advance, a portion of its foreign denominated cash flow requirements on a spot or forward basis to reduce this exposure. The Company also enters into foreign exchange option contracts in order to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies.

The Company's risk management policy, which was approved by the Board of Directors, permits up to 85%, 80% and 75% of its projected operating expenses denominated in foreign currency to be hedged in the subsequent 1, 2, and 3 year reporting periods, respectively. The policy also permits projected capital expenditures denominated in foreign currency to be fully hedged.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The following table demonstrates the effect on 2024 and 2023 earnings before income taxes from continuing operations and equity of a 5% appreciation of the U.S. dollar relative to the Company's key foreign currencies on the Company's outstanding financial assets and liabilities denominated in foreign currencies, excluding the impact of any hedges and with all other variables held constant.

	<i>Effect of a 5% appreciation of the U.S. dollar on</i>			
	<b>Earnings before income taxes</b>		<b>Equity</b>	
	<b>from continuing operations</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Euro	<b>1,762</b>	1,719	<b>1,596</b>	1,561
Canadian Dollar	<b>1,171</b>	1,227	<b>1,041</b>	711
<b>Total increase</b>	<b>2,933</b>	2,946	<b>2,637</b>	2,272

The effect of a 5% depreciation of the U.S. dollar relative to these foreign currencies on the Company's outstanding foreign denominated financial assets and liabilities, excluding the impact of any hedges and with all other variables held constant, would be to decrease earnings before income taxes from continuing operations and equity by equivalent amounts.

## Credit risk

The exposure to credit risk arises through the potential failure of a customer or another third party to meet its contractual obligations to the Company. During 2024, the Company had contracts with 14 customers in connection with its mining operations, one of whom accounted for approximately 38% (2023 – 50%) of the Company's revenue from continuing operations. Under the terms of the Company's concentrate sales contracts, the purchasers make an initial advance payment equal to 70% to 100% of the provisional value of each lot at the time title transfers. This serves to mitigate a portion of the Company's credit risk.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash, equity investments and derivative financial assets, the Company's maximum exposure is equal to the carrying amount of these instruments. The Company limits its counterparty credit risk on these assets by dealing with highly rated counterparties, issuers that are subject to minimum credit ratings, and/or maximum prescribed exposures.

## Liquidity risk

The Company relies on the cash flows generated from its operations, including provisional payments received from its customers, retained cash balances, available lines of credit under its RCF and its ability to raise debt and equity from the capital markets to fund its operating, investment and liquidity needs. The cyclical nature of the Company's businesses and the volatility of capital markets are such that conditions could change dramatically, affecting the Company's cash flow generating capability, its ability to maintain, or draw upon, its RCF or the existing terms under its concentrate sales and/or smelting agreements, as well as its liquidity, cost of capital and its ability to access new capital, which could adversely affect the Company's earnings and cash flows and, in turn, could affect total shareholder returns. To reduce these risks, the Company: (i) prepares regular cash flow forecasts to monitor its capital requirements, available liquidity and compliance to debt covenants; (ii) strives to maintain a prudent capital structure that is comprised primarily of equity financing and long-term debt, currently in the form of a committed RCF; and (iii) targets a minimum level of liquidity comprised of surplus cash balances and/or undrawn committed lines of credit to avoid having to raise additional capital at times when the costs or terms would be regarded as unfavourable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	As at December 31, 2024			
	up to 1 year	1 - 5 years	over 5 years	Total
Accounts payable and accrued liabilities	70,041	-	-	70,041
Commodity swap contracts	237	-	-	237
Lease obligations	5,412	9,310	295	15,017
Other obligations	456	32	-	488
	<b>76,146</b>	<b>9,342</b>	<b>295</b>	<b>85,783</b>

  

	As at December 31, 2023			
	up to 1 year	1 - 5 years	over 5 years	Total
Accounts payable and accrued liabilities	77,460	-	-	77,460
Commodity swap contracts	1,179	-	-	1,179
Lease obligations	3,761	8,841	1,147	13,749
Other obligations	1,793	1,061	676	3,530
	<b>84,193</b>	<b>9,902</b>	<b>1,823</b>	<b>95,918</b>

### Capital management

The Company's objective for capital management is to: (i) maintain sufficient levels of liquidity to fund and support its exploration, evaluation, development and operating activities; (ii) maintain a strong financial position and optimize the use of debt and equity to supplement its existing cash balance and free cash flow being used to fund its growth activities; and (iii) comply with all financial covenants set out in its credit agreements and guarantees. See *note 13* for discussion on the Company's compliance with these requirements. The Company monitors its financial position and the potential impact of adverse market conditions on an ongoing basis. The Company manages its capital structure and makes adjustments to it based on prevailing market conditions and according to its business strategy.

Overall financial leverage is monitored based upon a number of non-financial and financial factors, including a number of credit related ratios contained in DPM's loan agreements and net debt (defined as total debt less cash and cash equivalents) as a percentage of total capital (defined as total equity plus net debt). As of December 31, 2024, the Company was in compliance with all loan covenants and its net debt as a percentage of total capital was negative 97% (December 31, 2023 – negative 113%).

## 28. OPERATING SEGMENT INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has two reportable operating segments – Chelopech and Ada Tepe in Bulgaria. The nature of their operations, products and services are described in *note 1, Corporate Information*. These segments are organized predominantly by the products and services provided to customers and geography of the businesses. The Corporate and Other segment includes corporate, exploration and evaluation and other income and cost items that do not pertain directly to an operating segment. There are no significant inter-segment transactions that have not been eliminated on consolidation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The operating results of Tsumeb have been presented as a discontinued operation in the consolidated statements of earnings (loss) and cash flows for the years ended December 31, 2024 and 2023, and the assets and liabilities of Tsumeb have been presented as held for sale in the consolidated statements of financial position as at December 31, 2023 as a result of the Tsumeb Disposition (*note 3*).

The accounting policies of the segments are the same as those described in *note 2.2, Material Accounting Policy Information*. Segment performance is evaluated based on several operating and financial measures, including net earnings (loss), which is measured consistently with net earnings (loss) in the consolidated financial statements.

The following table summarizes the relevant information by segment for the years ended December 31, 2024 and 2023:

	Year ended December 31, 2024			
	Chelopech	Ada Tepe	Corporate & Other	Total
<b>Continuing operations</b>				
<b>Revenue (a)</b>	385,855	221,137	-	606,992
<b>Costs and expenses</b>				
Cost of sales	151,926	108,775	-	260,701
General and administrative expenses	-	-	41,301	41,301
Corporate social responsibility expenses	-	-	4,900	4,900
Exploration and evaluation expenses	4,185	4,005	54,828	63,018
Finance costs	1,207	539	1,352	3,098
Other income and expense	(5,934)	(8,526)	(27,693)	(42,153)
	151,384	104,793	74,688	330,865
<b>Earnings (loss) before income taxes from continuing operations</b>	234,471	116,344	(74,688)	276,127
Income tax expense	23,451	9,100	336	32,887
<b>Net earnings (loss) from continuing operations</b>	211,020	107,244	(75,024)	243,240
<b>Other disclosures</b>				
Depreciation and amortization (b)	31,746	54,855	2,648	89,249
Share-based compensation expenses (c)	1,400	668	14,612	16,680
Capital expenditures (d)	22,430	11,335	17,607	51,372

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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	Year ended December 31, 2023			
	Chelopech	Ada Tepe	Corporate & Other	Total
Continuing operations				
Revenue (a)	268,790	251,301	-	520,091
Costs and expenses				
Cost of sales	139,550	104,657	-	244,207
General and administrative expenses	-	-	36,525	36,525
Corporate social responsibility expenses	-	-	4,948	4,948
Exploration and evaluation expenses	12,530	3,389	30,639	46,558
Finance costs	1,431	623	1,445	3,499
Other income and expense	(1,125)	(1,484)	(18,739)	(21,348)
	152,386	107,185	54,818	314,389
Earnings (loss) before income taxes from				
continuing operations	116,404	144,116	(54,818)	205,702
Income tax expense	11,279	12,135	312	23,726
Net earnings (loss) from continuing operations	105,125	131,981	(55,130)	181,976
Other disclosures				
Depreciation and amortization (b)	27,443	54,593	2,372	84,408
Share-based compensation expenses (c)	1,464	714	11,697	13,875
Capital expenditures (d)	22,359	10,394	27,740	60,493

- (a) Revenues from Chelopech and Ada Tepe were generated from the sale of concentrate. For the year ended December 31, 2024, \$233.1 million or 38% (2023 – \$258.5 million or 50%) of revenues from the sale of concentrate were derived from a single external customer. Revenues of \$100.6 million or 17% (2023 – \$83.8 million or 16%) from the sale of concentrate were also derived from another single external customer.
- (b) Depreciation and amortization relating to operating segments were included in cost of sales and those relating to Corporate and Other were included in general and administrative expenses, as well as exploration and evaluation expenses (*note 9, 10, and 11*).
- (c) Share-based compensation expenses relating to operating segments were included in cost of sales and those relating to Corporate and Other were included in general and administrative expenses, as well as exploration and evaluation expenses (*note 17*).
- (d) Capital expenditures represent cash outlays and non-cash accruals in respect of exploration and evaluation assets (*note 8*), mine properties (*note 9*), property, plant and equipment (*note 10*) and intangible assets (*note 11*). Capital expenditures for the year ended December 31, 2024 for Corporate and Other included \$10.2 million (2023 – \$21.0 million) related to the Loma Larga gold project in Ecuador.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

The following table summarizes the Company's revenue recognized for the years ended December 31, 2024 and 2023:

	2024	2023
<b>Revenue recognized at a point in time from:</b>		
Sale of concentrate (a)	607,015	519,965
<b>Revenue from contracts with customers</b>	<b>607,015</b>	<b>519,965</b>
Mark-to-market price adjustments on provisionally priced sales	8,044	10,145
Net mark-to-market losses on QP Hedges	(8,067)	(10,019)
<b>Total revenue</b>	<b>606,992</b>	<b>520,091</b>

(a) For the year ended December 31, 2024, the Company's revenue from the sale of concentrate included an adjustment of \$4.0 million (2023 – \$4.8 million) in connection with the final determination and settlement of prior year provisional sales.

The following table summarizes total assets and total liabilities by segment as at December 31, 2024 and 2023:

	As at December 31, 2024			
	Chelopech	Ada Tepe	Corporate & Other	Total
<b>Total current assets</b>	<b>188,903</b>	<b>140,367</b>	<b>671,715</b>	<b>1,000,985</b>
<b>Total non-current assets</b>	<b>151,801</b>	<b>83,585</b>	<b>184,834</b>	<b>420,220</b>
<b>Total assets</b>	<b>340,704</b>	<b>223,952</b>	<b>856,549</b>	<b>1,421,205</b>
<b>Liabilities</b>	<b>61,662</b>	<b>27,241</b>	<b>45,474</b>	<b>134,377</b>
<b>Total liabilities</b>	<b>61,662</b>	<b>27,241</b>	<b>45,474</b>	<b>134,377</b>

	As at December 31, 2023				
	Chelopech	Ada Tepe	Corporate & Other	Tsumeb	Total
Total current assets	130,468	199,293	404,347	-	734,108
Total non-current assets	164,483	130,558	178,270	-	473,311
Assets held for sale (note 3)	-	-	-	82,817	82,817
<b>Total assets</b>	<b>294,951</b>	<b>329,851</b>	<b>582,617</b>	<b>82,817</b>	<b>1,290,236</b>
Liabilities	60,078	27,728	44,506	-	132,312
Liabilities held for sale (note 3)	-	-	-	37,374	37,374
<b>Total liabilities</b>	<b>60,078</b>	<b>27,728</b>	<b>44,506</b>	<b>37,374</b>	<b>169,686</b>

DPM is domiciled in Canada. Revenues by geographic location are based on the location in which the revenues originate. Revenues of continuing operations for the years ended December 31, 2024 and 2023 all originated from Europe.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

(in thousands of U.S. dollars, unless otherwise indicated)

Assets by geographic location as at December 31, 2024 and 2023 are summarized below:

	As at December 31, 2024			
	Canada	Europe	Ecuador	Total
<b>Total current assets</b>	<b>662,370</b>	<b>337,886</b>	<b>729</b>	<b>1,000,985</b>
<b>Deferred income tax assets</b>	<b>-</b>	<b>8,529</b>	<b>-</b>	<b>8,529</b>
<b>Other non-current assets</b>	<b>18,298</b>	<b>245,949</b>	<b>147,444</b>	<b>411,691</b>
<b>Total assets</b>	<b>680,668</b>	<b>592,364</b>	<b>148,173</b>	<b>1,421,205</b>

	As at December 31, 2023				
	Canada	Europe	Ecuador	Africa	Total
Total current assets	398,393	334,968	747	-	734,108
Financial assets	11,900	-	-	-	11,900
Deferred income tax assets	-	13,015	-	-	13,015
Other non-current assets	12,252	300,023	136,121	-	448,396
Assets held for sale (note 3)	-	-	-	82,817	82,817
<b>Total assets</b>	<b>422,545</b>	<b>648,006</b>	<b>136,868</b>	<b>82,817</b>	<b>1,290,236</b>