



# Dundee Precious Metals Announces Second Quarter Production Results, Additional Commodity Hedging and Timing of Second Quarter 2016 Financial Results

7/7/2016

**TORONTO, ONTARIO--(Marketwired - July 7, 2016) - Dundee Precious**

**Metals Inc.** (TSX:DPM) ("DPM" or "the Company") announced its mine and smelter production results for the three and six months ended June 30, 2016, additional 2016 and 2017 commodity hedging and confirmed the timing of the release of second quarter operating and financial results, together with the related conference call and webcast.

On a consolidated basis, ore milled, metals production and complex concentrate smelted in the first six months of 2016 were in line with the Company's current guidance, reflecting the sale of the Kapan Mine.

## Production Highlights

Second quarter mine and metals production at the Chelopech and Kapan mines and complex concentrate smelted at the Tsumeb smelter are provided below.

	Chelopech		Kapan 1		Tsumeb		Consolidated		Year 2016 Consolidated Guidance 2
	Q2 2016	YTD 2016	Q2 2016	YTD 2016	Q2 2016	YTD 2016	Q2 2016	YTD 2016	
Ore milled ('000s tonnes)	561	1,105	26	130	-	-	587	1,235	2,165 - 2,395
Gold ('000s ounces)	29.6	63.0	1.1	6.3	-	-	30.7	69.3	101 - 115
Copper (million pounds)	9.6	20.2	0.1	0.7	-	-	9.7	20.9	33.8 - 38.6
Silver ('000s ounces)	50.0	119.2	21.2	111.3	-	-	71.2	230.5	319 - 354
Zinc(million pounds)	-	-	0.6	2.8	-	-	0.6	2.8	2.8 - 3.2
Complex Concentrate smelted ('000s tonnes)	-	-	-	-	44.6	102.0	44.6	102.0	215 - 250
Payable gold in pyrite concentrate sold ('000s ounces)	5.4	15.1	-	-	-	-	5.4	15.1	26 - 40

1. Kapan second quarter results reflect one month of production prior to the completion of the sale to Polymetal International plc on April 28, 2016.
2. As disclosed in Management's Discussion and Analysis ("MD&A") for the period ended March 31, 2016, issued on May 4, 2016.

Second quarter Chelopech copper and gold production was in line with the 2016 mine plan. Grades in the first half of 2016 are higher than the grades expected in the second half of 2016, as planned. Chelopech remains on track to achieve 2016 guidance.

At the Tsumeb smelter, smelting rates remained in line with 2016 guidance. The new converters were brought on line during the second quarter and have performed as expected.

The planned Ausmelt maintenance shutdown commenced on June 18 with expected completion on July 11, at which point the furnace reheat process will begin. The smelter is expected to meet 2016 guidance.

The Krumovgrad approval process continues to advance in line with Company expectations. During the quarter, the Company completed the land purchase process, and submitted an application to the Krumovgrad Municipality for a construction permit. Issue of the construction permit is expected imminently, and the Company remains on track to commence construction in the second half of 2016, as planned.

## Commodity Hedging

In June 2016, the Company entered into additional commodity hedges to reduce its near-term commodity price exposure and, in turn, support the advancement of its growth initiatives. In particular, the Company entered into option contracts covering 6,600 ounces of gold, representing approximately 10% of its projected payable production for the balance of 2016, and 45,000 ounces of gold, representing approximately 30% of its projected payable production for 2017. These contracts, which had a zero upfront cash cost, provide for the Company to receive a minimum price of \$1,200 per ounce of gold, and maximum prices of \$1,484 and \$1,497 per ounce of gold for the balance of 2016 and 2017, respectively. In June 2016, the Company also entered into additional copper swap contracts in respect of approximately 14,550,000 pounds of copper, representing approximately 38% of its 2017 projected copper production, at an average price of \$2.17 per pound of copper. These hedges, together with the Company's recent equity issue, were undertaken primarily to increase the Company's financial flexibility and available cash resources to support advancing its growth initiatives.

## Second Quarter Results

The Company's second quarter 2016 operating and financial results are expected to be released after market close on Thursday, July 28, 2016. The press release, MD&A and consolidated financial statements will be posted on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com).

The Company will hold a call and webcast to discuss its second quarter results on Friday, July 29, 2016 at 9:00 am EST. The call will be hosted by Rick Howes, President and Chief Executive Officer, who will be joined by Hume Kyle, Executive Vice President and Chief Financial Officer, together with other members of the executive management team. The call will be accessible via a live webcast and by telephone.

Date:  
Time:  
Webcast:  
Canada and USA Toll Free:  
Outside Canada or USA:  
Replay:  
Replay Passcode:

Friday, July 29, 2016  
9:00 am EST  
<http://www.gowebcasting.com/7704>  
1-866-223-7781  
1-416-340-2216  
1-905-694-9451 or 1-800-408-3053  
3510223

## About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. The Company's continuing operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold and exploration properties located in Bulgaria, Serbia, and northern Canada, including the Krumovgrad project and its 10.7% interest in Sabina Gold & Silver Corp.

## Cautionary Note Regarding Forward Looking Statements

This press release contains "forward looking statements" that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cash measures, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing and possible outcome of pending litigation. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements are based on the opinions and estimates of management as of the date such statements are made and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations and economic studies; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; fluctuations in metal prices; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber attacks; as well as those risk factors discussed or referred to in the Company's MD&A under the heading "Risks and

Uncertainties" and under the heading "Cautionary Note Regarding Forward Looking Statements" which include further details on material assumptions used to develop such forward looking statements and material risk factors that could cause actual results to differ materially from forward looking statements, and other documents (including without limitation the Company's 2015 AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at [www.sedar.com](http://www.sedar.com). There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

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