



DUNDEE PRECIOUS METALS ANNOUNCES 15% INCREASE TO MEASURED AND INDICATED RESOURCES AT CHELOPECH

Toronto, December 21, 2015 – Dundee Precious Metals Inc. (TSX: DPM) (“DPM” or “the Company”) is pleased to announce a four million tonne (“Mt”) increase in the Measured and Indicated Mineral Resource categories at its Chelopech mine in Bulgaria.

Highlights:

- 15% increase to the Measured and Indicated Mineral Resource category of the Mineral Resource inventory, net of depletion
- Mining approach successfully demonstrated with the 150 crown pillar enables extraction of materials near historical cave zones previously restricted from mining

Resource drilling activity in 2015 has targeted prior mining areas, where sub-level caving was previously conducted, to confirm the historical in-situ resources which were restricted from mining by Bulgarian authorities due to technical difficulties. DPM has always considered that these volumes may be mineable. Over the last two years, Chelopech has successfully demonstrated the safe and efficient recovery of 151,000 tonnes of ore from the block 150 orebody crown pillar. It is intended to use the same mining approach as successfully demonstrated with the 150 crown pillar to be able to extract these materials in proximity to historical cave zones. This has resulted in a revision to the Mineral Resource inventory at Chelopech mine, specifically the conversion of some Inferred Mineral Resource volumes to Indicated Mineral Resources which are now available for consideration for conversion to Mineral Reserves in due course¹. This is an increase of 15%, corresponding to a 4.2Mt increase in the Measured and Indicated Mineral Resource category of the Mineral Resource Inventory. With the additional resources added and the further exploration drilling planned for 2016, a possible expansion to current production will be evaluated and considered over the course of the coming year.

“We continue to focus on adding additional resources and reserves, as well as optimizing operational performance, to enhance the value creation from our flagship operation. Through our innovative mining practices, we have been able to demonstrate the technical viability of mining these additional resources adjacent to the old sub-level cave zones” stated Rick Howes, President and CEO.

Mineral Resources have been classified as Measured, Indicated and Inferred Mineral Resources, following the guidelines specified by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) and adopted under National Instrument 43-101 (“NI 43-101”). Mineral Resources have been estimated as at September 30, 2015 and reported using a gold equivalent (Au + Cu*2.06) cut-off of 3 g/t and a break-even NSR methodology.

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Dundee Precious Metals - Chelopech									
Chelopech Mineral Resource Estimate as at September 30, 2015									
Resource Category	MTonnes	Grades					Metal Content		
		Au (g/t)	Ag (g/t)	Cu (%)	S (%)	As (%)	Au (MOz)	Ag (MOz)	Cu (MLbs)
Measured	22.3	3.78	9.25	1.20	14.73	0.36	2.706	6.627	590
Indicated	9.1	3.67	9.35	1.00	13.56	0.27	1.075	2.742	201
Total M+I	31.4	3.73	9.27	1.14	14.38	0.33	3.767	9.364	791
Inferred	2.9	2.48	9.11	0.83	11.89	0.12	0.228	0.839	52

Mineral Resource Estimates (“MRE”) are reported using a gold equivalent cut-off of 3.0 g/t (Au + Cu*2.06) and an operating net profit cut-off of >USD0.

Tonnages are rounded to the nearest 1,000 tonnes to reflect this as an estimate.

Metal content is rounded to the nearest 100 tonnes or 100 ozs to reflect this as an estimate.

MREs are based on long term metals prices of USD 1,250/oz Au, USD 23/oz Ag and USD 2.75/lb Cu, as of September 30, 2015.

The MRE has been depleted for mining as at September 30, 2015.

The updated MRE shows an increase of 15% in the Measured and Indicated Mineral Resource category versus the previous Mineral Resource statement (see appendix) while Inferred Resources have decreased by 65%. This can be attributed to the re-classification of resources above the 410 level which in previous resource estimates were assigned inferred category. This can also be attributed to ongoing infill and resource development drilling programs which have defined and re-classified resources in blocks 19, 103, 151, 149 and 149 south.

Background

Historic sub-level caving (“SLC”) operations within the Chelopech mine left considerable un-mined resources on the flanks of the caved areas, above the 390 level. Due to the technical difficulties in accessing this area, in-situ resources above the 410 level were previously restricted from mining by Bulgarian authorities. Such areas of the resource block model, although well supported by valid data, geology and geostatistical evaluation, have been included in previous MRE updates and assigned to the Inferred Mineral Resource category, and historically restricted from being converted to Mineral Reserves under the mine plan. DPM has long recognized this material can be mined and endeavoured to engineer a solution to extract this material safely and profitably. The grades from these remnants are typically higher than the average resource grade and are therefore an attractive target.

After a detailed, internal geotechnical review and mining trade off study in 2013, mining commenced using long hole open stoping (“LHOS”) with subsequent backfill, within the 150 block crown pillar directly beneath the caved zone. The results to date have confirmed the concept of mining reserves in close proximity to historical SLC zones. Although ground conditions are highly stressed, ground support regimes have allowed safe and efficient extraction of material from the crown pillar. Data collection and geotechnical reviews are actively ongoing in order to optimize the ground support practices. Additionally, careful grade control measures are in place to ensure dilution is being minimized.

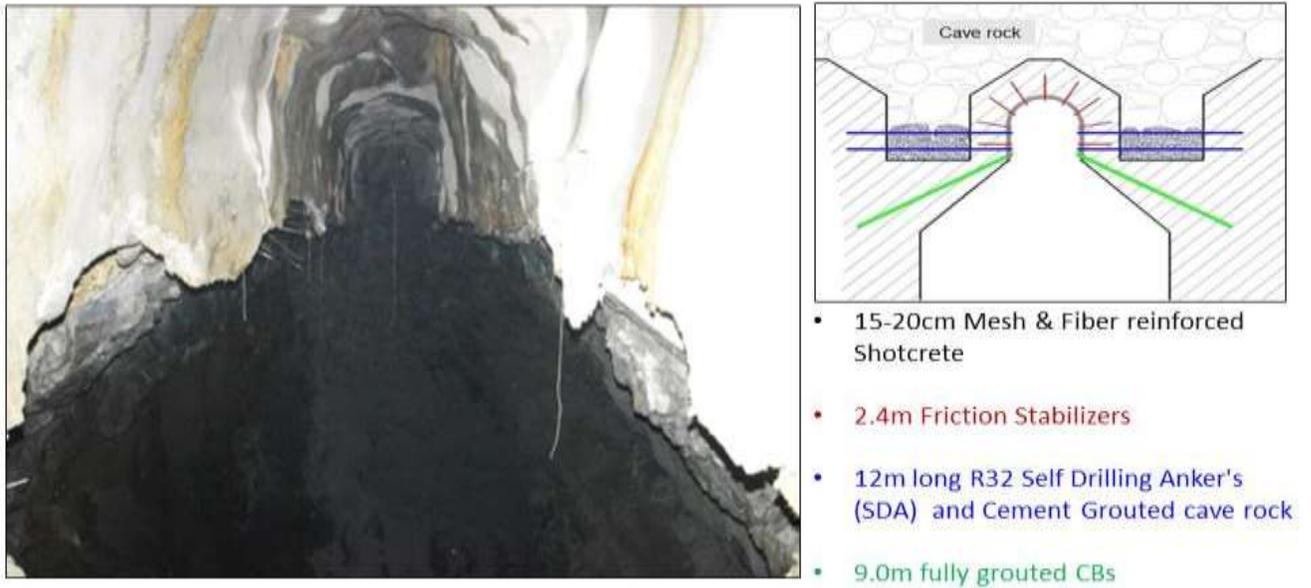


Figure 1: Photo of open stope 11a, with a cross section of SLC zone floor support and open-stope roof support regimes in place.

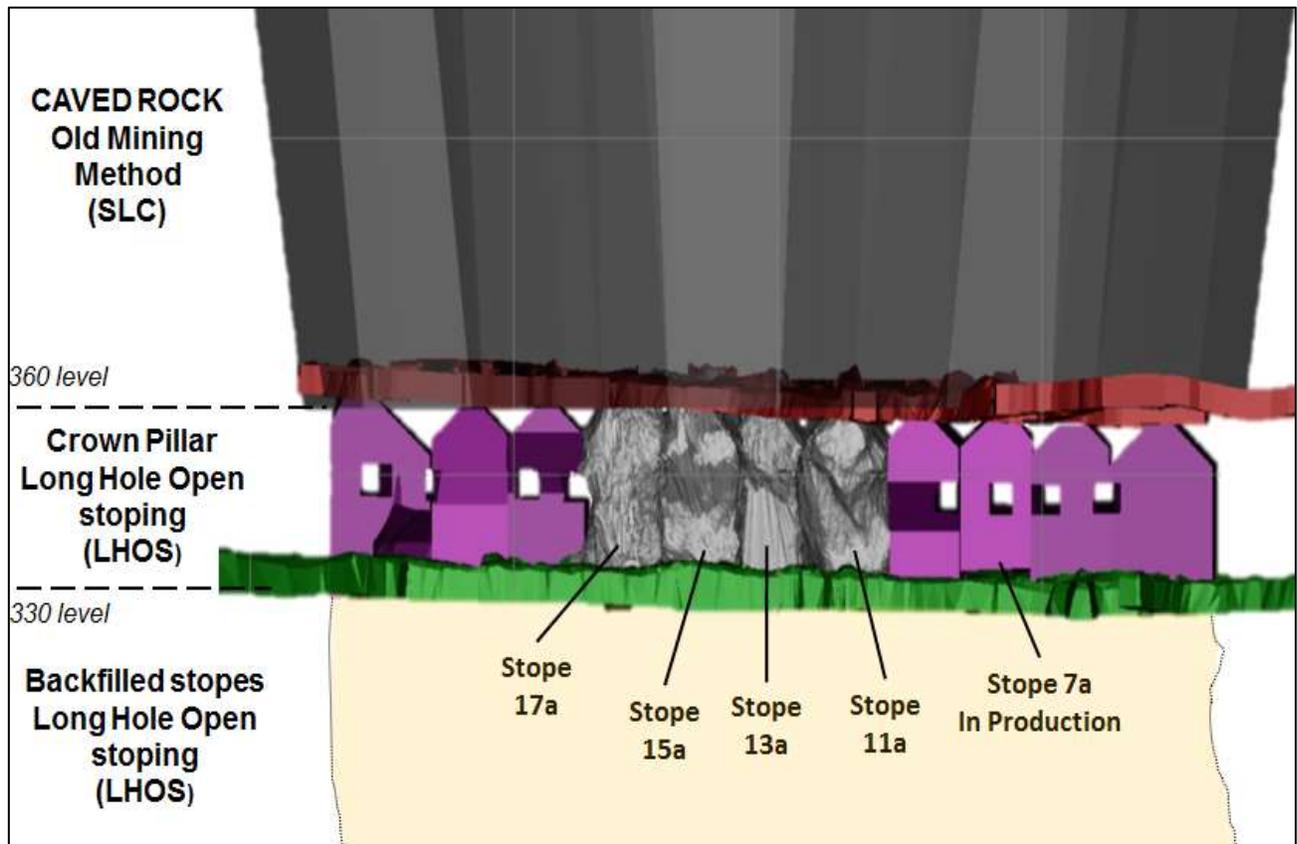


Figure 2: Cross section of Crown Pillar mining activity within the 150 Block, from 2013 until present.

Crown Pillar LHOS production statistics, 2013 to present day				
Stope	Tonnes	Losses	Dilution	Mining cost (\$/t)
11a	43,207	6%	7%	39
17a	27,810	6%	7%	
13a	20,271	17%	9%	
15a	59,951	-	21%	
TOTAL	151,239	10%	11%	39

Current production statistics for all other LHOS mining activities, 2015				
Stope	Tonnes	Losses	Dilution	Mining cost (\$/t)
ALL	1,866,778	4%	9%	36

Variance between crown pillar mining activities and all other mining activities				
Stope	Tonnes	Losses	Dilution	Mining cost (\$/t)
ALL	-	+6%	+2%	+3

Table 1: Key production statistics for Crown Pillar Mining using the LHOS mining approach (H1 2013 to present day) vs. standard LHOS employed at the Chelopech mine (2015).

Based on this work, DPM has demonstrated to the Bulgarian authorities that the remaining resources within proximity to the historic SLC area above the 410 level are technically mineable allowing a re-classification of resources to occur. This equates to a 15% increase in the Measured and Indicated Mineral Resource category, which offsets the 4.1Mt of depleted resources mined as of December 31, 2013 until present.

DPM believes that this positive outcome provides a firm basis for further resource development drilling to ascertain the possibility of developing the remaining resources. In light of this, resource development work will continue in the first half of 2016 to drill the 103 and 19 block areas in the 390 to 450 level and plans are being made to extend this to the 150 and 151 zones. The planned drilling in these areas will total 24,000 metres during 2016. Additional access to the areas above the 450 level will require capital development and will be considered in 2016 in preparation for resource drilling in 2017.

In 2014, a series of technical constraints were identified which limited Chelopech mining operations from increasing production rates. As a result of ongoing technical improvements throughout 2014 and 2015, Chelopech remains on target to meet production rates of 2.2Mtpa early in 2016. Major improvements have been witnessed in the efficiency of ground supporting practices, longhole drilling and backfill process. The cumulative efforts of this work has been demonstrated with an increase in pre-drilled reserve inventories from 158,485 tonnes in January 2015, to 425,685 tonnes as of November 2015, equating to a 168% increase.

DPM is currently revising the Mineral Reserve estimate for the Chelopech mine based on the updated Mineral Resources. The Company intends to issue the results of the Mineral Reserve estimate during the first quarter of 2016.

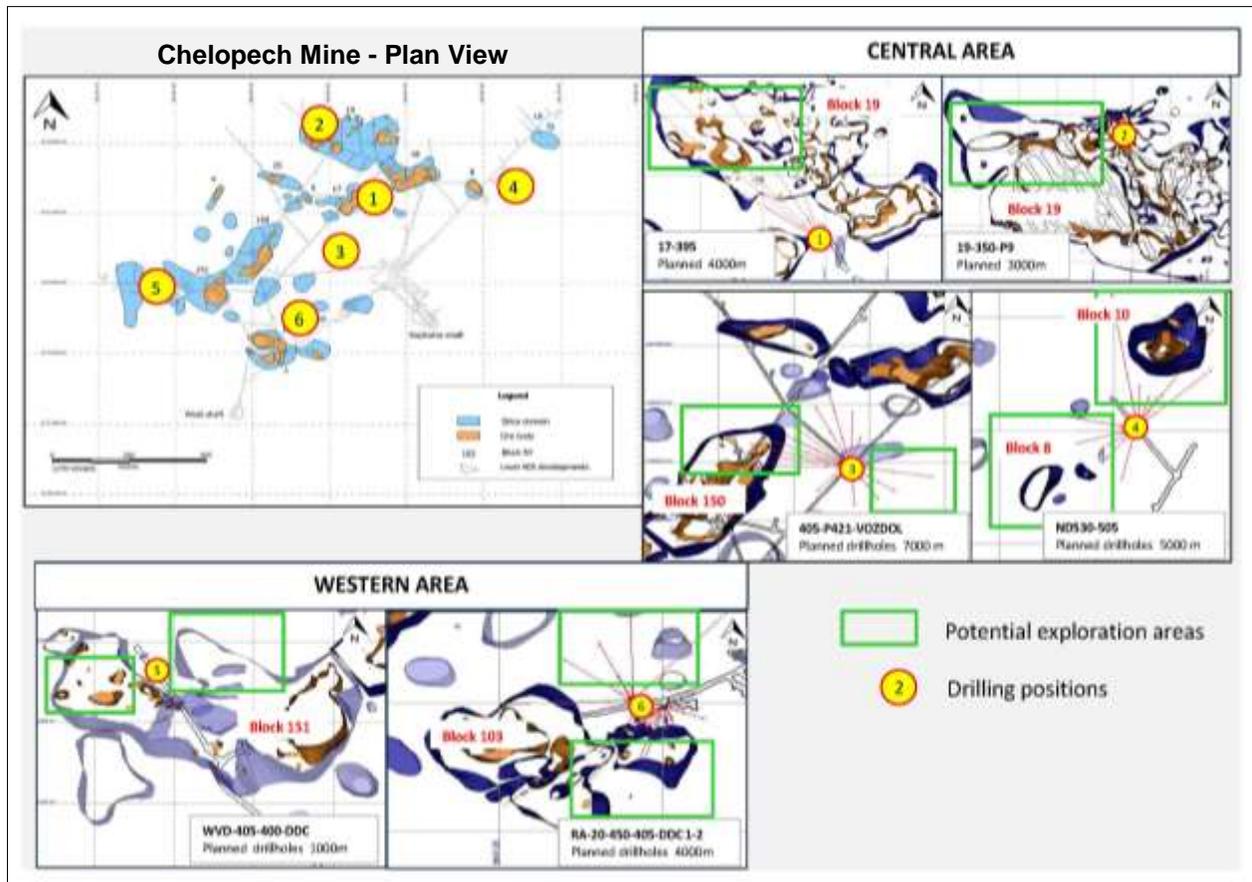


Figure 3. Overview map of resources targeted in the Chelopech mine between 390 level and 450 level, during 2016.

Technical Information

The MRE contained in this news release was prepared by CSA Global (UK) Ltd. (“CSA”), in accordance with Canadian regulatory requirements set out in NI 43-101 *Standards of Disclosure for Mineral Projects*, and has been reviewed and approved by Malcolm Titley BSc, MAIG, Director and Principal Geologist of CSA. Malcolm Titley is an independent Qualified Person (“QP”), as defined under NI 43-101. An NI 43-101 compliant technical report is expected to be filed on SEDAR within 45 days of the date of this news release.

Simon Meik, Director, Processing, and Ross Overall, Corporate Senior Resource Geologist, both of DPM, who are QPs and not independent of the Company, have also reviewed and approved the contents of this release.

The MRE contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such Mineral Resources. See the technical report entitled *“Mineral Resource and Reserve Update Chelopech Project”* filed on SEDAR at www.sedar.com on March 31, 2014 for more information with respect to the key assumptions, parameters, methods and risks of determination associated with the foregoing MRE.

Cautionary note to U.S. Investors concerning estimates of Mineral Resources. These estimates have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. The terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101 and recognized by Canadian securities laws but are not defined terms under the U.S. Securities and

Exchange Commission (“SEC”) Guide 7 (“SEC Guide 7”) or recognized under U.S. securities laws. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be upgraded to mineral reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian securities laws, estimates of “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies. U.S. investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Accordingly, these mineral resource estimates and related information may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder, including SEC Guide 7.

About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition, exploration, development, mining and processing of precious metals. The Company's principal operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver, located east of Sofia, Bulgaria; the Kapan operation, which produces a copper concentrate and a zinc concentrate, both containing gold and silver, located in southern Armenia; and the Tsumeb smelter, a concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold properties located in Bulgaria, Serbia, and northern Canada, including the Krumovgrad project and interests held through its 50.1% owned subsidiary, Avala Resources Ltd., and its 12.0% 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 technical potential to the mine resources proximal to the historic SLC area which was previously restricted from mining, the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the potential to upgrade resources to reserves, and the potential to increase future production and output. 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”, “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; conclusions of technical and economic evaluations; 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; 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 latest AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at www.sedar.com. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Appendix

Mineral Resource comparison between Chelopech Mineral Resources as of December 31, 2014 (those publicly reported on March 31, 2015) and September 30, 2015.

MINERAL RESOURCES @ December 31, 2014	GOLD			SILVER		COPPER	
	Tonnes M	Grade g/t	Oz M	Grade g/t	Oz M	Grade %	Pounds M
Measured	18.3	3.96	2.328	9.35	5.498	1.27	513
Indicated	8.9	3.86	1.109	8.28	2.382	1.02	201
Measured and Indicated	27.2	3.93	3.437	9.00	7.880	1.19	714
Inferred	8.3	2.66	0.712	11.27	3.021	0.91	167

MINERAL RESOURCES @ September 30, 2015	GOLD			SILVER		COPPER	
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