



ANNUAL REPORT 2021

**UNLOCKING
VALUE.**

**DELIVERING
RESULTS.**



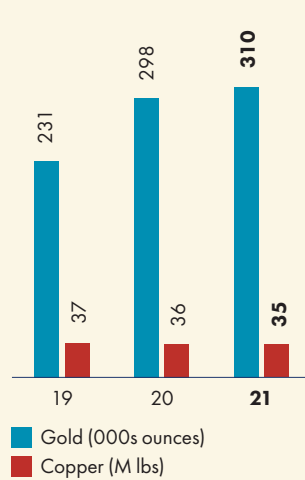
ABOUT DUNDEE PRECIOUS METALS

Dundee Precious Metals Inc. is a Canadian-based international gold mining company with operations and projects located in Bulgaria, Namibia, Ecuador and Serbia. The Company's purpose is to unlock resources and generate value to thrive and grow together. This overall purpose is supported by a foundation of core values, which guides how the Company conducts its business and informs a set of complementary strategic pillars and objectives related to ESG, innovation, optimizing our existing portfolio, and growth. The Company's resources are allocated in-line with its strategy to ensure that DPM delivers value for all of its stakeholders. DPM's shares are traded on the Toronto Stock Exchange (symbol: DPM).

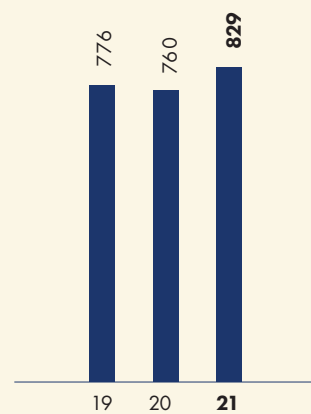
PRODUCTION AND FINANCIAL HIGHLIGHTS

All monetary figures are expressed in U.S. dollars unless otherwise stated

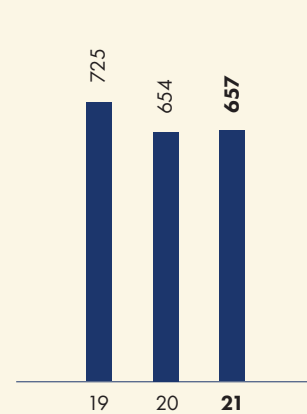
Gold and Copper Contained in Concentrate Produced



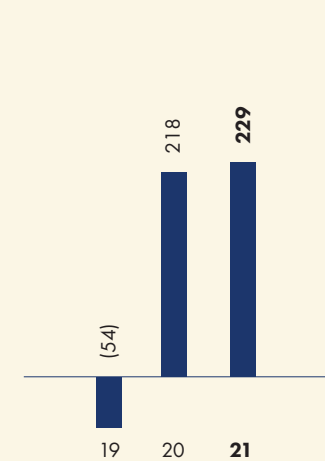
Cost of Sales (\$ PER AU OZ SOLD)¹



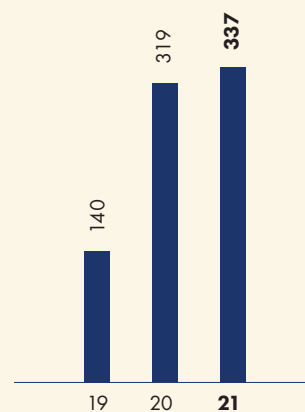
All-in Sustaining Cost (\$ PER AU OZ SOLD)¹



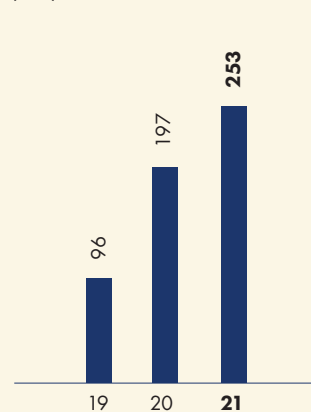
Earnings (Loss) Before Income Taxes (\$M)



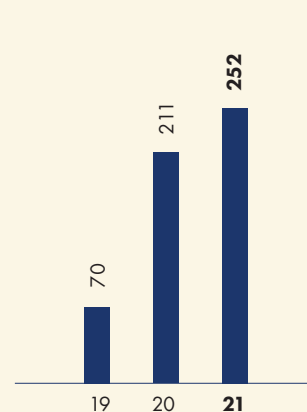
Adjusted EBITDA (\$M)¹



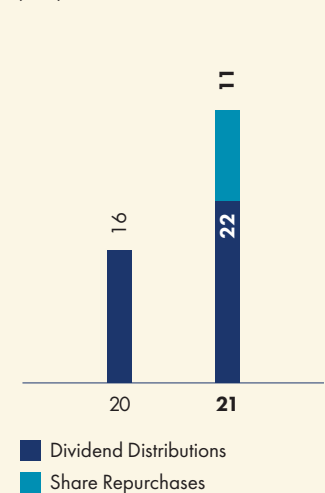
Cash Provided From Operating Activities (\$M)



Free Cash Flow (\$M)¹



Capital Returns to Shareholders (\$M)



¹ Cost of sales per ounce of gold sold is a supplementary financial measure, representing Chelopech and Ada Tepe cost of sales divided by the payable gold in concentrate sold. All-in sustaining cost per ounce of gold sold; adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"); and free cash flow are Non-GAAP financial measures or ratios. These measures have no standardized meanings under International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures presented by other companies. Refer to the "Non-GAAP Financial Measures" section on pages 55 to 61 of the Company's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2021, contained in this report, for a detailed description and a reconciliation of each of these measures to the most directly comparable measure under IFRS.

GLOBAL PORTFOLIO OF ASSETS

① CHELOPECH

Location
Chelopech, Bulgaria

Ownership
100%

Operation
Underground mine

2022 Guidance
169–191 koz Au
32–37 Mlbs Cu

② ADA TEPE

Location
Southern Bulgaria

Ownership
100%

Operation
Open-pit mine

2022 Guidance
81–99 koz Au

③ TSUMEB

Location
Tsumeb, Namibia

Ownership
92%

Operation
Specialty smelter

2022 Guidance
210–240 kt of
concentrate smelted

④ LOMA LARGA

Location
Southern Ecuador

Ownership
100%

Stage
Permitting

Production
200 koz Au per
annum (first 5 years)

⑤ TIMOK

Location
Serbia

Ownership
100%

Stage
Feasibility study

Production
80 koz Au per annum
(first 6 years)



STRATEGIC INVESTMENT PORTFOLIO

⑥ SABINA GOLD & SILVER

Location
Nunavut, Canada

Ownership
8.9%

⑦ VELOCITY MINERALS

Location
Southern Bulgaria

Ownership
8.4%

Forecast/guidance information is subject to a number of risks. Refer to the Company's 2022 guidance and three-year outlook as disclosed on pages 17 to 20 of the MD&A contained in this report.

2021 PERFORMANCE HIGHLIGHTS

OPERATIONAL PERFORMANCE	FINANCIAL PERFORMANCE	GROWTH OPPORTUNITIES	STAKEHOLDER VALUE
<p>RECORD GOLD PRODUCTION</p> <p>3 YEARS Delivered record annual gold production for third consecutive year</p>	<p>RECORD CASH FLOW</p> <p>US\$253M Cash provided from operating activities</p> <p>US\$252M Free cash flow¹</p>	<p>ADVANCING OUR PROJECTS</p> <p>TIMOK PFS Completed with positive results and advanced to feasibility study</p>	<p>RETURNING CAPITAL</p> <p>US\$33M Returned to shareholders through quarterly dividend and share repurchase program</p>
<p>INDUSTRY-LEADING COST PERFORMANCE</p> <p>US\$829/oz. Cost of sales per ounce of gold sold¹</p> <p>US\$657/oz. All-in sustaining cost per ounce of gold sold¹</p>	<p>RECORD EARNINGS</p> <p>US\$191M Net earnings attributable to common shareholders from continuing operations</p> <p>US\$202M Adjusted net earnings¹</p>	<p>ADDING MINE LIFE</p> <p>+10% Net addition to mineral reserve at Chelopech</p>	<p>INCREASING DIVIDEND</p> <p>+33% Increase to quarterly dividend, reflecting positive outlook for the business, strong free cash flow and balance sheet</p>
	<p>FINANCIAL STRENGTH</p> <p>US\$334M Cash on the balance sheet as at December 31, 2021</p> <p>NO DEBT</p>	<p>HIGH QUALITY GROWTH ASSET</p> <p>LOMA LARGA Added to development portfolio</p>	<p>STRONG ESG RATINGS</p> <p>91ST PERCENTILE In the 2021 S&P Corporate Sustainability Assessment</p>

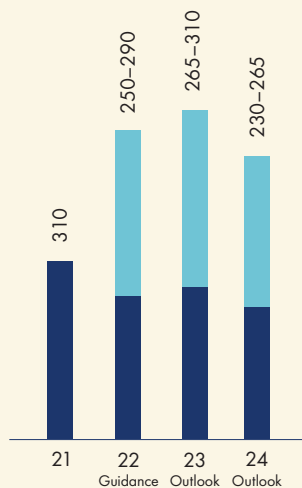
¹ Cost of sales per ounce of gold sold is a supplementary financial measure, representing Chelopech and Ada Tepe cost of sales divided by the payable gold in concentrate sold. All-in sustaining cost per ounce of gold sold; free cash flow; and adjusted net earnings are Non-GAAP measures or ratios. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. Refer to the "Non-GAAP Financial Measures" section on pages 55 to 61 of the Company's MD&A for the year ended December 31, 2021, contained in this report, for a detailed description and a reconciliation of each of these measures to the most directly comparable measure under IFRS.

SOLID THREE-YEAR OUTLOOK

Highlights strong production profile, attractive all-in sustaining cost and DPM's potential to generate significant free cash flow.

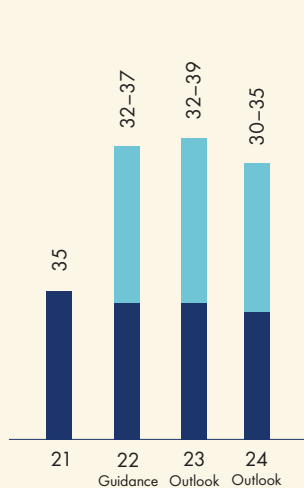
Strong Gold Production Profile

Gold contained in concentrate produced ('000s ounces)



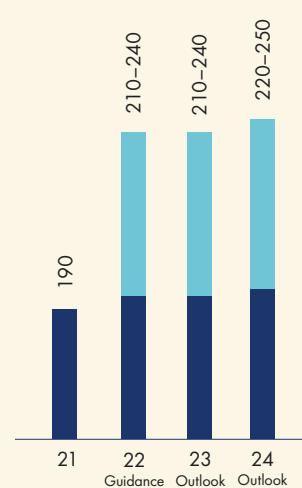
Stable Copper Production

Copper contained in concentrate produced (Mlbs)



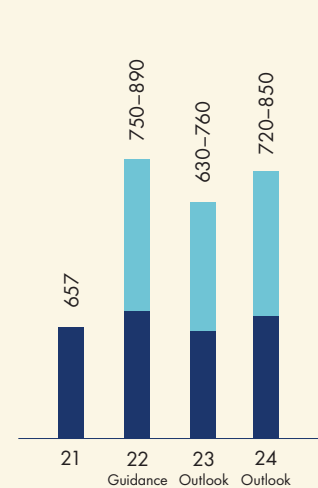
Improving Smelter Performance

Complex concentrate smelted ('000 tonnes)



Attractive All-in Sustaining Cost²

All-in sustaining cost (\$ per Au oz sold)



¹ Guidance and three-year outlook is subject to a number of risks. Refer to the Company's 2022 guidance and three-year outlook as disclosed on pages 17 to 20 of the MD&A contained in this report.

² Projections of all-in sustaining cost per ounce of gold sold is a Non-GAAP ratio, is not a defined or standardized measure under IFRS and is forward-looking information. Refer to the "Non-GAAP Financial Measures" section on pages 55 to 61 of the Company's MD&A for the year ended December 31, 2021, contained in this report, for a detailed description, and in the case of historical measures, a reconciliation of this ratio to the most directly comparable measure under IFRS.

UNLOCKING VALUE. DELIVERING RESULTS.

Dundee Precious Metals made significant steps towards building for our future. We acquired the high-quality Loma Larga project in Ecuador, which is a great fit with the core strengths and unique capabilities where DPM has a proven track record of unlocking value.



Overall, 2021 was another very strong year for Dundee Precious Metals as we delivered record annual gold production for the third consecutive year and generated record financial results. We strengthened our asset portfolio by adding the high-quality Loma Larga development project in Ecuador, advancing the Timok project to a feasibility study and continuing to advance our exploration activities at Chelopech, Ada Tepe and Timok. We also continue to deliver on our ESG priorities and seek further opportunities to achieve our strategic objective of generating a net positive impact from our operations.

Review of 2021 Performance

In 2021, we delivered strong operating performance, producing a record 309,965 gold ounces and 35 million pounds of copper, and continued to manage our costs, resulting in an industry-leading all-in sustaining cost of \$657 per ounce of gold sold. This translated into record financial results, including free cash flow generation of \$252 million and adjusted net earnings of \$202 million. Notably, we delivered these results while achieving an impressive health and safety record, including 3.5 million hours without a lost time injury at our Bulgarian operations and a 41% year-over-year reduction in our Total Recordable Injury Frequency Rate.

During the year, we made significant steps towards building for our future. We acquired the high-quality Loma Larga project in Ecuador, which is a great fit with the core strengths and unique capabilities where DPM has a proven track record of unlocking value. Following the positive results of the pre-feasibility study ("PFS"), we advanced the Timok project in Serbia to a feasibility study ("FS"), which is now nearing completion. We also added Mineral Reserves at Chelopech, continuing our track record of extending mine life, and advanced our exploration activities at Chelopech, Ada Tepe and Timok.

ADA TEPE: DRIVING GROWTH IN PRODUCTION AND CASH FLOW

Since commencing operations in 2019, Ada Tepe has continually delivered impressive performance, quarter after quarter. In 2021, Ada Tepe produced 132,964 ounces of gold and achieved a new record for quarterly performance, producing 33,774 ounces of gold in the fourth quarter of the year.

As we look to the year ahead, we are assessing the results of the accelerated grade control drilling program at Ada Tepe, which was completed in January 2022. We are in the process of incorporating these results into an optimized mine plan, which is expected to be completed in the third quarter of 2022.

We are continuing our exploration efforts around Ada Tepe, with 20,000 metres of drilling planned in 2022 which will be focused on near-mine target delineation and drilling within the mine concession and surrounding Krumovitsa exploration licence, as well as scout and target delineation on regional licences, including Chiirite, where several new vein targets were identified in 2021.

CHELOPECH: HIGH-QUALITY CORNERSTONE ASSET

Chelopech continued its track record of consistent performance, producing 177,001 ounces of gold and 35 million pounds of copper.

We continue to focus on extending the mine life through our in-mine and brownfields exploration programs. In November 2021, we received approval for a 1-year extension to the Sveta Petka exploration licence, which surrounds the Chelopech mine. This allows us to move forward with the Commercial Discovery phase of work. We commenced a 50,000-metre drilling campaign, which is primarily focused on Sveta Petka, during the first quarter of 2022.

Chelopech has a robust mine life that extends to 2030, based on current Mineral Reserve estimates, and a strong Mineral Resource base. Combined with our demonstrated track record of converting Mineral Resources into Mineral reserves and our in-mine and growing brownfield exploration programs, there is strong potential to continue extending mine life at Chelopech.

TSUMEB: FOCUSED ON OPERATIONAL STABILITY, EFFICIENCIES AND COST REDUCTION

In 2021, the Tsumeb smelter processed approximately 189,705 tonnes of complex concentrate. This was slightly below our revised guidance for the year, as a result of the unplanned maintenance downtime during the second half of the year.

Despite lower-than-expected throughput, cash cost performance was in-line with guidance. As we look to the year ahead, we are expecting cash cost per tonne to improve at the smelter, relative to 2021, as a result of increased throughput as well as estimated cost savings from a comprehensive initiative directed at optimizing the cost structure of the smelter.

Disciplined Growth

LOMA LARGA: LOW-COST FUTURE GROWTH

In the third quarter of 2021, we completed the acquisition of INV Metals Inc., which added the Loma Larga project to our development portfolio. Loma Larga is a high-quality, advanced stage gold project with the potential to generate meaningful production growth and significant value for our stakeholders.

Loma Larga has the potential to produce approximately 200,000 ounces of gold annually (average for the first five years) at a low all-in sustaining cost which would continue to support DPM's peer-leading cost profile. With similar

geology, mining method and processing flowsheet to our Chelopech underground mine in Bulgaria, which DPM has developed into a world-class, modern operation, Loma Larga leverages DPM's proven operating strengths. As well, the project will benefit from additional engagement with local and national stakeholders, as was the case in the initial stages of development of Ada Tepe, which is now a highly successful DPM operation that enjoys strong support from local communities.

Our approach to advancing Loma Larga will benefit from our firm commitment to the highest standards for engagement with local communities and environmental stewardship, in addition to our development and operating experience to unlock the significant potential of the project.

Since completing the acquisition in the third quarter of 2021, we have focused on integration, stakeholder engagement and permitting activities, as well as a review and update of the technical studies.

We are targeting to complete a revised feasibility study in 2022 and are progressing discussions with the government of Ecuador on the investor protection agreement, which we plan to complete prior to making any significant capital commitments on the project.

Based on our revised permitting schedule, we are targeting receipt of major environmental permits towards the end of 2022, which we expect to be followed by finalization of an exploitation agreement with the government and receipt of construction permits.

In 2021, Dundee Precious Metals delivered record annual gold production for the third consecutive year and generated record financial results. We also continue to deliver on our ESG priorities and seek further opportunities to achieve our strategic objective of generating a net positive impact from our operations.



DAVID RAE
President and CEO





TIMOK

Our Timok gold project in Serbia continues to advance as a potential future growth opportunity for DPM. In February 2021, we released the positive results of the PFS, which focused on the development of the oxide and transitional portions of the project, and announced that the project is advancing to a FS.

We discovered Timok in 2008, and while the team has worked to advance the project, we have developed strong relationships within the local communities and government. With additional optimization opportunities to enhance the project, and very encouraging exploration results, we believe Timok represents an attractive opportunity that has the potential to provide organic growth in a region where we have had a presence for many years.

Growing Financial Strength

In 2021, we generated \$252 million of free cash flow and significantly strengthened our balance sheet, ending the year with \$334 million of cash, no debt, and approximately \$48 million of investments, comprised primarily of our 8.9% interest in Sabina Gold and Silver Corp. and 8.4% interest in Velocity Minerals Ltd.

We have also demonstrated a strong track record of deploying our capital in a disciplined manner that balances our desire to reinvest in growing and optimizing the business with our commitment to returning capital to our shareholders. In addition to enhancing our portfolio with the high-quality Loma Larga project, we have continued to pay a quarterly dividend since 2020, and in 2021, repurchased approximately 1.7 million common shares under our Normal Course Issuer Bid.

In aggregate, we returned approximately \$33 million or 13% of our free cash flow back to our shareholders in 2021. In February 2022, we announced that we are further increasing our quarterly dividend by 33% to \$0.04 per share, reflecting our positive outlook for the business.

Industry-Leading ESG

We are focused on generating value for all of our stakeholders through our strong ESG performance. ESG is fundamental to our culture and is integrated into all levels of our organization. We have long understood the strategic importance of maintaining our social license, and have seen first-hand how excelling in this important area is a competitive advantage that can unlock additional value and lead to superior long-term returns.

During 2021, we made progress on a number of social and environmental initiatives, including work to define DPM's approach to climate change. We are always looking for ways to reduce the impact of our operations, and we are very proud of what we have achieved at Chelopech, which has one of the lowest greenhouse gas emission intensity rates among gold mines in the world. However, we also recognize the global importance of climate change and our responsibility to further contributing to mitigating its impacts. We previously assessed the risks and opportunities of climate change on DPM's business, which were summarized in our inaugural climate change report, published at the end of 2020. In 2021, we continued to work towards defining our greenhouse gas targets and commitments and look forward to sharing our commitments publicly in 2022.

We are a leader in ESG, as demonstrated by our positive ratings from a growing number of ESG rating agencies. In 2021, DPM scored in the 91st percentile for ESG performance among companies in the metals and mining industry in the S&P Global Corporate Sustainability Assessment, which is recognized by investors as a high-quality ESG rating agency. This result led to our inclusion in the 2022 S&P Global Sustainability Yearbook, which features companies that scored in the top 15% of their industry. As well, we received a rating of "A" by MSCI ESG Research LLC, a well-respected independent ESG rating agency.

While we are proud of being recognized for our strong performance, we are constantly seeking opportunities to improve, and to achieve our strategic objective of generating a net positive impact from our operations.

Summary and Outlook

Looking forward, our updated three-year outlook reflects a strong production and attractive all-in sustaining cost profile. Over the next three years, we expect to produce an average of 270,000 gold ounces and 35 million pounds of copper annually, with an average all-in sustaining cost of between \$700 to \$833 per ounce of gold sold.^{1,2}

I'd like to close by acknowledging the contributions of our dedicated employees across the company and local stakeholders globally which contributed to our strong results. We are proud of what we accomplished in 2021, and I feel confident that we have laid the groundwork for an exciting future ahead.

We believe that DPM represents a compelling value opportunity relative to our peers, considering our proven strengths and excellent future prospects, including:

- Strong free cash flow potential generated through our strong production and low all-in sustaining cost profile;
- A strong balance sheet and no debt;

- Our proven track record of disciplined capital allocation that balances investing in future growth with returning capital to shareholders;
- Our continued success at extending mine life at our Chelopech mine;
- A portfolio of attractive growth projects; and
- Our strong ESG performance and constructive relationships with our host communities and governments that will enable us to deliver value for our stakeholders.

We enter 2022 committed to building on our record of strong operational performance and delivering superior value for all of our stakeholders, and we are excited about the opportunities that lie ahead.

On behalf of our entire team, thank you for your support.



DAVID RAE / President and Chief Executive Officer

Looking forward, our updated three-year outlook reflects a strong production and attractive all-in sustaining cost profile. Over the next three years, we expect to produce an average of 270,000 gold ounces and 35 million pounds of copper annually, with an average all-in sustaining cost of between \$700 to \$833 per ounce of gold sold.^{1,2}

We are proud of what we accomplished in 2021, and I feel confident that we have laid the groundwork for an exciting future ahead.



¹ Average for the next three years. Guidance and three-year outlook is subject to a number of risks. Refer to the Company's 2022 guidance and three-year outlook as disclosed on pages 17 to 20 of the MD&A contained in this report.

² Projections of all-in sustaining cost per ounce of gold sold is a Non-GAAP ratio, is not a defined or standardized measure under IFRS and is forward-looking information. Please refer to the "Non-GAAP Financial Measures" section of the MD&A for the year ended December 31, 2021 contained in this report for a detailed description, and in the case of historical measures, a reconciliation of this ratio to the most directly comparable measure under IFRS.



2021 Financial Review

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MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations
for the Three and Twelve Months Ended December 31, 2021
(All monetary figures are expressed in U.S. dollars unless otherwise stated)

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Dundee Precious Metals Inc. ("DPM" and, together with its consolidated subsidiaries, collectively referred to as the "Company") for the three and twelve months ended December 31, 2021. This MD&A should be read in conjunction with DPM's audited consolidated financial statements for the year ended December 31, 2021 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional Company information, including the Company's most recent annual information form ("AIF") and other continuous disclosure documents, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.dundeeprecious.com. To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Capitalized terms used in this MD&A that have not been defined have the same meanings attributed to them as in DPM's audited consolidated financial statements for the year ended December 31, 2021. Information contained on the Company's website is not incorporated by reference herein and does not form part of this MD&A.

This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as Non-GAAP financial measures or ratios. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP financial measures and ratios, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

The Company uses the following Non-GAAP financial measures and ratios in this MD&A:

- cash cost per tonne of ore processed
- cash cost per ounce of gold in gold-copper concentrate produced
- cash cost per ounce of gold in gold concentrate produced
- cash cost per pound of copper in gold-copper concentrate produced
- cash cost per tonne of complex concentrate smelted
- cash cost per ounce of gold sold
- all-in sustaining cost per ounce of gold sold
- adjusted net earnings
- adjusted basic earnings per share
- adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA")
- cash provided from operating activities, before changes in working capital
- free cash flow
- average realized metal prices

For a detailed description of each of the Non-GAAP financial measures and ratios used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the “Non-GAAP Financial Measures” section contained in this MD&A.

The technical and scientific information in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) of the Canadian Securities Administrators and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) – Definition Standards adopted by CIM Council on May 10, 2014 (the “CIM Definition Standards”) for Mineral Resources and Mineral Reserves, and has been reviewed and approved by Ross Overall, B.Sc. (Applied Geology), Corporate Mineral Resource Manager of DPM, who is a Qualified Person (“QP”) as defined under NI 43-101, and who is not independent of the Company.

This MD&A has been prepared as at February 17, 2022.

OVERVIEW

Our Business

DPM is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Its common shares (symbol: DPM) are traded on the Toronto Stock Exchange (“TSX”).

The Company’s purpose is to unlock resources and generate value to thrive and grow together. As illustrated in the graphic below, this overall purpose is supported by a foundation of core values, which guide how the Company conducts its business and informs a set of complementary strategic pillars and objectives relating to Environmental Social Governance (“ESG”), innovation, optimizing our existing portfolio, and growth. The Company’s resources are allocated in-line with its strategy to ensure that DPM delivers value for all of its stakeholders.



Continuing Operations:

As at December 31, 2021, DPM's principal subsidiaries include:

- 100% of Dundee Precious Metals Chelopech EAD ("Chelopech"), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria;
- 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; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited ("Tsumeb"), which owns and operates a custom smelter located in Tsumeb, Namibia.

As at December 31, 2021, DPM holds interests, directly or indirectly, in a number of exploration properties located in Ecuador, Serbia and Canada including:

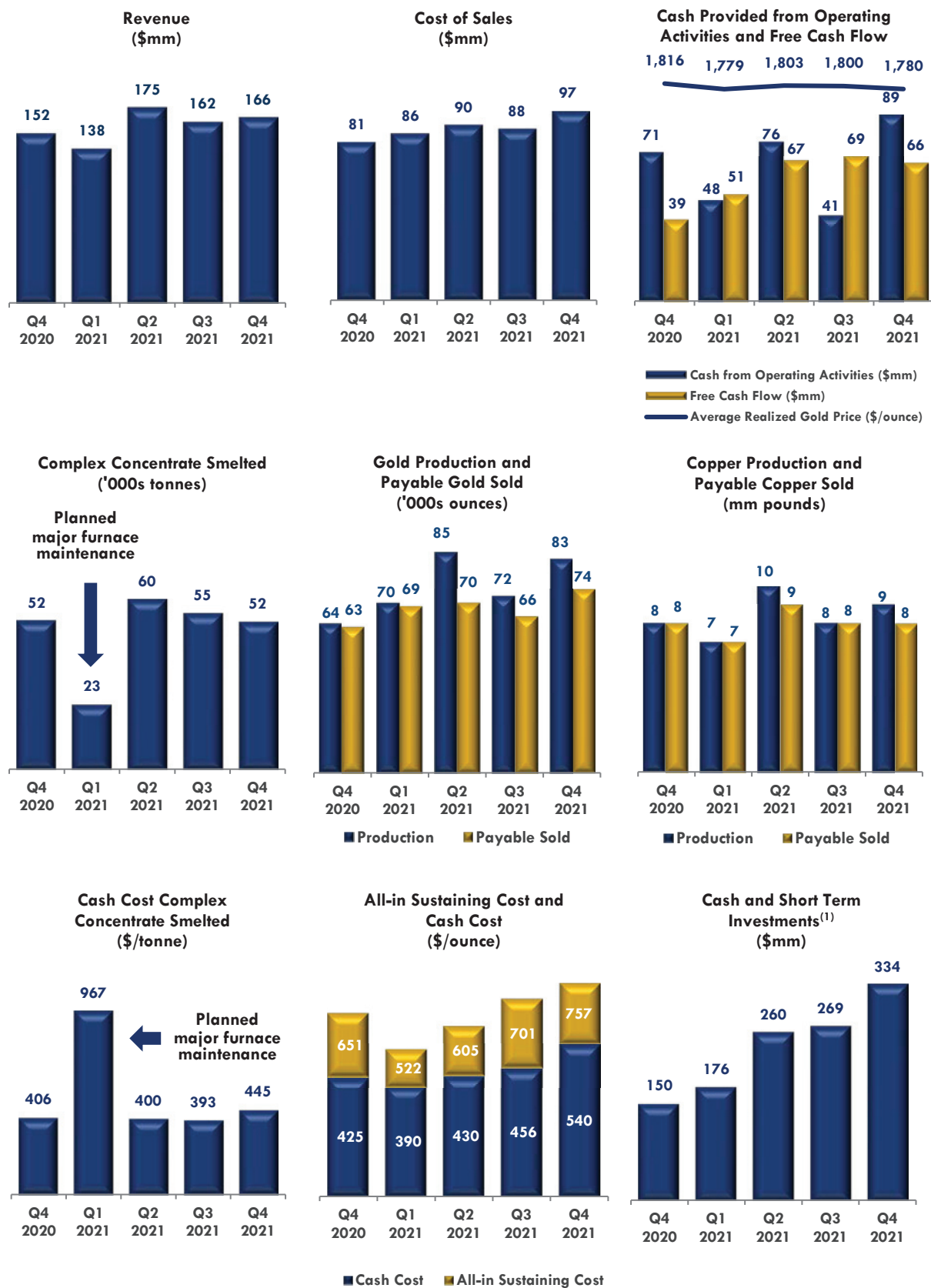
- 100% of DPM Ecuador S.A. ("DPM Ecuador"), formerly INV Minerale Ecuador S.A., which is focused on the exploration and development of the Loma Larga gold project located in Ecuador;
- 100% of DPM Avala d.o.o., formerly Avala Resources d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia; and
- 8.9% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

Discontinued Operations:

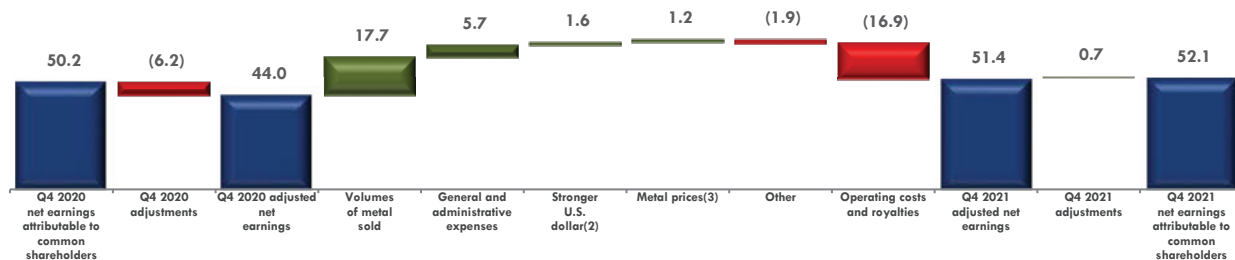
On May 3, 2021, DPM sold its 73.7% ownership interest in MineRP Holdings Inc. ("MineRP"), which owns MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile ("MineRP Disposition"). As a result of the MineRP Disposition, DPM no longer owns any shares of MineRP and the assets and liabilities of MineRP have been presented as held for sale in the annual consolidated statement of financial position as at December 31, 2020, and the operating results and cash flows of MineRP have been presented as discontinued operations in the consolidated statements of earnings (loss) and cash flows for the three and twelve months ended December 31, 2021 and 2020.

All operational and financial information contained in this MD&A are related to continuing operations, unless otherwise stated.

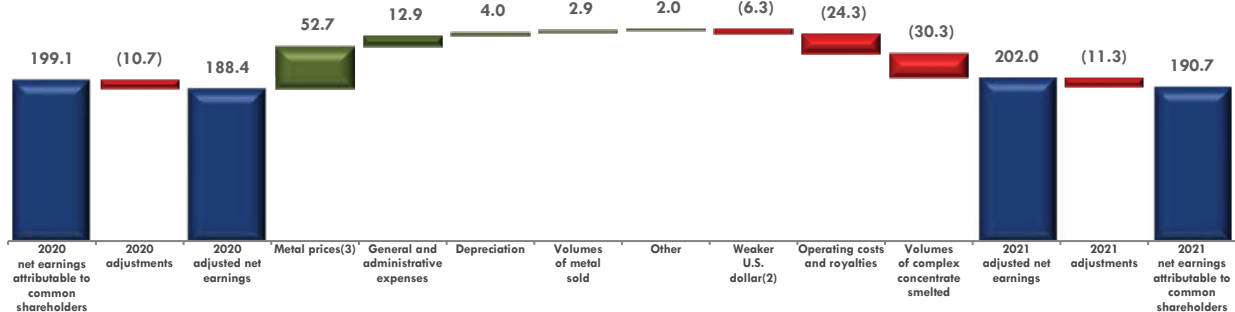
Overview – Operational and Financial Highlights



**Net Earnings Attributable to Common Shareholders
from Continuing Operations
(\$mm)**



**Net Earnings Attributable to Common Shareholders
from Continuing Operations
(\$mm)**



1) Net cash and short-term investments represent cash and short-term investments less total debt at the end of each reporting period. The Company had no debt at the end of all reporting periods presented above.

2) Includes net realized gains and losses on foreign exchange option contracts.

3) Includes net gains and losses on commodity swap contracts recognized in net earnings.

Response to Coronavirus (“COVID-19”)

In March 2020, the World Health Organization classified the COVID-19 epidemic as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19. The Company’s Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

As previously reported, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in April 2020 in response to a government directive to the natural resources sector aimed at limiting staffing levels. Full operations resumed in May 2020 with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites. Tsumeb’s maintenance shutdown, which was originally planned for 30 days in the first quarter of 2021, was extended to 45 days in part as a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support.

The Company continues to closely assess and monitor the COVID-19 situation in the jurisdictions in which it operates. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location, which are directed at safeguarding employees, managing potential supply chain disruptions and maintaining production at each of its operations. These precautionary steps include, but are not limited to, the use of personal protective equipment, workplace and social distancing practices, remote and rotational working options, health hygiene protocols, elimination of non-essential business travel and site access, widespread workforce education on COVID-19 and the benefits of getting vaccinated as well as the support for vaccination programs in the Company’s areas of operations.

Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company’s operations. DPM continues to

engage with local communities and authorities in Bulgaria, Namibia, Serbia and Ecuador as they respond to the challenges of the pandemic. To date, the Company has contributed approximately \$1.2 million to support numerous COVID-19 related initiatives to benefit local communities. This financial support has primarily focused on local hospitals to provide additional medical facilities, supplies, transportation and protective equipment.

The Company has experienced several positive cases of COVID-19 within its workforce. Positive cases are being effectively managed with testing, contact tracing and isolation measures and, to date, the vast majority of employees have recovered with the remaining employees isolating offsite in accordance with the Company's procedures. Given management protocols in effect, the impact on the Company's operations has been minimal. Multiple COVID-19 variants have emerged and are circulating globally. These variants spread more easily and quickly than the original virus resulting in a surge in the number of cases, including in regions in which the Company operates.

Certain vaccines have received regulatory approval in the countries in which the Company operates, and the respective governments are progressing vaccination of their populations although vaccination rates remain low in some jurisdictions. The timing and speed of vaccination in each jurisdiction is uncertain at this time and depends on several factors including supply of the vaccines and increasing the levels of vaccine acceptance.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results. There is no assurance that the pandemic will not have a material adverse impact on the future results of the Company.

Summary of significant operational and financial highlights

Financial results from operations in 2021 reflected the impact of stronger realized metal prices and strong production at Chelopech and Ada Tepe.

Consolidated

- Record gold production of 309,965 ounces, up 4% relative to 2020, and at the upper end of 2021 guidance.
- Sold a record 279,051 ounces of payable gold and 32.7 million pounds of payable copper, and smelted 189,705 tonnes of complex concentrate, generating revenue of \$641.4 million, up 5% relative to 2020. Payable gold sold was at the upper end of 2021 guidance and payable copper sold was in line with 2021 guidance. Complex concentrate smelted was slightly below updated 2021 guidance.
- Cost of sales of \$359.9 million, up \$29.1 million relative to 2020. All-in sustaining cost per ounce of gold sold of \$657 and cash cost per tonne of complex concentrate smelted of \$479 were both in line with 2021 guidance.
- Record cash provided from operating activities and free cash flow of \$253.1 million and \$252.4 million, respectively, up \$56.1 million and \$41.0 million relative to 2020.
- Net earnings attributable to common shareholders from continuing operations of \$190.7 million compared to \$199.1 million in 2020. Record adjusted net earnings of \$202.0 million compared to \$188.4 million in 2020.
- Dividends declared in 2021 totalled \$22.4 million (\$0.12 per share) representing 9% of free cash flow, reflecting strong ongoing performance and significant free cash flow generation. Repurchased 1,723,800 of common shares under the Normal Course Issuer Bid ("NCIB") for a total cost of \$10.4 million (Cdn\$13.2 million).
- Closed sale of MineRP bringing in cash proceeds of \$45.2 million.
- Completed acquisition of INV Metals Inc. ("INV"), adding Loma Larga, a high quality gold development project with robust economics located in Ecuador.
- Ended 2021 with \$334.4 million in cash, an investment portfolio of \$48.0 million and no debt.

Chelopech

- Achieved gold production of 177,001 ounces which was comparable to 2020 and at the upper end of 2021 guidance. Copper production of 34.7 million pounds was down 3% relative to 2020, and was in line with 2021 guidance.

- Sold 149,297 ounces of payable gold and 32.7 million pounds of payable copper, generating revenue of \$292.8 million, up 11% relative to 2020. Payable gold in concentrate sold was at the upper end of 2021 guidance, while payable copper sold was in line with 2021 guidance.
- Cost of sales of \$130.8 million, up 15% relative to 2020, and all-in sustaining cost per ounce of gold of \$722, down 5% relative to 2020.
- Reported earnings before income taxes of \$156.8 million (2020 - \$146.8 million) and adjusted EBITDA of \$179.5 million (2020 - \$177.2 million).

Ada Tepe

- Achieved gold production of 132,964 ounces, up 12% relative to 2020 .
- Sold 129,754 ounces of payable gold, up 8% relative to 2020 and within its 2021 guidance, generating revenue of \$229.3 million, up 16% relative to 2020.
- Cost of sales of \$100.5 million, up 9% relative to 2020, and all-in sustaining cost per ounce of gold of \$583, up 13% relative to 2020.
- Reported earnings before income taxes of \$127.4 million (2020 - \$100.2 million) and adjusted EBITDA of \$182.2 million (2020 - \$156.2 million).

Tsumeb

- Achieved throughput of 189,705 tonnes, down 18% relative to 2020 and below the updated 2021 guidance, generating revenue of \$119.3 million, down 19% relative to 2020.
- Cost of sales of \$128.7 million was \$3.8 million higher than 2020. Cash cost per tonne of complex concentrate smelted of \$479 was 27% higher than 2020.
- Reported loss before income taxes of \$13.2 million (2020 - reported earnings before income taxes of \$18.8 million) and adjusted EBITDA of \$7.9 million (2020 - \$36.7 million).

Loma Larga gold project

- Post-acquisition focus on integration activities, stakeholder engagement and the review, advancement and optimization of the technical studies and permitting schedule.

Timok gold project

- Announced positive results of the prefeasibility study (“PFS”) for the Timok gold project and proceeded with a feasibility study (“FS”) in the first quarter of 2021.
- Received three-year retention of mineral rights and continued other permitting activities associated with the spatial planning with results of the terms of reference for the spatial plan released during the fourth quarter of 2021 for public review.

Exploration

- At Chelopech, 37,925 metres of target delineation and scout drilling was undertaken, focused on the Sveta Petka exploration licence and mine concession area, as well as surrounding the Brevene exploration licence.
- At Ada Tepe, a total of 11,622 metres of exploration drilling was completed on the Khan Krum mining concession area and surrounding exploration licences.
- Exploration drilling activities in Serbia focused on the Chocolate and Čoka Rakita prospects, both in close vicinity to the Timok gold project, followed by a scout drilling program on the Umka exploration licence.

Other

- DPM was recognized for its strong sustainability performance with its inclusion in the 2021 S&P Sustainability Yearbook as one of the top scoring companies in the 91st percentile among companies in the metals and mining industry.

REVIEW OF FINANCIAL AND OPERATIONAL CONSOLIDATED RESULTS

The following tables summarize the Company's selected financial and operational results:

<i>\$ thousands, unless otherwise indicated</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Financial Results				
Revenue	166,433	151,751	641,443	609,558
Cost of sales	96,846	81,117	359,940	330,857
Depreciation and amortization	23,533	23,984	96,207	100,211
General and administrative expenses	3,753	9,378	18,161	30,604
Corporate social responsibility expenses	2,967	2,327	4,838	4,571
Exploration and evaluation expenses	4,369	6,339	18,006	19,072
Finance cost	1,380	1,481	5,549	7,022
Other (income) expense	(3,156)	(1,479)	5,531	(491)
Earnings before income taxes	60,274	52,588	229,418	217,923
Income tax expense	8,169	2,422	38,689	18,891
Net earnings attributable to common shareholders				
from continuing operations	52,108	50,176	190,750	199,074
Net earnings attributable to common shareholders ⁽¹⁾	51,465	50,265	210,101	196,002
Basic earnings per share from continuing operations	0.27	0.28	1.02	1.10
Basic earnings per share ⁽¹⁾	0.27	0.28	1.12	1.08
Adjusted EBITDA	84,274	74,842	336,854	319,322
Adjusted net earnings	51,449	44,037	202,081	188,415
Adjusted basic earnings per share	0.27	0.24	1.09	1.04
Cash provided from operating activities	88,777	70,536	253,126	196,965
Free cash flow	65,807	39,297	252,393	211,427
Dividend distributions	5,744	5,422	22,408	16,308
Share repurchases	921	-	10,410	-
Capital expenditures incurred:				
Growth ⁽²⁾	7,419	3,389	17,068	8,505
Sustaining ⁽³⁾	12,338	12,323	52,545	40,792
Total capital expenditures	19,757	15,712	69,613	49,297
Operational Highlights				
Metals contained in concentrate produced:				
Gold (ounces)	82,824	64,117	309,965	298,289
Copper ('000s pounds)	9,151	7,659	34,688	35,642
Payable metals in concentrate sold:				
Gold (ounces)	73,820	62,568	279,051	270,834
Copper ('000s pounds)	8,175	7,766	32,680	33,389
Cash cost per ounce of gold sold	540	425	465	478
All-in sustaining cost per ounce of gold	757	651	657	654
Complex concentrate smelted (mt)	51,932	52,484	189,705	231,890
Cash cost per tonne of complex concentrate smelted	445	406	479	377

As at,	December 31, 2021	December 31, 2020
Financial Position and Available Liquidity		
Cash	334,377	149,532
Investments at fair value	47,983	106,595
Total assets ⁽¹⁾	1,168,410	974,860
Total equity ⁽¹⁾	1,004,413	805,284
Number of common shares outstanding ('000s)	191,441	181,400
Share price (Cdn\$ per share)	7.82	9.15
Available liquidity ⁽⁴⁾	484,377	299,532

1) These measures include discontinued operations.

- 2) Growth capital expenditures are generally defined as capital expenditures that expand existing capacity, increase life of assets and/or increase future earnings. This measure is used by management and investors to assess the extent of discretionary capital spending being undertaken by the Company each period.
- 3) Sustaining capital expenditures are generally defined as expenditures that support the ongoing operation of the asset or business without any associated increase in capacity, life of assets or future earnings. This measure is used by management and investors to assess the extent of non-discretionary capital spending being incurred by the Company each period.
- 4) Available liquidity is defined as cash and short-term investments plus the available capacity under DPM's Revolving Credit Facility ("RCF") at the end of each reporting period.

Commodity prices and foreign exchange rates

Commodity prices are one of the principal determinants of the Company's results of operations and financial condition. In addition, as an entity reporting in U.S. dollars with operations in several countries, fluctuations in foreign exchange rates between the U.S. dollar and the Bulgarian lev, which is pegged to the Euro, the Namibian dollar, which is pegged to the South African rand ("ZAR") on a 1:1 basis, and the Canadian dollar ("Cdn\$") can also impact the Company's results of operations and financial condition.

The following table summarizes the average trading price for gold and copper based on the London Bullion Market Association ("LBMA") for gold and the London Metal Exchange ("LME") for copper (Grade A) for the three and twelve months ended December 31, 2021 and 2020 and highlights the overall year over year change in commodity prices.

Metal Prices (Market Average) Ended December 31,	Three Months			Twelve Months		
	2021	2020	Change	2021	2020	Change
LBMA gold (\$/ounce)	1,795	1,874	(4%)	1,800	1,770	2%
LME settlement copper (\$/pound)	4.40	3.25	35%	4.22	2.80	51%

The average realized gold price for the fourth quarter and twelve months of 2021 of \$1,780 per ounce and \$1,790 per ounce, respectively, was 2% lower and 5% higher than the corresponding periods in 2020. These changes reflect year over year market movements as well as the impact of 2020 gold deliveries that were made in respect of Ada Tepe's prepaid forward gold sales arrangement, which was fully satisfied with the final delivery in December 2020.

The average realized copper price for the fourth quarter and twelve months of 2021 of \$3.77 per pound and \$3.82 per pound, respectively, was 16% and 39% higher than the corresponding periods in 2020. Realized prices in 2021 and the increases over 2020 were lower than those based on market as a result of substantially all payable copper sold during the fourth quarter and twelve months of 2021 being hedged.

The following table sets out the average foreign exchange rates for the principal currencies impacting the Company and highlights the overall year over year strengthening (weakening) of the U.S. dollar relative to these currencies.

Foreign Exchange Rates (Market Average) Ended December 31,	Three Months			Twelve Months		
	2021	2020	Change	2021	2020	Change
US\$/Cdn\$	1.2597	1.3029	(3%)	1.2535	1.3412	(7%)
Euro/US\$	1.1437	1.1927	4%	1.1833	1.1409	(4%)
US\$/ZAR	15.4203	15.6114	(1%)	14.7756	16.4508	(10%)

In 2021, approximately 91% Namibian dollar operating expenses were hedged with option contracts providing a weighted average floor price of 15.69 and a weighted average ceiling price of 18.38. As at December 31, 2021, approximately 83% projected Namibian dollar operating expenses for 2022 have been hedged with option contracts providing a weighted average floor price of 15.14 and a weighted average ceiling price of 17.05.

Metals production

Gold contained in concentrate produced in the fourth quarter of 2021 increased by 29% to 82,824 ounces relative to the corresponding period in 2020 due primarily to higher gold grades at Ada Tepe and improved gold recoveries at Chelopech. Gold contained in concentrate produced in 2021 increased by 4% to 309,965 ounces relative to 2020 due primarily to higher gold grades at Ada Tepe and improved gold recoveries from

pyrite concentrate at Chelopech, partially offset by mining in lower grade zones at Chelopech in the third quarter of 2021.

Copper production in the fourth quarter of 2021 increased by 19% to 9.2 million pounds relative to the corresponding period in 2020 due primarily to higher copper grades. Copper production in 2021 decreased by 3% to 34.7 million pounds relative to 2020 due primarily to mining in lower grade zones, partially offset by higher copper recoveries.

Metals sold

Payable gold in concentrate sold in the fourth quarter of 2021 of 73,820 ounces was 18% higher than the corresponding period in 2020 due primarily to higher gold grades at Ada Tepe and mining in higher grade zones and higher gold recoveries at Chelopech. Payable copper in concentrate sold in the fourth quarter of 2021 of 8.2 million pounds was 5% higher than the corresponding period in 2020 due primarily to higher copper recoveries.

Payable gold in concentrate sold in 2021 of 279,051 ounces was 3% higher than 2020 due primarily to higher gold grades at Ada Tepe, partially offset by mining in lower gold grade zones at Chelopech. Payable copper in concentrate sold in 2021 of 32.7 million pounds was 2% lower than 2020 due primarily to mining in lower grade zones at Chelopech, partially offset by the timing of deliveries.

Complex concentrate smelted

Complex concentrate smelted at Tsumeb during the fourth quarter of 2021 of 51,932 tonnes was comparable to the corresponding period in 2020. Complex concentrate smelted at Tsumeb in 2021 of 189,705 tonnes was 18% lower than 2020 due primarily to the planned first quarter Ausmelt furnace maintenance shutdown, as well as unplanned maintenance downtime due to water leaks in the off-gas system during the second half of 2021.

Revenue

Revenue in the fourth quarter of 2021 of \$166.4 million was \$14.6 million higher than the corresponding period in 2020 due primarily to higher volumes of metal sold.

Revenue in 2021 of \$641.4 million was \$31.9 million higher than 2020 due primarily to higher realized metal prices and higher volumes of metal sold, partially offset by lower volumes of complex concentrate smelted at Tsumeb.

Cost of sales

Cost of sales in the fourth quarter of 2021 of \$96.8 million was \$15.7 million higher than the corresponding period in 2020 due primarily to higher local currency operating expenses in Bulgaria reflecting higher prices for electricity and direct materials and higher labour costs.

Cost of sales in 2021 of \$359.9 million was \$29.1 million higher than 2020 due primarily to higher local currency operating expenses in Bulgaria reflecting higher prices for electricity and direct materials and higher labour costs, higher royalties at Ada Tepe reflecting a higher profit-based royalty rate, and a weaker U.S. dollar, partially offset by lower local currency operating expenses at Tsumeb and lower depreciation.

All-in sustaining cost per ounce of gold

All-in sustaining cost per ounce of gold in the fourth quarter of 2021 of \$757 was 16% higher than the corresponding period in 2020 due primarily to higher local currency operating expenses in Bulgaria and higher treatment charges at Chelopech, partially offset by higher volumes of gold sold.

All-in sustaining cost per ounce of gold in 2021 of \$657 was comparable to 2020 due primarily to higher by-product credits reflecting higher realized copper prices, partially offset by higher local currency operating expenses in Bulgaria, higher royalties at Ada Tepe, and higher cash outlays for sustaining capital expenditures.

Cash cost per tonne of complex concentrate smelted

Cash cost per tonne of complex concentrate smelted in the fourth quarter of 2021 of \$445 was \$39 higher than the corresponding period in 2020 due primarily to higher local currency operating expenses as a result of maintenance costs, partially offset by higher sulphuric acid by-product credits reflecting higher sulphuric acid prices.

Cash cost per tonne of complex concentrate smelted in 2021 of \$479 was \$102 higher than 2020 reflecting the fixed cost nature of the facility and the impact of lower volumes of complex concentrate smelted, combined with a stronger ZAR relative to the U.S. dollar.

General and administrative expenses

General and administrative expenses in the fourth quarter of 2021 were \$3.7 million compared to \$9.4 million in the corresponding period in 2020 due primarily to lower share-based compensation as a result of changes in DPM's share price.

General and administrative expenses in 2021 were \$18.2 million compared to \$30.6 million in 2020 due primarily to lower share-based compensation as a result of changes in DPM's share price, partially offset by higher information technology related expenses and higher professional fees primarily related to digital initiatives.

Exploration and evaluation expenses

Exploration and evaluation expenses in the fourth quarter and twelve months of 2021 were \$4.4 million and \$18.0 million, respectively, compared to \$6.3 million and \$19.1 million in the corresponding periods in 2020 due primarily to timing of drilling activities on potential targets in priority areas at Chelopech, Ada Tepe and Timok.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section contained in this MD&A.

Finance costs

Finance costs are comprised of interest and other deemed financing costs in respect of the Company's debt facilities, prepaid forward gold sales arrangement settled in 2020, lease obligations and rehabilitation provisions.

Finance costs in the fourth quarter and twelve months of 2021 were \$1.3 million and \$5.5 million, respectively, compared to \$1.5 million and \$7.0 million in the corresponding periods in 2020. The decrease in 2021 was due primarily to interest accretion pursuant to a prepaid forward gold sales arrangement, for which the final delivery of gold was completed in December 2020.

Other (income) expense

Other (income) expense is primarily comprised of unrealized gains or losses on Sabina special warrants and foreign exchange translation gains or losses.

The following table summarizes the items making up other (income) expense:

<i>\$ thousands</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Net (gains) losses on Sabina special warrants ⁽¹⁾	(659)	(3,124)	6,312	(5,640)
Net foreign exchange losses ⁽²⁾	218	2,442	1,628	4,376
Interest income	(254)	(87)	(632)	(194)
Other, net	(2,461)	(710)	(1,777)	967
Total other (income) expense	(3,156)	(1,479)	5,531	(491)

¹⁾ Refer to the "Financial Instruments" section contained in this MD&A for more details.

²⁾ Primarily related to the revaluation of foreign denominated monetary assets and liabilities.

Income tax expense

The effective tax rate of the Company can vary significantly from one period to the next based on a number of factors. For the three and twelve months ended December 31, 2021 and 2020, the Company's effective tax rate was impacted primarily by the Company's overall earnings, mix of foreign earnings or losses, which are subject to lower tax rates in certain jurisdictions, and changes in unrecognized tax benefits relating to corporate operating, exploration and evaluation costs, as well as unrealized gains or losses on the Company's publicly traded securities recognized in other comprehensive income (loss).

<i>\$ thousands, unless otherwise indicated</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Earnings before income taxes	60,274	52,588	229,418	217,923
Combined Canadian federal and provincial statutory income tax rates	26.5%	26.5%	26.5%	26.5%
Expected income tax expense	15,973	13,936	60,796	57,750
Lower rates on foreign earnings	(10,332)	(8,831)	(41,163)	(39,256)
Changes in unrecognized tax benefits	2,477	(1,255)	14,842	2,906
Non-taxable portion of capital (gains) losses	583	(1,921)	3,346	(3,663)
Non-deductible share-based compensation expense	74	66	279	246
Other, net	(606)	427	589	908
Income tax expense	8,169	2,422	38,689	18,891
Effective income tax rates	13.6%	4.6%	16.9%	8.7%

In December 2020, the Namibian Ministry of Finance announced that tax incentives under the Export Processing Zones ("EPZ") Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The Ministry also announced that the EPZ regime will be replaced by a new regime known as the Sustainable Special Economic Zone ("SSEZ"). In September 2021, the Namibian Ministry of Industrialisation and Trade issued a draft document entitled "National Policy on Sustainable Special Economic Zones" for public consultation prior to moving forward to finalize this new policy, which is expected to be implemented in 2022.

Net earnings attributable to common shareholders from continuing operations

Net earnings attributable to common shareholders from continuing operations in the fourth quarter of 2021 were \$52.1 million (\$0.27 per share) compared to \$50.2 million (\$0.28 per share) in the corresponding period in 2020 due primarily to higher volumes of metal sold and lower share-based compensation as a result of changes in DPM's share price, partially offset by higher local currency operating expenses in Bulgaria.

Net earnings attributable to common shareholders from continuing operations in 2021 were \$190.7 million (\$1.02 per share) compared to \$199.1 million (\$1.10 per share) in 2020 due primarily to the planned maintenance shutdown at Tsumeb in the first quarter of 2021, as well as unplanned maintenance downtime due to water leaks in the off-gas system during the second half of 2021, higher local currency operating expenses in Bulgaria, a weaker U.S. dollar and higher royalty rates at Ada Tepe, partially offset by higher realized gold and copper prices, higher volumes of gold sold and lower share-based compensation as a result of changes in DPM's share price.

Adjusted net earnings (loss)

Adjusted net earnings in the fourth quarter and twelve months of 2021 were \$51.4 million (\$0.27 per share) and \$202.0 million (\$1.09 per share), respectively, compared to \$44.0 million (\$0.24 per share) and \$188.4 million (\$1.04 per share) in the corresponding periods in 2020. These increases were due primarily to the same factors affecting net earnings attributable to common shareholders from continuing operations, with the exception of the adjusting items detailed below.

Adjusted net earnings in the fourth quarter and twelve months of 2021 excluded unrealized gains on Sabina special warrants of \$0.7 million (2020 –\$3.2 million) and unrealized losses of \$6.3 million (2020 – unrealized

gains of \$5.7 million), respectively, as well as a deferred income tax recovery adjustment not related to current period earnings of \$nil (2020 – \$3.0 million) and a deferred income tax expense adjustment of \$5.0 million (2020 – a deferred income tax recovery adjustment of \$5.0 million), respectively, both of which are not reflective of the Company’s underlying operating performance. For more details on these adjustments, refer to the “Non-GAAP Financial Measures” section contained in this MD&A.

The following table summarizes adjusted net earnings (loss) by segment:

<i>\$ thousands</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Chelopech	33,995	38,288	140,756	132,829
Ada Tepe	28,152	17,482	109,956	90,799
Tsumeb	(2,008)	6,414	(13,163)	18,843
Corporate & Other	(8,690)	(18,147)	(35,468)	(54,056)
Total adjusted net earnings	51,449	44,037	202,081	188,415

Adjusted EBITDA

Adjusted EBITDA in the fourth quarter and twelve months of 2021 was \$84.3 million and \$336.9 million, respectively, compared to \$74.8 million and \$319.3 million in the corresponding periods in 2020 reflecting the same factors that affected adjusted net earnings, except for interest, income tax, depreciation and amortization, which are excluded from adjusted EBITDA.

The following table summarizes adjusted EBITDA by segment:

<i>\$ thousands</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Chelopech	44,131	50,057	179,510	177,223
Ada Tepe	45,785	32,304	182,175	156,205
Tsumeb	2,449	9,847	7,918	36,682
Corporate & Other	(8,091)	(17,366)	(32,749)	(50,788)
Total adjusted EBITDA	84,274	74,842	336,854	319,322

In the adjusted net earnings (loss) and adjusted EBITDA tables above, the “Corporate & Other” segment includes corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

For a more detailed discussion of Chelopech, Ada Tepe, Tsumeb and Corporate & Other results, refer to the “Review of Operating Results by Segment” section contained in this MD&A.

Cash provided from operating activities

Cash provided from operating activities in the fourth quarter of 2021 of \$88.8 million was \$18.2 million higher than the corresponding period in 2020 and higher than the \$7.6 million increase in earnings before taxes, due primarily to the prepaid forward gold sales agreement at Ada Tepe being fully satisfied with the final delivery in December 2020 and lower income taxes paid, partially offset by an unfavourable period over period change in working capital mainly related to an increase in accounts receivables as a result of the timing of deliveries.

Cash provided from operating activities in 2021 of \$253.1 million was \$56.1 million higher than 2020 and higher than the \$11.5 million increase in earnings before income taxes, due primarily to the prepaid forward gold sales agreement at Ada Tepe being fully satisfied with the final delivery in December 2020.

During the fourth quarter and twelve months of 2020, Ada Tepe delivered 6,993 ounces and 34,087 ounces of gold, respectively, pursuant to the prepaid forward gold sales arrangement which resulted in \$9.6 million and \$46.7 million of deferred revenue being recognized in revenue during the fourth quarter and twelve months of 2020, respectively, with no corresponding impact on cash as these deliveries were in partial

satisfaction of the \$50.0 million of upfront proceeds received in 2016. In December 2020, the Company completed its final delivery of gold under this arrangement.

For a detailed discussion on the factors affecting cash provided from operating activities, refer to the “Liquidity and Capital Resources” section contained in this MD&A.

Free cash flow

Free cash flow in the fourth quarter of 2021 of \$65.8 million was \$26.5 million higher than the corresponding period in 2020 and higher than the \$7.7 million increase in earnings before taxes, due primarily to the fulfillment of the prepaid forward gold sales agreement at Ada Tepe in December 2020 and lower income taxes paid.

Free cash flow in 2021 of \$252.4 million was \$41.0 million higher than 2020 and higher than the \$11.5 million increase in earnings before income taxes, due primarily to the fulfillment of the prepaid forward gold sales agreement at Ada Tepe in December 2020, partially offset by higher cash outlays for sustaining capital expenditures.

Capital expenditures

Capital expenditures incurred during the fourth quarter and twelve months of 2021 were \$19.7 million and \$69.6 million, respectively, compared to \$15.7 million and \$49.3 million in the corresponding periods in 2020.

Sustaining capital expenditures incurred during the fourth quarter and twelve months of 2021 were \$12.3 million and \$52.5 million, respectively, compared to \$12.3 million and \$40.8 million in the corresponding periods in 2020. The year-over-year increase was due primarily to the planned maintenance shutdown at Tsumeb in the first quarter of 2021 and accelerated grade control drilling at Ada Tepe initiated in September 2020. Growth capital expenditures incurred during the fourth quarter and twelve months of 2021 were \$7.4 million and \$17.1 million, respectively, compared to \$3.4 million and \$8.5 million in the corresponding periods in 2020 due primarily to work related to the development of the Timok and Loma Larga gold projects.

2021 ACTUAL RESULTS COMPARISON TO 2021 GUIDANCE

The following table provides a comparison of the Company's results to its 2021 original guidance and its updated guidance.

<i>\$ millions, unless otherwise indicated</i>	Original Consolidated Guidance⁽¹⁾	Updated Consolidated Guidance⁽²⁾	2021 Consolidated Results
Ore processed ('000s tonnes)	2,925 - 3,125	2,925 - 3,125	3,065
Cash cost per tonne of ore processed ⁽³⁾			
Chelopech	42 - 45	46 - 48	47
Ada Tepe	46 - 50	52 - 55	52
Metals contained in concentrate produced ⁽⁴⁾			
Gold ('000s ounces)	271 - 317	271 - 317	310
Copper (million pounds)	34 - 39	34 - 39	35
Payable metals in concentrate sold ⁽⁴⁾⁽⁵⁾			
Gold ('000s ounces)	243 - 285	243 - 285	279
Copper (million pounds)	31 - 36	31 - 36	33
All-in sustaining cost per ounce of gold ⁽³⁾	625 - 695	625 - 695	657
Complex concentrate smelted ('000s tonnes)	220 - 250	195 - 200	190
Cash cost per tonne of complex concentrate smelted	450 - 520	450 - 520	479
Corporate general and administrative expenses ⁽⁶⁾	19 - 23	19 - 23	18
Exploration expenses	13 - 15	13 - 15	16
Evaluation expenses	2 - 3	2 - 3	2
Sustaining capital expenditures ⁽⁷⁾⁽⁸⁾	56 - 72	52 - 66	53
Growth capital expenditures ⁽⁸⁾	16 - 21	17 - 24	17

1) As disclosed in the MD&A issued on February 11, 2021.

2) As disclosed in the MD&A issued on November 11, 2021.

3) Includes the treatment charges, transportation and other selling costs related to the sale of pyrite concentrate, and payable gold in pyrite concentrate sold.

4) Includes gold in pyrite concentrate produced of 60,568 ounces compared to guidance of 50,000 to 56,000 ounces and payable gold in pyrite concentrate sold of 37,747 ounces compared to guidance of 31,000 ounces to 35,000 ounces.

5) Payable metals contained in concentrate sold are after customary metal deductions associated with smelter treatment terms.

6) Excludes favourable mark-to-market adjustments on share-based compensation of \$1.9 million.

7) Consolidated sustaining capital expenditures include \$2 million to \$4 million related to corporate digital initiatives in the updated guidance, down from the original guidance of \$4 million to \$6 million.

8) Updated guidance for Tsumeb sustaining and growth capital expenditures was \$14 million to \$16 million and \$1 million to \$3 million, respectively, down from the original guidance of \$16 million to \$20 million and \$3 million to \$4 million.

DPM achieved the upper end of its 2021 production and delivery guidance as a result of continued strong operating performance at Chelopech and Ada Tepe. Cash cost per tonne of ore processed at Chelopech and Ada Tepe were within the updated guidance, which were revised as a result of recent price increases for electricity and direct materials.

Complex concentrate smelted at Tsumeb was slightly below the updated guidance, which was revised as a result of the longer than anticipated shutdown during the first quarter of 2021, as well as unplanned maintenance downtime due to water leaks in the off-gas system during the second half of 2021. Cash cost per tonne of concentrate smelted in 2021 was within 2021 guidance due primarily to higher by-product credits reflecting higher sulphuric acid prices, partially offset by the fixed cost nature of the facility and the impact of lower volumes of complex concentrate smelted, combined with a stronger ZAR relative to the U.S. dollar.

All-in sustaining cost per ounce of gold in 2021 of \$657 was within the original guidance of \$625 to \$695 due primarily to higher by-product credits reflecting higher realized copper prices, higher volumes of gold sold and lower cash outlays for sustaining capital expenditures, partially offset by higher local currency operating expenses reflecting higher prices for electricity and direct materials and higher labour costs in Bulgaria, and higher treatment charges at Chelopech.

THREE-YEAR OUTLOOK

DPM continues to focus on increasing the profitability of its business by optimizing existing operating assets, which are expected to maintain high levels of gold production as highlighted in the 2022 to 2024 outlook and supplemental detailed 2022 guidance below.

2022 to 2024 Outlook

The outlook is based on historical performance and experience at DPM's operations and is consistent with the production schedules outlined in the technical report for Chelopech entitled "NI 43-101 Technical Report - Mineral Resource and Reserve Update, Chelopech Mine, Chelopech, Bulgaria" dated March 30, 2020 (the "Chelopech Technical Report"), and the technical report for Ada Tepe entitled "NI 43-101 Technical Report – Mineral Reserve and Mineral Resource Update for the Ada Tepe Mine, Krumovgrad, Bulgaria" dated November 23, 2020 (the "Ada Tepe Technical Report"). For 2023 and 2024, all production and cost estimates do not yet incorporate operating performance improvements in respect of mine and smelter throughput and potential improvements to mine grades and recoveries. The Chelopech Technical Report and the Ada Tepe Technical Report have been filed on SEDAR (www.sedar.com) and are posted on the Company's website (www.dundeeprecious.com). The following outlook is forward looking and based on certain estimates and assumptions which involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

Highlights of the three-year outlook include:

- **Continued solid gold production:** Over the next three years, gold production is expected to average approximately 270,000 ounces per year based on current mine plans. Gold production is expected to range between 250,000 and 290,000 ounces in 2022, between 265,000 and 310,000 ounces in 2023, and between 230,000 and 265,000 ounces in 2024.
- **Stable copper production:** Copper production between 2022 and 2024 is expected to average approximately 35 million pounds per year, based on current mine plans.
- **Attractive all-in sustaining cost:** All-in sustaining cost per ounce of gold is expected to range between \$750 and \$890 in 2022, between \$630 and \$760 in 2023, and between \$720 and \$850 in 2024. The year over year variations in all-in sustaining cost reflect expected gold grades in concentrate produced and volumes of gold-copper concentrate delivered to third party smelters, with an overall increase reflecting higher ocean freight and higher prices for electricity and direct materials.
- **Stable smelter performance:** Annual estimates for complex concentrate smelted vary due to the timing of scheduled furnace maintenance shutdowns, with the next shutdown scheduled to occur during the second quarter of 2022. Based on an expected 18-month operating cycle, complex concentrate smelted is expected to be between 210,000 and 240,000 tonnes in each of 2022 and 2023, and between 220,000 and 250,000 tonnes in 2024. Cash cost per tonne of complex concentrate smelted is expected to be between \$380 and \$460 in 2022, between \$350 and \$450 in 2023, and between \$340 and \$440 in 2024, reflecting the impact of increased throughput, as well as estimated cost savings from a comprehensive initiative directed at optimizing the cost structure of the smelter.
- **Sustaining capital expenditures:** Sustaining capital expenditures vary due to the timing of certain projects and are expected to be between \$57 million and \$66 million for 2022, between \$46 million and \$54 million for 2023, and between \$42 million and \$49 million for 2024.

The Company's three-year outlook is set out in the following table:

<i>\$ millions, Unless otherwise indicated</i>	2021 Results	2022 Guidance	2023 Outlook	2024 Outlook
Gold contained in concentrate produced ('000s ounces) ^{(1),(2)}				
Chelopech	177	169 – 191	150 – 170	161 – 182
Ada Tepe	133	81 – 99	115 – 140	69 – 83
Total	310	250 – 290	265 – 310	230 – 265
Copper contained in concentrate produced (million pounds)				
Chelopech	35	32 – 37	32 – 39	30 – 35
All-in sustaining cost per ounce of gold ⁽³⁾	657	750 – 890	630 – 760	720 – 850
Complex concentrate smelted ('000s tonnes)	190	210 – 240	210 – 240	220 – 250
Cash cost per tonne of complex concentrate smelted ⁽³⁾	479	380 – 460	350 – 450	340 – 440
Sustaining capital expenditures ⁽³⁾				
Chelopech	19	24 – 27	20 – 22	16 – 17
Ada Tepe	18	11 – 13	9 – 10	9 – 10
Tsumeb	13	15 – 18	15 – 18	15 – 18
Corporate digital initiatives	3	7 – 8	2 – 4	2 – 4
Consolidated	53	57 – 66	46 – 54	42 – 49

1) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces for 2022, and 50,000 to 57,000 ounces in each of 2023 and 2024.

2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.

3) All costs and capital expenditures are based on, where applicable, a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.00, a copper price of \$4.25 per pound, and an average sulphuric acid price of \$105 per tonne in 2022, \$95 per tonne in 2023 and \$75 per tonne in 2024, and have not been adjusted for inflation in 2023 and 2024.

The Company's detailed guidance for 2022 is set out in the following table:

<i>\$ millions, unless otherwise indicated</i>	Chelopech	Ada Tepe	Tsumeb	Consolidated Guidance
Ore processed ('000s tonnes)	2,090 – 2,200	810 – 900	-	2,900 – 3,100
Cash cost per tonne of ore processed	48 – 53	54 – 60	-	-
Metals contained in concentrate produced ^{(1),(2)}				
Gold ('000s ounces)	169 – 191	81 – 99	-	250 – 290
Copper (million pounds)	32 – 37	-	-	32 – 37
Payable metals in concentrate sold ⁽¹⁾				
Gold ('000s ounces)	140 – 160	80 – 95	-	220 – 255
Copper (million pounds)	28 – 32	-	-	28 – 32
All-in sustaining cost per ounce of gold ⁽³⁾	740 – 900	770 – 880	-	750 – 890
Complex concentrate smelted ('000s tonnes)	-	-	210 – 240	210 – 240
Cash cost per tonne of complex concentrate smelted ⁽³⁾	-	-	380 – 460	380 – 460
Corporate general and administrative expenses ⁽⁴⁾	-	-	-	26 – 30
Exploration expenses ⁽³⁾	-	-	-	16 – 19
Sustaining capital expenditures ^{(3) (5)}	24 – 27	11 – 13	15 – 18	57 – 66
Growth capital expenditures ^{(3) (6)}	2 – 4	-	1 – 2	31 – 49

1) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 31,000 to 36,000 ounces.

2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.

3) Based on a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.00, a copper price of \$4.25 per pound and an average sulphuric acid price of \$105 per tonne, where applicable.

4) Excludes mark-to-market adjustments on share-based compensation.

5) Consolidated sustaining capital expenditures include \$7 million to \$8 million related to corporate new office lease and digital initiatives.

6) Consolidated growth capital expenditures include estimated costs related to the technical and permitting work for the Loma Larga gold project of \$21 million to \$31 million and estimated costs related to the FS for the Timok gold project of \$8 million to \$12 million (as detailed below).

The foregoing three-year outlook and supplemental detailed 2022 guidance are not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced, payable metals in

concentrate sold and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages, including furnace maintenance shutdowns at Tsumeb. The rate of capital expenditures is also expected to vary from quarter to quarter based on the schedule for, and execution of, each capital project.

Additional detail on the Company's three-year outlook is set out below:

Chelopech

Gold contained in concentrate produced in 2022 is expected to be between 169,000 and 191,000 ounces, which has improved relative to the previous 2022 outlook of 145,000 to 165,000 ounces as a result of higher recoveries. Gold contained in concentrate produced is expected to range between 150,000 and 170,000 ounces in 2023, and between 161,000 and 182,000 ounces in 2024.

Copper contained in concentrate produced in 2022 is expected to be between 32 and 37 million pounds declining slightly from the previous 2022 outlook of 32 to 39 million pounds reflecting mining in lower grade zones. Copper contained in concentrate produced is expected to be between 32 and 39 million pounds in 2023, and between 30 and 35 million pounds in 2024.

Cash cost per tonne of ore processed is expected to be between \$48 and \$53 in 2022 primarily reflecting recent price increases for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$24 million and \$27 million, including approximately \$6 million for the next phase of work to continue the upgrade of Chelopech's tailings management facility, a portion of which represents 2021 capital deferred to 2022. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be between \$2 million and \$4 million in 2022. Sustaining capital expenditures are expected to trend lower in 2023, ranging between \$20 million and \$22 million, including approximately \$4 million to complete the upgrade of the tailings management facility. In 2024, sustaining capital expenditures are expected to decline further to between \$16 million and \$17 million.

Ada Tepe

Gold contained in concentrate produced in 2022 is expected to be between 81,000 and 99,000 ounces, which is approximately 14% below the previous 2022 outlook of 95,000 to 115,000 ounces reflecting the results from the accelerated grade control drilling program conducted in 2021. Gold contained in concentrate produced is expected to be between 115,000 and 140,000 ounces in 2023, and between 69,000 and 83,000 ounces in 2024, which will be reviewed and updated, if necessary, following the completion of the assessment of the accelerated grade control drilling program in the third quarter of 2022.

Cash cost per tonne of ore processed is expected to be between \$54 and \$60 in 2022 primarily reflecting recent price increases for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$11 million and \$13 million, up relative to previous 2022 outlook, including approximately \$7 million related to Ada Tepe's integrated waste management facility. Sustaining capital expenditures are expected to decline to between \$9 million and \$10 million in 2023 and remain at this level in 2024.

Tsumeb

Complex concentrate smelted is expected to be between 210,000 and 240,000 tonnes in each of 2022 and 2023, down from the previous 2022 outlook of 220,000 to 250,000 tonnes and 2023 outlook of 230,000 to 265,000 tonnes, reflecting scheduled furnace maintenance shutdowns in the second quarter of 2022 and at the end of 2023 based on an expected 18-month operating cycle, as well as the recent operating performance at the smelter. In 2024, complex concentrate smelted is expected to be between 220,000 and 250,000 tonnes reflecting no scheduled furnace maintenance shutdown in 2024. Over 90% of concentrate feed is currently contracted through to the end of 2023, with the remaining feed in 2022 and 2023 and additional feed thereafter expected to be contracted in the normal course.

Cash cost per tonne of complex concentrate smelted is expected to range between \$380 and \$460 in 2022, between \$350 and \$450 in 2023, and between \$340 and \$440 in 2024, reflecting the impact of increased throughput, as well as estimated cost savings from a comprehensive initiative directed at optimizing the cost structure of the smelter.

Sustaining capital expenditures in 2022 are expected to be between \$15 million and \$18 million for each of 2022, 2023 and 2024, down from the previous outlook of \$16 million to \$20 million.

Loma Larga gold project

With positive results from the FS completed by INV prior to the acquisition, the Company is proceeding with the permitting process while performing technical reviews to optimize the FS, and drilling to further advance the project. The cost associated with these activities in 2022 is expected to be between \$21 million and \$31 million and is included in growth capital expenditures.

Timok gold project

The Company is progressing FS work in respect of the Timok gold project which is expected to cost between \$8 million and \$12 million in 2022 and is included in growth capital expenditures.

Exploration and evaluation expenditures

Expenditures related to exploration in 2022 are expected to be between \$16 million and \$19 million and will be directed primarily toward a 60,000 metre brownfield drilling program on mine concessions and exploration licences at, or around, the Chelopech and Ada Tepe mines in Bulgaria and the Timok project in Serbia.

At Chelopech, exploration efforts will concentrate on near mine exploration drilling related to the Sveta Petka commercial discovery application, with 35,000 metres of drilling planned in 2022.

At Ada Tepe, where 20,000 metres of drilling is planned, almost half of which is dedicated to near-mine target delineation and drilling within the mining concession and the surrounding Krumovitza exploration licence. The rest of the budget will be allocated to scout and target delineation drilling on the other regional licences in the Krumovgrad district, with a focus on the Chiriite exploration licence, where several new vein targets were identified in 2021.

At Timok, studies to progress Bigar Hill to a mining concession are underway, with exploration activities focusing on the nearby Umka exploration licence as well as other early-stage licences in Serbia.

At Loma Larga, all geological data will be integrated and reviewed to develop a drilling program focused on extending the existing mineral resources, which are open in all directions. The Tierras Coloradas concessions will be transferred to an advanced exploration phase, and a 2,000 metre scout drilling program will be completed in 2022.

COVID-19

To date, with the proactive measures taken by each of the Company's operations, the COVID-19 pandemic has had minimal impact on DPM's production. DPM is closely monitoring the COVID-19 situation and has put measures in place to safeguard the health of its workforce and support the continuity of its operations. Given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's future operating and financial results. As a result, the three-year outlook provided is predicated on the COVID-19 pandemic continuing to be effectively managed with minimal impact on DPM's operations.

For additional details on COVID-19, including the related risks faced by the Company, refer to the "Overview – Operational and Financial Highlights" and "Risk and Uncertainties" sections contained in this MD&A.

REVIEW OF OPERATING RESULTS BY SEGMENT

Chelovech – Selected Operational and Financial Highlights

\$ thousands, unless otherwise indicated Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Operational Highlights				
Ore mined (mt)	569,789	538,457	2,206,826	2,182,844
Ore processed (mt)	561,986	541,066	2,199,155	2,201,220
Gold recoveries:				
Gold-copper concentrate (%)	52.9	47.8	50.0	50.1
Pyrite concentrate (%)	25.4	17.5	26.0	22.4
Head grade / recoveries:				
Gold (g/mt) / combined recoveries (%)	3.47 / 78.3	3.35 / 65.3	3.29 / 76.0	3.50 / 72.5
Copper (%) / %	0.91 / 80.8	0.85 / 75.7	0.88 / 81.3	0.93 / 78.6
Gold-copper concentrate produced (mt)	29,034	22,800	109,915	105,765
Pyrite concentrate produced (mt)	70,900	51,438	269,084	262,283
Metals contained in concentrate produced:				
Gold in gold-copper concentrate (ounces)	33,149	27,852	116,433	124,060
Gold in pyrite concentrate (ounces)	15,901	10,168	60,568	55,502
Total gold production	49,050	38,020	177,001	179,562
Copper (pounds)	9,150,837	7,659,384	34,687,982	35,642,083
Cash cost per tonne of ore processed	53.65	41.78	47.12	38.42
Cash cost per ounce of gold in gold-copper concentrate produced	521	526	499	451
Cash cost per pound of copper in gold-copper concentrate produced	1.31	0.91	1.19	0.71
Gold-copper concentrate delivered (mt)	26,994	24,652	112,342	106,026
Pyrite concentrate delivered (mt)	79,788	75,102	267,569	267,897
Payable metals in concentrate sold:				
Gold in gold-copper concentrate (ounces) ⁽¹⁾	29,207	28,065	111,550	114,653
Gold in pyrite concentrate (ounces) ⁽¹⁾	11,331	9,334	37,747	36,111
Total payable gold in concentrate sold	40,538	37,399	149,297	150,764
Copper (pounds) ⁽¹⁾	8,175,296	7,765,680	32,679,969	33,388,783
Cash cost per ounce of gold sold	635	456	543	587
All-in sustaining cost per ounce of gold	833	704	722	762
Cost per tonne of gold-copper concentrate sold ⁽²⁾	1,317	1,253	1,164	1,070
Financial Highlights				
Revenue ⁽³⁾	73,486	74,380	292,779	264,855
Cost of sales ⁽⁴⁾	35,546	30,898	130,798	113,481
Earnings before income taxes	38,197	42,110	156,802	146,758
Adjusted EBITDA	44,131	50,057	179,510	177,223
Net earnings/Adjusted net earnings	33,996	38,288	140,756	132,829
Capital expenditures incurred:				
Growth	992	1,075	3,381	4,147
Sustaining	4,019	5,202	19,186	16,911
Total capital expenditures	5,011	6,277	22,567	21,058

1) Represents payable metals in gold-copper and pyrite concentrate sold based on provisional invoices.

2) Represents cost of sales divided by the volume of gold-copper concentrate delivered.

3) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net favourable final settlements of \$0.8 million (2020 – net unfavourable final settlements of \$2.5 million) and net unfavourable final settlements of \$1.0 million (2020 – net favourable final settlements of \$2.2 million) were recognized in the fourth quarter and twelve months of 2021, respectively. Deductions during the fourth quarter and twelve months of 2021 were \$30.4 million (2020 – \$20.2 million) and \$101.9 million (2020 – \$99.6 million), respectively.

4) Cost of sales includes depreciation of \$5.8 million (2020 – \$7.8 million) and \$22.1 million (2020 – \$29.8 million) in the fourth quarter and twelve months of 2021, respectively.

Review of Chelopech Results

Concentrate and metals production

Gold-copper concentrate produced during the fourth quarter of 2021 of 29,034 tonnes was 27% higher than the corresponding period in 2020 due primarily to higher copper recoveries as a result of improved recovery performance, higher copper grades and higher volumes of ore processed. Gold-copper concentrate produced during 2021 of 109,915 tonnes was 4% higher than 2020 due primarily to higher copper recoveries, partially offset by lower copper grades.

Pyrite concentrate produced during the fourth quarter and twelve months of 2021 of 70,900 tonnes and 269,084 tonnes, respectively, was 38% and 3% higher than the corresponding periods in 2020 due primarily to higher gold recoveries.

In the fourth quarter and twelve months of 2021, gold contained in gold-copper and pyrite concentrate produced was 49,050 ounces and 177,001 ounces, respectively, compared to 38,020 ounces and 179,562 ounces in the corresponding periods in 2020.

Relative to the fourth quarter of 2020, gold contained in gold-copper concentrate produced in the fourth quarter of 2021 increased by 19% to 33,149 ounces and gold contained in pyrite concentrate produced increased by 56% to 15,901 ounces. These increases were due primarily to higher gold recoveries and mining in higher grade zones. Relative to 2020, gold contained in gold-copper concentrate produced in 2021 decreased by 6% to 116,433 ounces due primarily to mining in lower grade zones in the third quarter of 2021, and gold contained in pyrite concentrate produced of 60,568 ounces was 9% higher due primarily to higher gold recoveries, partially offset by lower grades.

Copper production of 9.2 million pounds in the fourth quarter of 2021 was 19% higher than the corresponding period in 2020 due primarily to higher copper grades and recoveries, and higher volumes of ore processed. Copper production of 34.7 million pounds in 2021 was 3% lower than 2020 due primarily to mining in lower grade zones, partially offset by higher copper recoveries.

Concentrate deliveries and metals sold

Deliveries of gold-copper concentrate in the fourth quarter and twelve months of 2021 of 26,994 tonnes and 112,342 tonnes, respectively, were 10% and 6% higher than the corresponding periods in 2020 due primarily to higher gold-copper concentrate production, partially offset by the timing of shipments.

Deliveries of pyrite concentrate in the fourth quarter of 2021 of 79,788 were 6% higher than the corresponding period in 2020 due primarily to higher pyrite concentrate production and the timing of shipments. Deliveries of pyrite concentrate in 2021 of 267,569 tonnes were comparable to 2020.

In the fourth quarter of 2021, payable gold in gold-copper concentrate sold increased by 4% to 29,207 ounces and payable copper increased by 5% to 8.2 million pounds, respectively, relative to the corresponding period in 2020. The increase in payable gold was due primarily to higher gold recoveries and mining in higher grade zones, partially offset by the timing of deliveries, and the increase in payable copper was due primarily to higher copper grades and recoveries, and the timing of deliveries. Payable gold in pyrite concentrate sold in the fourth quarter of 2021 of 11,331 ounces was 21% higher than the corresponding period in 2020 due primarily to higher gold recoveries and mining in higher grade zones, partially offset by the timing of deliveries.

In 2021, payable gold in gold-copper concentrate sold decreased by 3% to 111,550 ounces and payable copper decreased by 2% to 32.7 million pounds, respectively, relative to 2020. These decreases were consistent with lower volumes of metal in concentrate produced, partially offset by the timing of shipments. Payable gold in pyrite concentrate sold in 2021 of 37,747 ounces was 5% higher than 2020 and consistent with higher production.

Inventory

Gold-copper concentrate inventory totalled 2,856 tonnes as at December 31, 2021, down from 5,283 tonnes as at December 31, 2020 due primarily to the timing of deliveries. Pyrite concentrate inventory totalled 13,301 tonnes as at December 31, 2021, slightly up from 11,786 tonnes as at December 31, 2020 due primarily to the timing of deliveries.

Cost of sales

Cost of sales during the fourth quarter of 2021 of \$35.5 million was \$4.6 million higher than the corresponding period in 2020 due primarily to higher local currency operating expenses related to higher prices for electricity and direct materials and higher labour costs.

Cost of sales during 2021 of \$130.8 million was \$17.3 million higher than the corresponding period in 2020 due primarily to higher local currency operating expenses related to higher prices for electricity and direct materials, higher training and higher maintenance costs due to timing, and the impact of a stronger Euro relative to the U.S. dollar, partially offset by lower depreciation.

Cash cost measures

Cash cost per tonne of ore processed in the fourth quarter of 2021 of \$53.65 was 28% higher than the corresponding period in 2020 due primarily to higher local currency operating expenses.

Cash cost per tonne of ore processed in 2021 of \$47.12 was 23% higher than 2020 due primarily to higher local currency operating expenses and the impact of a stronger Euro relative to the U.S. dollar.

Cash cost per ounce of gold sold in the fourth quarter of 2021 of \$635 was 39% higher due primarily to higher treatment charges and higher local currency operating expenses, partially offset by higher volumes of gold sold and higher by-product credits reflecting higher realized copper prices.

Cash cost per ounce of gold sold in 2021 of \$543 was 8% lower than 2020 due primarily to higher by-product credits reflecting higher realized copper prices, partially offset by higher local currency operating expenses and lower volumes of gold sold.

All-in sustaining cost per ounce of gold in the fourth quarter of 2021 was \$833 compared to \$704 in the corresponding period in 2020 due primarily to higher treatment charges and higher local currency operating expenses, partially offset by higher volumes of gold sold and higher by-product credits reflecting higher realized copper prices.

All-in sustaining cost per ounce of gold in 2021 was \$722 compared to \$762 in 2020 due primarily to higher by-product credits reflecting higher realized copper prices, partially offset by higher local currency operating expenses, higher cash outlays for sustaining capital and a stronger Euro relative to the U.S. dollar.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the fourth quarter of 2021 of \$34.0 million were \$4.3 million lower than the corresponding period in 2020 due primarily to higher local currency operating expenses, higher treatment charges, including final cost adjustments on provisional concentrate sales, and lower realized gold prices, partially offset by higher volumes of metal sold and lower depreciation as a result of the mine life extension to 2029.

Net earnings and adjusted net earnings in 2021 of \$140.8 million were \$8.0 million higher than 2020 due primarily to higher realized metal prices, lower depreciation and lower treatment charges, including final cost adjustments on provisional concentrate sales, partially offset by higher local currency operating expenses, lower volumes of metal sold and a stronger Euro relative to the U.S. dollar.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

<i>\$ millions</i>	Three	Twelve
Ended December 31,	Months	Months
Adjusted net earnings - 2020	38.3	132.8
Higher (lower) realized metal prices	(1.1)	37.4
Lower depreciation & amortization	2.0	7.7
(Higher) lower treatment charges, including final settlements	(2.5)	3.6
Higher operating expenses ⁽¹⁾	(7.3)	(21.3)
Higher (lower) volumes of metal sold	4.4	(11.0)
Income taxes and other	(0.7)	(5.3)
(Stronger) weaker Euro	0.9	(3.1)
Adjusted net earnings - 2021	34.0	140.8

1) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the fourth quarter and twelve months of 2021 of \$5.0 million and \$22.6 million, respectively, were \$1.2 million lower and \$1.5 million higher than the corresponding periods in 2020 and in line with 2021 guidance.

Mineral Reserve and Mineral Resource update

On March 30, 2021, the Company announced that Chelopech successfully added 3.9 million tonnes to Mineral Reserves, which more than offset 2020 production depletion of 2.2 million tonnes for a net addition of 1.7 million tonnes. Relative to the previous Mineral Reserve estimate, this represents an increase of 10% in tonnage and an increase in metal content of 5% for gold, 13% for silver and 3% for copper, extending the life of mine to 2029.

Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, increased 22%, representing a 3.2 million tonnes net increase in tonnage and an increase in metal content of 12% for gold and 6% for copper, further adding to the potential to extend the mine life, if such Mineral Resources are converted to Mineral Reserves.

See the Company's press release dated March 30, 2021 entitled "Dundee Precious Metals Announces Mine Life Extension and Update to Mineral Resource and Mineral Reserve Estimates for the Chelopech Mine" for additional information, including key assumptions and parameters relating to the foregoing Mineral Resource and Mineral Reserve Estimates.

Ada Tepe – Selected Operational and Financial Highlights

\$ thousands, unless otherwise indicated Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Operational Highlights				
Ore mined (mt)	210,223	256,928	992,850	1,029,309
Ore processed (mt)	219,325	213,428	865,587	890,738
Head grade / recoveries in gold concentrate ⁽¹⁾				
Gold (g/mt) / %	5.75 / 83.4	4.54 / 83.7	5.75 / 83.1	4.92 / 84.3
Gold concentrate produced (mt)	1,870	1,515	7,267	5,926
Metals contained in concentrate produced:				
Gold (ounces)	33,774	26,097	132,964	118,727
Cash cost per tonne of ore processed	60.27	42.17	52.18	40.07
Cash cost per ounce of gold in gold concentrate produced	379	337	329	294
Gold concentrate delivered (mt)	1,930	1,505	7,329	6,138
Payable metals in concentrate sold:				
Gold (ounces) ⁽²⁾	33,282	25,169	129,754	120,070
Cash cost per ounce of gold sold	425	378	375	341
All-in sustaining cost per ounce of gold	665	573	583	518
Financial Highlights				
Revenue ⁽³⁾	59,373	42,552	229,314	197,573
Cost of sales ⁽⁴⁾	27,736	22,006	100,480	92,450
Earnings before income taxes	32,087	19,000	127,375	100,237
Adjusted EBITDA	45,785	32,304	182,175	156,205
Net earnings/Adjusted net earnings	28,151	17,482	109,955	90,799
Capital expenditures incurred:				
Growth	-	2,126	-	2,373
Sustaining	4,973	2,482	18,378	13,150
Total capital expenditures	4,973	4,608	18,378	15,523

1) Recoveries are after the flotation circuit but before filtration.

2) Represents payable metals in gold concentrate sold based on provisional invoices.

3) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales.

4) Cost of sales includes depreciation of \$14.5 million (2020 – \$13.1 million) and \$55.3 million (2020 – \$54.3 million) in the fourth quarter and twelve months of 2021, respectively.

Review of Ada Tepe Results

Gold production

Gold contained in concentrate produced in the fourth quarter of 2021 of 33,774 ounces was 29% higher than the corresponding period in 2020 due primarily to higher gold grades.

Gold contained in concentrate produced in 2021 of 132,964 ounces was 12% higher than 2020 due primarily to higher gold grades, partially offset by lower volumes of ore processed and lower gold recoveries.

Gold sold

Payable gold in concentrate sold in the fourth quarter and twelve months of 2021 of 33,282 ounces and 129,754 ounces, respectively, was 32% and 8% higher than the corresponding periods in 2020 due primarily to higher gold grades.

Inventory

Gold concentrate inventory totalled 29 tonnes as at December 31, 2021, down from 91 tonnes as at December 31, 2020.

Cost of sales

Cost of sales during the fourth quarter of 2021 of \$27.7 million was \$5.7 million higher than the corresponding period in 2020 due primarily to higher local currency operating expenses reflecting higher

prices for electricity and direct materials, higher royalty expense as a result of a higher profit-based royalty rate, and higher labour costs and increased maintenance activities.

Cost of sales during 2021 of \$100.5 million was \$8.0 million higher than the corresponding period in 2020 due primarily to higher royalty expense as a result of a higher profit-based royalty rate, higher local currency operating expenses related to higher prices for electricity and direct materials and higher labour costs, and the impact of a stronger Euro relative to the U.S. dollar.

Cash cost measures

Cash cost per tonne of ore processed in the fourth quarter of 2021 of \$60.27 was 43% higher than the corresponding period in 2020 due primarily to higher local currency operating expenses, higher royalty rates, and lower volumes of ore processed, partially offset by a weaker Euro relative to the U.S. dollar.

Cash cost per tonne of ore processed in 2021 of \$52.18 was 30% higher than 2020 due primarily to higher royalty rates, higher local currency operating expenses, and a stronger Euro relative to the U.S. dollar, partially offset by higher ore processed.

Cash cost per ounce of gold sold in the fourth quarter and twelve months of 2021 of \$425 and \$375, respectively, was \$47 and \$34 higher than the corresponding periods in 2020 due primarily to higher local currency operating expenses and higher royalty rates, partially offset by higher volumes of gold sold.

All-in sustaining cost per ounce of gold in the fourth quarter of 2021 was \$665 compared to \$573 in the corresponding period in 2020 due primarily to higher local currency operating expenses, royalty rates and cash outlays for sustaining capital expenditures, partially offset by higher volumes of gold sold and lower allocated general and administrative expenses.

All-in sustaining cost per ounce of gold in 2021 was \$583 compared to \$518 in 2020 due primarily to higher cash outlays for sustaining capital expenditures, royalty rates and local currency operating expenses, partially offset by lower allocated general and administrative expenses and higher volumes of gold sold.

Net earnings / Adjusted net earnings

Net earnings and adjusted net earnings in the fourth quarter of 2021 was \$28.2 million compared to \$17.5 million in the corresponding period in 2020 due primarily to higher volumes of gold sold and higher realized gold prices as a result of a prepaid forward gold sales arrangement that was fully settled in December 2020, partially offset by higher local currency operating expenses and higher royalty rates.

Net earnings and adjusted net earnings in 2021 of \$110.0 million were \$19.2 million higher than 2020 due primarily to higher realized gold prices as a result of a prepaid forward gold sales arrangement that was fully settled in December 2020, and higher volumes of gold sold, partially offset by higher royalty rates and higher income taxes reflecting higher earnings.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

<i>\$ millions</i>	Three	Twelve
Ended December 31,	Months	Months
Adjusted net earnings – 2020	17.5	90.8
Higher realized gold prices	2.3	15.3
Higher volumes of gold sold	13.3	13.9
(Higher) operating expenses and royalties ⁽¹⁾	(4.9)	(4.8)
Income taxes and other	0.1	(3.8)
(Stronger) weaker Euro	0.4	(1.3)
Lower depreciation	(0.5)	(0.1)
Adjusted net earnings – 2021	28.2	110.0

¹⁾ Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the fourth quarter and twelve months of 2021 of \$4.9 million and \$18.4 million, respectively, were \$0.3 million and \$2.9 million higher than the corresponding periods in 2020 due primarily to the accelerated life of mine grade control drilling program initiated in September 2020.

Tsumeb – Selected Operational and Financial Highlights

\$ thousands, unless otherwise indicated Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Operational Highlights				
Complex concentrate smelted (mt):				
Chelopech	9,862	19,469	50,569	85,883
Third parties	42,070	33,015	139,136	146,007
Total complex concentrate smelted	51,932	52,484	189,705	231,890
Cash cost per tonne of complex concentrate smelted	445	406	479	377
Sulphuric acid production (mt)	56,586	53,803	201,483	249,235
Sulphuric acid deliveries (mt)	57,516	52,776	202,054	259,798
Financial Highlights				
Toll revenue ⁽¹⁾	26,960	30,716	100,510	125,201
Sulphuric acid revenue	6,614	4,102	18,840	21,929
Total revenue	33,574	34,818	119,350	147,130
Cost of sales ⁽²⁾	33,564	28,213	128,662	124,926
Earnings (loss) before income taxes	(2,008)	6,414	(13,163)	18,843
Adjusted EBITDA	2,449	9,847	7,918	36,682
Net earnings (loss)/Adjusted net earnings (loss)	(2,008)	6,414	(13,163)	18,843
Capital expenditures incurred:				
Growth	526	187	629	1,985
Sustaining	2,354	4,578	12,975	7,546
Total capital expenditures	2,880	4,765	13,604	9,531

1) Includes deductions for stockpile interest and favourable or unfavourable estimated metal recoveries.

2) Cost of sales includes depreciation of \$4.7 million (2020 – \$2.8 million) and \$19.2 million (2020 – \$15.1 million) in the fourth quarter and twelve months of 2021, respectively.

Review of Tsumeb Results

Production & sulphuric acid deliveries

Complex concentrate smelted during the fourth quarter of 2021 of 51,932 tonnes was comparable to the corresponding period in 2020. Complex concentrate smelted during 2021 of 189,705 tonnes was 18% lower than 2020 due primarily to the planned Ausmelt furnace maintenance shutdown, which was completed during the first quarter of 2021, as well as unplanned maintenance downtime due to water leaks in the off-gas system during the second half of 2021. Originally planned for 30 days, the maintenance shutdown was extended to 45 days. This was primarily a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support, as well as an increase in the scope of the maintenance work around the Ausmelt lining replacement and additional converter maintenance.

Sulphuric acid production during the fourth quarter of 2021 of 56,586 tonnes was 5% higher than the corresponding period in 2020 due primarily to the mix of concentrate smelted, as a greater proportion of third party concentrate with higher sulphur content was smelted during the quarter. Sulphuric acid production during 2021 of 201,483 tonnes was 19% lower than 2020 in line with lower volumes of complex concentrate smelted.

Sulphuric acid deliveries during the fourth quarter of 2021 of 57,516 tonnes were 9% higher than the corresponding period in 2020 reflecting the timing of shipments which were temporarily delayed as a result of transportation constraints in the third quarter of 2021. Sulphuric acid deliveries during 2021 of 202,054 tonnes were 22% lower than 2020 reflecting lower production and the impact of temporary transportation constraints.

Cost of sales

Cost of sales during the fourth quarter of 2021 of \$33.6 million was \$5.4 million higher than the corresponding period in 2020 due primarily to higher local currency operating expenses as a result of higher maintenance costs and depreciation, partially offset by a weaker ZAR relative to the U.S. dollar. Cost of

sales during 2021 of \$128.7 million was \$3.8 million higher than the corresponding period in 2020 reflecting the fixed cost nature of the facility, the impact of lower volumes of complex concentrate smelted and a stronger ZAR relative to the U.S. dollar, partially offset by lower local currency operating expenses.

Cash cost per tonne of complex concentrate smelted

Cash cost per tonne of complex concentrate smelted in the fourth quarter of 2021 of \$445 was \$39 higher than the corresponding period in 2020 due primarily to higher local currency operating expenses, partially offset by higher sulphuric acid by-product credits reflecting higher sulphuric acid prices.

Cash cost per tonne of complex concentrate smelted in 2021 of \$479 was \$102 higher than 2020 reflecting the fixed cost nature of the facility and the impact of lower volumes of complex concentrate smelted, combined with a stronger ZAR relative to the U.S. dollar.

Net earnings (loss) / Adjusted net earnings (loss)

Net loss and adjusted net loss in the fourth quarter of 2021 were \$2.0 million compared to net earnings and adjusted net earnings of \$6.4 million in the corresponding period in 2020 due primarily to higher local currency operating expenses, higher depreciation and lower toll rates.

Net loss and adjusted net loss in 2021 was \$13.2 million compared to net earnings and adjusted net earnings of \$18.8 million in 2020 were due primarily to lower volumes of complex concentrate smelted, lower sulphuric acid deliveries, higher depreciation and a stronger ZAR relative to the U.S. dollar, partially offset by higher sulphuric acid prices and lower local currency operating expenses.

The following table summarizes the key drivers affecting the change in adjusted net earnings (loss):

<i>\$ millions</i>	Three Months	Twelve Months
Ended December 31,		
Adjusted net earnings (loss) – 2020	6.4	18.8
Lower volumes of complex concentrate smelted	(0.2)	(23.5)
Higher (lower) sulphuric acid deliveries	0.2	(6.8)
Higher depreciation and amortization	(1.0)	(3.1)
Other	(2.4)	(2.9)
(Stronger) weaker ZAR ⁽¹⁾	0.3	(1.9)
Higher (lower) toll rates and sulphuric acid prices	(1.1)	3.1
(Higher) lower operating expenses ⁽²⁾	(4.7)	2.0
Higher estimated metal recoveries	0.5	1.1
Adjusted net earnings (loss) – 2021	(2.0)	(13.2)

1) Includes realized gains on foreign exchange option contracts of \$0.5 million and \$6.5 million in the fourth quarter and twelve months of 2021, respectively, compared to realized losses of \$0.1 million and \$3.5 million in the corresponding periods in 2020.

2) Excludes impact of depreciation and foreign exchange.

Capital expenditures

Capital expenditures during the fourth quarter of 2021 were \$2.9 compared to \$4.8 million in the corresponding period in 2020 due primarily to the timing of expenditures. Capital expenditures during 2021 of \$13.6 million were \$4.1 million higher than 2020 due primarily to expenditures related to the planned Ausmelt furnace maintenance shutdown.

REVIEW OF CORPORATE & OTHER SEGMENT RESULTS

The Corporate & Other segment results include corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

The following table summarizes the Company's selected Corporate & Other segment results:

<i>\$ thousands</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Financial Highlights				
General and administrative expenses	3,753	9,378	18,161	30,604
Corporate social responsibility expenses	2,967	2,327	4,838	4,571
Exploration and evaluation expenses	2,215	4,491	9,713	13,262
Finance cost	347	425	1,430	1,792
Other (income) expense ⁽¹⁾	(1,280)	(1,684)	7,454	(2,314)
Loss before income taxes	(8,002)	(14,937)	(41,596)	(47,915)
Adjusted loss before interest, taxes, depreciation and amortization	(8,091)	(17,366)	(32,749)	(50,788)
Net loss attributable to common shareholders	(8,032)	(12,008)	(46,800)	(43,397)
Adjusted net loss	(8,690)	(18,147)	(35,468)	(54,056)

¹⁾ Includes net gains on Sabina special warrants of \$0.6 million (2020 – \$3.1 million) in the fourth quarter of 2021 and net losses on Sabina special warrants of \$6.3 million (2020 – net gains of \$5.7 million) in 2021, respectively.

General and administrative expenses

General and administrative expenses in the fourth quarter of 2021 were \$3.8 million compared to \$9.4 million in the corresponding period in 2020 due primarily to lower share-based compensation as a result of changes in DPM's share price.

General and administrative expenses in 2021 were \$18.2 million compared to \$30.6 million in 2020 due primarily to lower share-based compensation as a result of changes in DPM's share price, partially offset by higher information technology related expenses and higher professional fees primarily related to digital initiatives.

Exploration and evaluation expenses

Exploration and evaluation expenses in the fourth quarter and twelve months of 2021 of \$2.2 million and \$9.7 million, respectively, were \$2.3 million and \$3.6 million lower than the corresponding periods in 2020 due primarily to the timing of drilling activities on potential targets in priority areas at Timok.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section contained in this MD&A.

REVIEW OF DISCONTINUED OPERATIONS

MineRP Disposition

On December 22, 2020, the Company and other shareholders of MineRP entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB ("Epiroc") for the sale of MineRP. The MineRP Disposition closed on May 3, 2021.

The Company received a total cash consideration of \$45.2 million for the repayment of DPM shareholder loans and disposition of its equity interest in MineRP, resulting in a gain on MineRP Disposition of \$20.0 million in net earnings from discontinued operations in 2021. Net cash consideration received includes \$3.5 million held in escrow on closing to secure against certain representations and warranties for a period up to 2 years, which was recognized as restricted cash and included in other long-term assets in the consolidated statements of financial position as at December 31, 2021. The MineRP Disposition also provides for potential additional proceeds in the form of an earn-out conditional on the achievement of

certain revenue targets by MineRP in 2021 and 2022, for which no value has been recognized as at December 31, 2021.

Financial highlights

Revenue in the fourth quarter and twelve months of 2021 was \$nil and \$4.5 million, respectively, compared to \$2.6 million and \$11.5 million in the corresponding periods in 2020.

Net earnings from discontinued operations attributable to common shareholders in the fourth quarter and twelve months of 2021 were \$nil and \$19.4 million, respectively, compared to net losses of \$nil and \$3.1 million in the corresponding periods in 2020 driven primarily by the gain on MineRP Disposition of \$20.0 million.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company had cash of \$334.4 million, investments valued at \$48.0 million primarily related to its 8.9% interest in Sabina, and \$150.0 million of undrawn capacity under its RCF.

The Company's liquidity is impacted by several factors which include, but are not limited to, gold, copper and sulphuric acid market prices, production levels, capital expenditures, operating cash costs, interest rates and foreign exchange rates. These factors are monitored by the Company on a regular basis.

As at December 31, 2021, the Company's cash resources and available capital under its RCF continue to provide sufficient liquidity and capital resources to meet its current operating and capital expenditure requirements, all contractual commitments, as well as a number of margin improvement and growth related expenditures. The Company may, from time to time, raise additional capital or amend its RCF to ensure it maintains its financial strength and has sufficient liquidity to support the funding requirements associated with one or more of its growth capital projects, such as the Loma Larga and Timok gold projects, and the overall needs of the business.

As part of the Company's assessment of the potential implications associated with the COVID-19 pandemic, the Company assessed its financial resources as at December 31, 2021 and concluded that it has sufficient available cash resources to manage the potential impacts that could reasonably be expected to arise.

Capital Allocation – INV Acquisition, Share Repurchases and Declaration of Dividend

As part of its strategy, the Company adheres to a disciplined capital allocation framework that is based on three fundamental considerations – balance sheet strength, reinvestment in the business, and the return of capital to shareholders. Maintaining a strong balance sheet includes ensuring adequate liquidity, managing within prudent financial metrics, and building a strong cash position to support accretive growth. Reinvestment in the business includes investing in its operating assets to sustain and optimize performance; investing in resource development to extend the life of its mines and to identify new gold resources; further advancing existing resources towards production; as well as investing in new projects to grow beyond its existing asset base. Returning capital to shareholders includes dividends, and under certain circumstances, opportunistic share repurchases. These alternatives are not mutually exclusive and are assessed in a balanced manner with a view to maximizing total shareholder returns over the long-term.

INV acquisition

On July 26, 2021, the Company acquired all of the issued and outstanding shares it did not already own of INV, now renamed DPM Ecuador Holdings Inc., which owns DPM Ecuador, the principal assets of which are comprised of the Loma Larga gold project and certain other exploration licences. This transaction was accounted for as an asset acquisition and the total consideration for the acquisition consisted of: i) 0.0910 of a DPM common share for each INV common share acquired for a total of 10,664,501 DPM common shares at a market price of \$5.72 (Cdn\$7.19) per share with an aggregate value of \$61.0 million; ii) 1,119,728 DPM stock options with a fair market value of \$2.4 million in exchange for 12,304,700 outstanding INV stock options which vested immediately as at the date of acquisition; and iii) transaction costs of \$2.5 million. The total consideration was allocated primarily to the exploration and evaluation assets related to the Loma Larga gold project. This acquisition leverages DPM's proven strengths in developing

world-class assets and applying industry-leading ESG solutions to unlock the significant potential of the Loma Larga gold project.

For a more detailed discussion on the Loma Larga gold project, refer to the “Development and Other Major Projects” section contained in this MD&A.

Share repurchases under the NCIB

Effective March 2, 2021, DPM renewed its NCIB to repurchase certain of its common shares through the facility of the TSX. The number of shares that can be purchased during the period of the NCIB will not exceed 9,000,000 common shares, being approximately 5% of the outstanding shares as of February 23, 2021. Pursuant to the terms of the NCIB, the Company will not acquire on any given trading day more than 182,760 shares, representing 25% of the average daily volume of shares for the six months ended January 31, 2021. The price that the Company will pay for shares in open market transactions will be the market price at the time of purchase and any shares that are purchased under the NCIB will be cancelled. The NCIB will expire on February 28, 2022. In December 2021, the Company initiated an automatic purchase program under the NCIB to facilitate share repurchases.

In 2021, the Company purchased a total of 1,723,800 shares, of which 1,694,200 shares were cancelled as at December 31, 2021 with the remaining shares cancelled in January 2022. The total cost of these purchases was \$10.4 million (Cdn\$13.2 million) at an average price of \$6.02 (Cdn\$7.64) per share, \$5.3 million of which was recognized as a reduction in share capital and \$5.1 million as a reduction in contributed surplus in the consolidated statements of changes in shareholders' equity for the year ended December 31, 2021. The Company paid an aggregate of \$10.2 million which was included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2021 and recognized an obligation of \$0.2 million in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2021.

The Board of Directors has approved the renewal of the NCIB (the “New Bid”), however, the renewal is subject to acceptance by the TSX. If accepted, the New Bid will be made in accordance with the applicable rules and policies of the TSX and applicable Canadian securities laws. Pursuant to the New Bid, it is expected that the Company will be able to purchase up to 9,000,000 common shares, representing approximately 5% of the total issued and outstanding common shares as of February 17, 2022, over a period of twelve months commencing after the TSX approval. The New Bid will also allow the Company to implement an Issuer Repurchase Agreement and automatic share repurchase plan with its designated broker in order to facilitate the purchase of its shares.

A copy of the TSX Form 12 for the NCIB can be obtained, without charge, by contacting the Company at info@dundeeprecious.com.

The actual timing and number of shares that may be purchased pursuant to the NCIB will be subject to DPM's ongoing capital requirements and management's view that, from time to time, DPM's shares may trade at prices well below the underlying value of the Company and during these periods the repurchase of shares represents an excellent opportunity to enhance shareholder value.

Declaration of dividend

In 2021, the Company declared a quarterly dividend of \$0.03 per common share to its shareholders of record, resulting in total dividend distributions of \$22.4 million (2020 – \$16.3 million) recognized against its retained earnings in the consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$22.1 million (2020 – \$10.9 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, 2021 and recognized a dividend payable of \$5.7 million (December 31, 2020 – \$5.4 million) in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2021.

On February 17, 2022, the Company declared a dividend of \$0.04 per common share payable on April 18, 2022 to shareholders of record on March 31, 2022, representing a 33% increase over the previous quarterly dividend.

The Company's dividend has been set at a level that is considered to be sustainable based on the Company's free cash flow outlook and is expected to allow the Company to build additional balance sheet strength to support the estimated capital funding associated with Loma Larga, Timok and other growth opportunities, which represent a key element of DPM's strategy. The declaration, amount and timing of any future dividend are at the sole discretion of the Board of Directors and will be assessed based on the Company's capital allocation framework, having regard for the Company's financial position, overall market conditions, and its outlook for sustainable free cash flow, capital requirements, and other factors considered relevant by the Board of Directors.

Cash Flow

The following table summarizes the Company's cash flow activities:

<i>\$ thousands</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Cash provided from operating activities, before changes in working capital	79,900	50,124	308,595	248,605
Changes in working capital	8,877	20,412	(55,469)	(51,640)
Cash provided from operating activities	88,777	70,536	253,126	196,965
Cash provided from (used in) investing activities	33,058	(16,828)	(32,073)	(42,551)
Cash used in financing activities	(7,859)	(5,049)	(36,208)	(26,165)
Increase in cash	113,976	48,659	184,845	128,249
Cash and short-term investments at beginning of period	220,401	100,873	149,532	21,283
Cash at end of period	334,377	149,532	334,377	149,532

The primary factors impacting period over period cash flow movements are summarized below.

Operating activities

Cash provided from operating activities in the fourth quarter of 2021 of \$88.8 million was \$18.2 million higher than the corresponding period in 2020 and higher than the \$7.6 million increase in earnings before taxes, due primarily to the prepaid forward gold sales agreement at Ada Tepe being fully satisfied with the final delivery in December 2020 and lower income taxes paid, partially offset by an unfavourable period over period change in working capital primarily due to an increase in accounts receivables related to the timing of deliveries.

Cash provided from operating activities in 2021 of \$253.1 million was \$56.1 million higher than 2020 and higher than the \$11.5 million increase in earnings before income taxes, due primarily to the prepaid forward gold sales agreement at Ada Tepe being fully satisfied with the final delivery in December 2020.

Cash provided from operating activities, before changes in working capital, in the fourth quarter and twelve months of 2021 was \$79.9 million and \$308.6 million, respectively, compared to \$50.1 million and \$248.6 million in the corresponding periods in 2020 due primarily to the same factors impacting cash provided from operating activities as detailed above, except for the impact of changes in working capital.

Investing activities

Cash provided from investing activities in the fourth quarter was \$33.1 million compared to cash used in investing activities of \$16.8 million in the corresponding periods in 2020. Cash used in investing activities in 2021 was \$32.1 million compared to \$42.6 million in 2020.

The following table provides a summary of the Company's cash outlays for capital expenditures:

<i>\$ thousands</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Chelopech	5,149	5,270	18,891	15,955
Tsumeb	2,373	3,475	15,660	6,943
Ada Tepe	5,235	2,905	17,538	11,661
Corporate & Other	5,127	61	12,059	2,997
Total cash capital expenditures	17,884	11,711	64,148	37,556

Cash outlays for capital expenditures in the fourth quarter of 2021 of \$17.8 million were \$6.1 million higher than the corresponding period in 2020 due primarily to the timing of sustaining capital expenditures and increased cash outlays for growth capital expenditures related to the Loma Larga project. Cash outlays for capital expenditures in 2021 of \$64.1 million were \$26.6 million higher than 2020 due primarily to the planned Ausmelt furnace maintenance shutdown at Tsumeb completed in the first quarter of 2021, the planned accelerated life of mine grade control drilling program at Ada Tepe initiated in September 2020, and increased cash outlays for growth capital expenditures related to the Loma Larga project.

Other factors impacting investing activities period over period are summarized below:

- Proceeds from short-term investments in the fourth quarter of 2021 of \$49.7 million compared to \$nil in the corresponding period of 2020; and
- Proceeds of \$45.2 million from the MineRP Disposition in 2021.

Financing activities

Cash used in financing activities in the fourth quarter and twelve months of 2021 was \$7.8 million and \$36.2 million, respectively, compared to \$5.1 million and \$26.2 million in the corresponding periods in 2020.

The primary factors impacting financing activities period over period are summarized below:

- Dividends paid in the fourth quarter and twelve months of 2021 of \$5.7 million and \$22.1 million, respectively, compared to \$3.6 million and \$10.9 million in the corresponding periods in 2020;
- Payments for shares purchased under the NCIB in the fourth quarter and twelve months of 2021 of \$1.3 million and \$10.2 million; and
- Net repayments under the RCF of \$10.0 million in 2020.

Financial Position

<i>\$ thousands</i>	December	December	Increase/
As at	31, 2021	31, 2020	(Decrease)
Cash	334,377	149,532	184,845
Accounts receivable, inventories and other current assets	179,416	138,787	40,629
Assets held for sale	-	30,713	(30,713)
Investments at fair value	47,983	106,595	(58,612)
Non-current assets, excluding investments at fair value	606,634	549,233	57,401
Total assets ⁽¹⁾	1,168,410	974,860	193,550
Current liabilities	85,799	79,073	6,726
Liabilities held for sale	-	6,003	(6,003)
Non-current liabilities	78,198	84,500	(6,302)
Equity attributable to common shareholders ⁽¹⁾	1,004,413	798,669	205,744
Non-controlling interests ⁽¹⁾	-	6,615	(6,615)

1) These measures include discontinued operations.

Cash increased by \$184.9 million to \$334.4 million during 2021 due primarily to higher realized metal prices, continued steady operating performance at Chelopech and Ada Tepe, and proceeds from the sale of MineRP, partially offset by lower volumes of complex concentrate smelted at Tsumeb and an increase in dividend paid and shares repurchased. Accounts receivable, inventories and other current assets increased by \$40.6 million to \$179.4 million due primarily to an increase in accounts receivable as a result of the timing of customer receipts and higher metal prices. Investments at fair value decreased by \$58.6 million to \$48.0 million due primarily to the decrease in Sabina's share price and the acquisition of INV. As a result of the Company acquiring 100% of INV on July 26, 2021, INV is no longer reported as an investment at fair value. Non-current assets, excluding investments at fair value, increased by \$57.4 million to \$606.6 million due primarily to the acquisition of the Loma Larga gold project and capital expenditures, partially offset by depreciation and depletion.

Current liabilities increased by \$6.7 million to \$85.8 million during 2021 due primarily to an increase in accounts payable and accrued liabilities as a result of the timing of payments to suppliers and an increase in income tax liabilities. Non-current liabilities decreased by \$6.3 million to \$78.2 million due primarily to a decrease in share-based compensation as a result of the decrease in DPM's share price. Equity attributable

to common shareholders increased by \$205.7 million to \$1,004.4 million due primarily to net earnings generated in the period and consideration paid in connection with the INV acquisition, partially offset by a decrease in accumulated other comprehensive income related to unrealized losses on publicly traded securities and commodity swap contracts, dividends declared and shares repurchased.

Contractual Obligations, Commitments and Other Contingencies

The Company had the following minimum contractual obligations and commitments as at December 31, 2021:

<i>\$ thousands</i>	up to 1 year	1 – 5 years	over 5 years	Total
Lease obligations	5,407	10,305	1,791	17,503
Capital commitments	9,209	-	-	9,209
Purchase commitments	18,985	49	-	19,034
Other obligations	700	840	125	1,665
Total contractual obligations and commitments	34,301	11,194	1,916	47,411

As at December 31, 2021, Tsumeb had approximately \$73.8 million (December 31, 2020 – \$76.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. (“IXM”) pursuant to a tolling agreement (the “Tolling Agreement”).

In April 2021, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things: i) targeted declining excess secondary material balances, above which excess secondary material would be required to be purchased by the Company; ii) the elimination of all excess secondary material by March 31, 2023; iii) an increase in the defined level of normal secondary material; and iv) an extension of the Tolling Agreement by three years to December 31, 2026.

As at December 31, 2021, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately \$36.5 million, which was approximately \$21.9 million above the targeted levels under the Tolling Agreement. IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels as at December 31, 2021.

Debt

As at December 31, 2021 and 2020, the Company’s total outstanding debt was \$nil and the Company was in compliance with all of its debt covenants.

DPM RCF

DPM has a committed RCF of \$150.0 million with a consortium of banks. In February 2021, the Company extended the RCF’s maturity date from February 2023 to February 2024. The Company’s borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company’s funded net debt to adjusted EBITDA (“Debt Leverage Ratio”), as defined in the RCF agreement. The RCF is secured by pledges of the Company’s investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth of \$500.0 million plus (minus) 50% of ongoing annual net earnings (loss).

As at December 31, 2021 and 2020, \$nil was drawn under the RCF.

Tsumeb Overdraft Facility

Tsumeb has a Namibian \$100.0 million (\$6.3 million) demand overdraft facility. This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at December 31, 2021 and 2020, \$nil was drawn from this facility.

Credit Agreements and Guarantees

In February 2021, Chelopech and Ada Tepe increased its multi-purpose credit facility from \$16.0 million to \$21.0 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2021, \$13.9 million (December 31, 2020 – \$6.1 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 (\$23.8 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, 2022 and is guaranteed by DPM. As at December 31, 2021, \$23.8 million (December 31, 2020 – \$25.8 million) had been utilized in the form of letters of guarantee.

In February 2021, Ada Tepe increased its multi-purpose credit facility from \$5.3 million to \$10.3 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2021, \$0.2 million (December 31, 2020 – \$0.2 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.

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

Outstanding Share Data

DPM's common shares are traded on the TSX under the symbol DPM. As at February 17, 2022, 190,880,058 common shares were issued and outstanding.

DPM also has 2,818,272 stock options outstanding as at February 17, 2022 with exercise prices ranging from Cdn\$2.69 to Cdn\$10.99 per share (weighted average exercise price – Cdn\$5.02 per share).

Other

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.

FINANCIAL INSTRUMENTS

Investments at Fair Value

As at December 31, 2021, the Company's investments at fair value were \$48.0 million (December 31, 2020 – \$106.6 million), the vast majority of which related to the value of its investment in Sabina common shares and special warrants. Investments at fair value decreased during 2021 due primarily to a decrease in Sabina's share price and the Company acquiring 100% of INV on July 26, 2021, resulting in INV no longer being reported as an investment at fair value.

As at December 31, 2021, DPM held: (i) 31,050,566 common shares of Sabina and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the Sabina special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at December 31, 2021 and 2020.

For the three and twelve months ended December 31, 2021, the Company recognized unrealized gains on the Sabina special warrants of \$0.6 million (2020 – \$3.2 million) and unrealized losses of \$6.3 million (2020 – unrealized gains of \$5.7 million), respectively, in other (income) expense in the consolidated statements of earnings (loss).

For the three and twelve months ended December 31, 2021, the Company recognized unrealized losses on publicly traded securities of \$0.7 million (2020 – unrealized gains of \$22.8 million) and \$42.6 million (2020 – unrealized gains of \$36.5 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

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”).

As at December 31, 2021, the Company’s outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	18,040 ounces	\$1,803.46/ounce
Payable copper	6,194,982 pounds	\$4.16/pound

The Company also enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average prices for fixed metal prices to reduce its future metal price exposure in respect of its projected production (“Production Hedges”). As at December 31, 2021, the Company had no outstanding Production Hedges.

The Company designates the spot component of commodity swap contracts in respect of Production Hedges as cash flow hedges and 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 LME forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at December 31, 2021, the net fair value loss on all outstanding commodity swap contracts was \$1.9 million (December 31, 2020 – \$5.7 million), of which \$0.02 million (December 31, 2020 – \$0.1 million) was included in other current assets and \$1.9 million (December 31, 2020 – \$5.8 million) in accounts payable and accrued liabilities.

For the three and twelve months ended December 31, 2021, the Company recognized net gains of \$6.4 million (2020 – net losses of \$5.5 million) and net losses of \$3.5 million (2020 – \$11.1 million), respectively, on commodity swap contracts in respect of QP Hedges and realized losses of \$4.5 million (2020 – \$nil) and \$15.7 million (2020 – \$nil), respectively, on commodity swap contracts in respect of Production Hedges.

Foreign Exchange Option Contracts

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 to provide price protection below a specified “floor” rate and participation up to a specified “ceiling” rate. The option contracts comprise 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.

As at December 31, 2021, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected Namibian dollar denominated operating expenses, which is linked to the ZAR, as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR	Call options sold weighted average ceiling rate US\$/ZAR	Put options purchased weighted average floor rate US\$/ZAR
2022	1,464,090,000	17.05	15.14

As at December 31, 2021, approximately 83% of the Company’s projected Namibian dollar operating expenses for 2022, respectively, have been hedged.

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, 2021, the net fair value loss on all outstanding foreign exchange option contracts was \$1.5 million (December 31, 2020 – net fair value gain of \$6.4 million), of which \$nil was included in other current assets (December 31, 2020 – \$6.4 million) and \$1.5 million was in accounts payable and accrued liabilities (December 31, 2020 – \$nil). All foreign exchange option contracts are subject to master netting agreements. As at December 31, 2021 and 2020, there was no set-off of assets and liabilities in the consolidated statements of financial position.

The Company recognized realized gains of \$0.5 million (2020 – realized losses of \$0.1 million) and \$6.5 million (2020 – realized losses of \$3.5 million), respectively, for the three and twelve months ended December 31, 2021 in cost of sales on the spot component of settled contracts.

For the three and twelve months ended December 31, 2021, the Company recognized unrealized losses of \$2.4 million (2020 – unrealized gains of \$6.4 million) and \$5.4 million (2020 – unrealized gains of \$3.4 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. For the three and twelve months ended December 31, 2021, the Company also recognized unrealized losses of \$0.1 million (2020 – unrealized gains of \$2.5 million) and \$2.5 million (2020 – unrealized losses of \$0.9 million), respectively, on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

The Company is also exposed to credit and liquidity risks in the event of non-performance by counterparties in connection with its commodity swap contracts and foreign exchange option contracts. These risks, which are monitored on a regular basis, are mitigated, in part, by entering into transactions with financially sound counterparties and, where possible, ensuring contracts are governed by legally enforceable master agreements.

EXPLORATION

Chelopech Mine

In 2021, a total of 45,585 metres of resource development diamond drilling was completed within the Chelopech mine, of which 32,393 metres were extensional drilling, which was designed to explore for new mineralization along modelled trends.

Extensional diamond drilling was concentrated on the upper levels of the Chelopech mine, to test for possible extensions to Blocks 8, 10 and 700, as well as 'Target North', located in the northwestern part of the deposit and Block 148. A review of the extensional drilling program is discussed below.

Blocks 8, 10 and 700

A total of 12,653 metres were drilled during 2021 from two separate underground drill locations to test the area between Blocks 8, 18 and 700 and to test the southeastern flank of Block 10 for additional mineralization. Drilling was also designed to check the lowest part and to define the shape and size of Block 700 and to explore the southwestern part of Block 8.

Drill hole EXT700_505_08 (shown in the table below) returned positive results with high-grade gold intersections. The first significant interval is presented as discrete barite–quartz–sphalerite and quartz–sphalerite veins, located within a sericitic alteration zone between 336 metres to 356 metres. The second intercept is presented as a barite–sphalerite–galena stockwork hosted within an advanced argillic alteration envelope. The results from this hole extended the interpreted lower limits of Block 700 at depth, by approximately 20 metres.

From this same program, drill hole EXT700_505_14 (shown in the table below) returned positive results from the upper levels of Block 18, extending the extents of the prospective silica envelope to the south by approximately 30 metres, while the remaining holes did not intersect significant mineralization.

Assay results from another program, designed to test Block 700 from location ND-730-440-BP10 returned generally grades below the reporting criteria. However, there was one intercept above the reporting criteria that extended the Block 700 high grade domain contours by 20 metres to the east, which is reported in the table below (see drill hole EXT700_680_15).

Target North (NNW of 147 and Wedge Zone Target)

The Target North zone is in the northern section of the mine concession and manifested as isolated, structurally and lithologically controlled intervals of high-sulphidation type of mineralization. Mineralization typically appears to be hosted within narrow (10 to 20 metres wide) breccia pipe zones and appears to predominantly align in a NW-SE strike orientation of mineralization. As part of the Target North exploration program, 7,476 metres were completed to test for a continuation to mineralization in an area to the northwest of Blocks 146, 147 and towards Block 148. Sporadic mineralization was observed hosted within advanced argillic zones, comprised of individual veins of pyrite–tennantite–barite mineralization and disseminated pyrite–tennantite and minor chalcopyrite.

From this program, EXT148W_210_18 returned positive results, with the mineralization presented as disseminated pyrite–tennantite–chalcopyrite hosted within an advanced argillic alteration zone. The updated interpretation based on this result expanded Target 184 up-dip by approximately 50 metres above the last drill intercept. A second hole, EXT148W_210_04, intercepted narrow structurally controlled mineralization approximately 90 metres along strike from the western flank of Block 146, however further infill drilling is needed to determine the continuity of this mineralization.

Block 148

During 2021, an extensional drilling program from level 135 was completed to test the Block 148 zone. The program aimed to test for new mineralization at depth (between levels 130 mRL and -40 mRL) below Block 148 and to test gaps in drilling between Blocks 148 and 151. Drilling extended the outline of prospective advanced argillic alteration, but the majority of assay results returned values below the reporting criteria outlined below. In total two holes, EXT151_135_01 and EXT151_135_09 (presented in table below) returned significant intersections from the western and eastern flanks, respectively, of Block 144. Both intercepts extended the current modelled mineralization extents by approximately 15 metres.

Furthermore, holes from location 149S-210-EXP were designed to explore along strike of Block 148. Drilling during 2021 extended the envelope of prospective advanced argillic alteration, but assay results returned narrow, low-continuity mineralization that is below the reporting criteria. Only two holes from the program, EXT148_210_03 and EXT148_210_05, returned significant intercepts from Block 148 (presented in table below).

Outlook

In the first quarter of 2022, the Mineral Resource development strategy for Chelopech will be focused on:

- Continued drilling to test the shallower level of Blocks 144 and 149;
- Continued resource development drilling towards Target North; and
- Drilling planned on level 480, aiming to test the gap between Blocks 25 and 19 near to the boundary between pre-mineral dacitic volcanic and post mineral sandstone units.

Significant intercepts (gold equivalent (“AuEq”) cut-off grade of 2.5 g/t) received from extensional drilling activities during 2021:

Hole ID	East	North	RL	AZ	DIP	From	To	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EXT148_210_03	5350	29740	213	156.7	3.0	169.5	189.0	19.5	2.85	2.22	6.65	0.37
EXT148_210_05	5349	29740	212	177.2	-39.1	201	211.5	8.0	2.66	1.46	4.23	0.71
EXT148W_210_04	5348	29747	213	340	8.6	223.15	240.0	16.6	3.07	1.02	33.17	1.22
EXT148W_210_18	5350	29747	213	20.7	5.6	309	325.5	16.0	6.57	6.21	4.74	0.22
EXT151_135_01	5519	29380	134	317.7	0.6	259.5	270.0	10.5	2.72	1.89	6.64	0.49
EXT151_135_09	5522	29381	133	9.5	-5.9	396.0	417.0	21.0	3.14	2.34	3.66	0.47
EXT700_505_08	6410	29628	503	264.7	8.0	336.0	355.5	19.5	4.32	4.30	33.62	0.01
EXT700_505_08	6410	29628	503	264.7	8.0	370.9	384.8	13.5	4.94	4.71	72.70	0.14
EXT700_505_14	6412	29629	502	301.1	-9.3	241.5	255.0	13.5	13.86	6.19	24.27	4.57
EXT700_680_15	6258	29745	688	257.7	-0.6	103.5	129.0	25.0	3.52	3.40	80.28	0.07

- 1) Significant intercepts are located within the Chelopech mine concession and proximal to the mine workings.
- 2) AuEq calculation is based on the following formula: $Au\ g/t + 1.68 \times Cu\ \%$, based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and long term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.
- 3) Significant intercepts are reported using a minimum downhole width of 10 metres with a maximum internal dilution of 4.5 metres at a 2.5 g/t AuEq cut-off.
- 4) All holes are drilled with NQ diamond core.
- 5) Coordinates are in mine-grid.
- 6) No factors of material effect have hindered the accuracy and reliability of the data presented above.
- 7) No upper cuts applied.

Sampling, Analysis, Quality Assurance and Quality Control (“QAQC”) and Data Verification of Chelopech Mine Drill Core

All drill cores are sampled in intervals up to a maximum of three metres, with 1.5 metre sample intervals being the common length within mineralized zones. The dimensions of the mineralized zones far exceed the standard sample length. All holes are drilled with NQ diamond core. NQ core is cut by diamond saw, where one half of the core sample is submitted for assaying and the remaining half is retained in steel core trays. All drill cores are photographed prior to cutting and/or sampling.

Following DPM exploration standard procedures and internationally accredited standards, a full suite of certified reference materials, blanks and field duplicates are submitted to the laboratory with each batch of samples. The overall quality control sample insertion rate is approximately 5% for reference materials, 2% for blanks, and 5% for field duplicates.

Sample tickets are entered into the bags with a numbering system, which reconciles sample and assayed results in the acQuire database. The average core recovery within the modelled Mineral Resource constraints is 99.6% and the various phases of drill data show no issues with regards to recoveries. No relationship was evident between core recoveries and the copper assay data, or the gold assay data. The weight of a core sample varies between three and seven kilograms.

Diamond drill core is prepared and assayed at the SGS Minerals (“SGS”) managed laboratory at Chelopech in Bulgaria, which is independent of the Company. Samples are routinely assayed for copper, gold, silver, sulphur and arsenic. Gold analyses are done using a 25-gram fire assay and atomic absorption spectrometry (“AAS”) finish. Assay values over 20 ppm gold are re-analysed using gravimetric finish. Copper, silver and arsenic analyses are completed using a two-acid digestion and AAS finish. Samples returning over 100 ppm for silver and 3% for copper are re-analyzed using high grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company’s QP has verified that all results reported in this disclosure have passed QAQC protocols. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

Chelopech Brownfield Exploration

During 2021, a total of 41 drill holes (37,925 metres) were completed as part of the brownfield exploration program at Chelopech, focused on:

- Target delineation drilling at the Wedge and West Shaft prospects within the Sveta Petka exploration licence;
- Drill testing of conceptual targets within the Brevene exploration licence (Bridge, Kazana, Aramu South, Chapel, and Murgana) as well as grade/model evaluation drilling at the Vozdol prospect;
- Scout drill testing of the Petrovden gold-copper-molybdenum porphyry prospect, aiming to delineate higher grade zones that may potentially be amenable to underground mining; and
- Exploration drilling to re-evaluate the high-sulphidation type copper-gold mineralization defined historically at the Sharlo Dere prospect within the mine concession area.

Within the Sveta Petka exploration licence, following completion of drilling activities at West Shaft and Wedge prospects early in 2021, a detailed drill core and data review was completed to support an updated geologic model which will be used to optimize infill and Mineral Resource delineation drilling, planned to start in the first quarter of 2022. The permitting process, that commenced with a Geologic Discovery Certificate being issued by the Bulgarian Ministry of Energy in January 2021, is close to completion. The one-year extension of the exploration program, required for the further assessment and application for a Commercial Discovery, was received in November 2021 and site access and permitting for drilling pads is underway.

At the Sharlo Dere prospect in the mine concession, 17 holes totalling nearly 13,000 metres were drilled to confirm historical intercepts and to better assess the continuity and upside potential of the high sulphidation copper-gold mineralization. The drilling to date returned a series of advanced argillic intervals with discrete to semi-massive zones of sulphide/sulphosalt mineralization (significant intercepts reported in the table below). Dependent on the evaluation of the remaining results, the program will continue in early 2022.

At the Vozdol prospect within the Brevene exploration licence, six holes were completed for a total of 6,066 metres. The program aimed to evaluate the continuity of mineralization as inferred by historical drilling programs and provide a better understanding of the metallogenetic controls. While assay results are partially still pending, re-assessment of the geological model is ongoing and expected to be completed in early 2022.

Drill testing is ongoing at the Petrovden porphyry prospect, located immediately north of the Chelopech mine. The prospect is a large area of low-grade porphyry style mineralization in the footwall of the Petrovden fault. It has an alteration footprint of over 1,000 metres in length, over 500 metres wide and over 1,500 metres vertical extension which remains open at depth. A total of 3,693 metres have been completed as part of two deep drill holes (EX_VD_07 and EX_VD_08). Current observations suggest that the causative intrusion consists of series of narrow granodiorite dykes that intrude the high-grade metamorphic basement rocks, following the steeply-dipping and ENE-striking trend of the Petrovden Fault system. More consistent gold-copper-molybdenum mineralization, with elevated silver and rhenium, is closely correlated with higher stockwork intensities and pervasive phyllic alteration overprinting potassic alteration. Mineralization has been intercepted from an elevation of -160 metres and traced to a depth of -700 metres (significant intervals of available assays from EX_VD_07 are showed below).

Plans for the first quarter of 2022 include completion of the drilling programs at the Sharlo Dere and Petrovden porphyry prospects, as well as operational and technical preparation for the intensive drilling program to support the Commercial Discovery application at Sveta Petka exploration licence, expected to begin in March 2022.

Significant intercepts from brownfield exploration drilling in 2021 at the Sharlo Dere prospect:

Hole ID	East	North	RL	AZ	DIP	From	To	Length (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SD_06	6948	30674	851	290	-60	345	350	5	2.53	1.61	2.39	0.55
EX_SD_09	7092	30711	789	295	-57	414	421	7	3.07	1.98	2.64	0.65
EX_SD_10	6534	30487	855	185	-50	473	479	6	4.93	3.93	69.00	0.56
EX_SD_10						604	618	14	14.18	8.17	13.51	3.58
including:						607	612	5	35.37	19.41	34.48	9.50
EX_SD_10						731	736	5	3.94	2.15	9.76	1.12

1) AuEq calculation is based on the following formula: $Au\ g/t + 1.68 \times Cu\ \%$, based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and long-term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.

2) Significant intercepts are reported using a minimum downhole length of 5 metres and a maximum internal dilution of 5 metres at a 2.5 g/t AuEq cut-off.

3) No upper cuts applied.

4) Coordinates are in Chelopech mine-grid.

5) True widths not reported at this stage, as additional data is required to define the plunge of the mineralization.

Significant intercepts from brownfield exploration drilling in 2021 at the Petrovden prospect:

Hole ID	East	North	RL	AZ	DIP	From	To	Length (m)	AuEq (g/t)	Au (g/t)	Cu (%)	Mo (g/t)	Ag (g/t)	Re (g/t)
EX_VD_07	5339	30957	854	150	-60	1,172	1,524	352	0.62	0.14	0.23	115.6	0.60	0.36
including:						1,259	1,298	39	0.84	0.18	0.35	85.1	0.83	0.31
including:						1,379	1,404	25	0.76	0.23	0.28	66.8	0.79	0.24
including:						1,416	1,463	47	0.80	0.16	0.28	210.3	0.57	0.57

1) AuEq calculation is based on the following formula: $Au\ g/t + 1.71 \times Cu\ \% + 0.00078 \times Mo\ (g/t)$, based on a gold price of \$1,600 per ounce, a copper price of \$4.00 per pound and a molybdenum price of \$40 per kilogram. Theoretical average recoveries of 90% have been assumed for Au, Cu and Mo, which is considered appropriate based on review of other porphyry operations. No metallurgical tests have been performed and the assumed recoveries are likely to change.

2) Significant intercepts at 0.5 cut-offs are reported at a 30 metres minimum length and 15 metres internal dilution, while including intercepts that are reported at 0.7 cut-off and 10 metres minimum length and 5 metres internal dilution.

3) Coordinates are in Chelopech mine-grid.

4) True widths not reported at this stage, as additional data is required to define the plunge of the mineralization.

Ada Tepe Grade Control Drilling

In 2021, reverse circulation drilling was conducted in pushbacks two, three and four of the Ada Tepe pit as part of a plan to complete all grade control drilling within the life of mine pit volume.

During 2021, a total of 210,158 metres were completed with four active drill rigs. In the first quarter of 2022, 5,095 metres of grade control drilling are planned. The program is scheduled for completion in the first quarter of 2022.

Ada Tepe Brownfield Exploration

A total of 51 drill holes (6,085 metres) were drilled in the Surnak, Synap and Kuklitsa prospects. The significant intercepts from the drilling campaigns are shown in the tables below.

Significant intercepts from 2021 drilling campaign at the Surnak prospect:

Hole ID	East	North	RL	AZ	DIP	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
SUDD074	384357	4587658	444	312	-48	87	104.1	17.1	1.40	10.66
and						109	125.3	16.3	1.06	9.59
and						133	151	18	0.81	9.21
and						216	234.8	18.8	1.32	7.05
SUDD075	384025	4587826	448	82	-34	93	99	6	1.22	9.04
and						105	110.3	5.3	1.47	9.54
SUDD076	383996	4587783	465	80	-42	116	122	6	0.86	7.46
and						132	142	10	1.04	8.83
and						172	179	7	0.80	1.59
SUDD079	384239	4587431	480	259	-40	0	13	13	0.82	12.33
SUDD080	384310	4587364	458	272	-30	31	36	5	0.62	3.26
SUDD081	384355	4587659	444	237	-49	66	72	6	1.04	8.89
and						78	86	8	1.64	9.19
SUDD082	384244	4587433	479	92	-47	43	49	6	0.60	3.44

1) Coordinates are in UTM grid.

2) Cut-off grade of 0.6 g/t Au, 5 metres minimum length, 4 metres maximum internal dilution.

3) The true width has not been reported due to the disseminated style and variable geometry of mineralization.

Significant intercepts from 2021 drilling campaign at the Kuklitsa and Synap prospects:

Hole ID	East	North	RL	AZ	DIP	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
Kuklitsa Prospect										
KUDD032	386550	4585344	402	111	-54	7	11	4	12.23	7.6
KUDD038	386557	4585721	355	124	-43	64.6	71	6.4	0.91	2.65
KUDD044	386736	4585937	329	83	-58	43	56	13	0.64	1.29
Synap Prospect										
SYDD011	386456	4586977	348	272	-46	44	65	21	0.63	1.65
SYDD012	386500	4586935	337	41	-51	64	109	45	0.66	0.69
SYDD013	386594	4586856	335	225	-45	95	99	4	0.80	2.18
SYDD014	386500	4586936	340	260	-46	48	69	21	0.94	0.58
SYDD015	386498	4586934	340	233	-71	44	66.4	22.4	0.88	0.73
SYDD016	386458	4586979	349	48	-52	70	91	21	0.70	0.73
and						96	107	11	0.89	0.72
SYDD017	386457	4586979	349	311	-42	53	57	4	0.99	1.16
SYDD020	386616	4586701	279	220	-41	8	12	4	4.18	1.98
SYDD026	386571	4586942	334	227	-38	88	102	14	0.82	2.15

1) Coordinates are in UTM grid.

2) Cut-off grade of 0.6 g/t Au, 4 metres minimum length, 4 metres maximum internal dilution.

3) The true width has not been reported due to the disseminated style and variable geometry of mineralization.

After completion of the drilling campaign, the geological activities were focused on an extensive target delineation campaign that encompassed the Surnak, Skalak, Synap and Kuklitsa prospects of the Khan Krum mining concession area, as well as the Lada prospect and on the newly granted Krumovitsa exploration licence. This included systematic geological mapping, rock sampling and trenching, as well as ground electrical, radiometric and seismic surveys.

Rock samples taken during detailed mapping returned up to 6.64 g/t gold south of the Surnak main zone and up to 6.35 g/t gold along its north-western extension. Based on these results and updated interpretations, at Surnak there are indications for the potential extension of mineralization in approximately 0.5 kilometres to both the North-West and the South directions.

The target delineation work completed during 2021 will form the foundation of a drilling campaign expected to take place in the middle of 2022, with 41 drill pads being already submitted for permitting.

Exploration activities during the last quarter of 2021 were focused at the Elhovo exploration licence with nine drill holes for a total of 2,206 metres completed on the Rigel and Ralichevo prospects. In parallel to scout drilling, detailed geological mapping and additional trenching was also completed in Rigel North prospect.

Significant gold assay results received during the fourth quarter of 2021 include drill hole ELHDD011 with a reported downhole width of five metres at 1.13 g/t gold, including one metre with 2.94 g/t gold. The results from trenching and rock sampling are still pending. Elevated gold grades are associated with sulphide mineralization hosted in structurally controlled tectonic zones overprinted by silica and argillic alteration.

Significant drill intercepts from the Elhovo exploration licence received in the fourth quarter of 2021:

Hole ID	East	North	RL	AZ	DIP	From (m)	To (m)	Length (m)	Au (g/t)
ELHDD010	376197	4583253	584	43	-61	228	233	5	0.65
ELHDD011	376346	4583081	571	342	-52	0	5	5	1.13
ELHDD015	374205	4583655	515	343	-44	16	20	4	0.78

1) Coordinates are in UTM grid.

2) Cut-off grade of 0.6 g/t Au, 4 metres minimum length, 4 metres maximum internal dilution.

3) The true width has not been reported due to the disseminated style and variable geometry of mineralization.

At Chiriite exploration licence, detail geological mapping (1:1000 scale) with rock sampling and trenching was conducted at the Golden Creek, Chernichino and Kara Tepe prospects. A total of 27 trenches (634 metres) were completed with the best intercept from trench CHETR013, returning six metres at 1.65 g/t gold (including one metre at 5.94 g/t gold). Additionally, rock sampling at the Kara Tepe prospect delineated a footprint of more than one kilometre of anomalous gold values with rock samples returning up to 11.9 g/t gold.

The permitting process for a total of 50 drill sites is ongoing and scout drilling is expected to commence in the first quarter of 2022, aiming to confirm the continuity of the veins and mineralized breccias at depth and evaluate the potential connection with the near-by Chatal Kaya prospect.

Ecuador Exploration

After the acquisition of the Loma Larga project, a drilling program has been prepared to support various studies complementary to the refinement of the feasibility study. The drilling program will consist of 15,800 metres of hydrogeological, geotechnical, metallurgical, condemnation and extension drilling. The drilling commenced in the first quarter of 2022 and is expected to be completed in the third quarter of 2022. All the geological data will be integrated and reviewed to develop an exploration program on the Loma Larga concessions during the second half of 2022.

Prospecting, mapping and sampling have been undertaken on the Tierras Coloradas license in 2021 and a 450-kilometre line HD Magnetic helicopter-borne survey was completed in January 2022. A magnetic survey of 475 kilometres has also been planned on the Rubescada property during the second quarter of 2022.

Timok Gold Project Brownfield Exploration

In 2021, DPM continued to advance exploration activities at the Timok gold project with a focus on adding resources to extend the project mine life. Early in the year the exploration drilling was focused on shallow oxide resource delineation at the Chocolate and Chocolate south targets, proximal to Bigar Hill, as well as target delineation drilling for high-grade Au-Cu manto-skarn mineralization on Čoka Rakita, Frasen and other targets within Umka and Potaj-Čuka-Tisnica exploration licences.

In the third quarter of 2021, a three-year retention period for the Potaj-Čuka-Tisnica exploration licence was granted, allowing DPM to carry on monitoring and desktop mandatory studies required for progression of the Bigar Hill to a mining concession. Initial metallurgical testing has been completed for the Čoka Rakita prospect and the results on five orientation samples show that the mineralization encountered is amenable to both flotation and leaching.

On the Umka exploration licence, a high-resolution ground magnetic survey of 26 square kilometres at 100 metre line spacing was undertaken in late 2021, and a scout drilling program commenced with 5 drill holes with a total of 5,279 metres completed. Drilling revealed large areas with calc-silicate altered sedimentary host rocks and weakly mineralized porphyry stocks. Existing intersects include only narrow gold mineralized intervals and assays are still pending for multiple holes.

Plans for 2022 include follow-up target delineation and drilling at Umka, based on the results to date and additionally a ground-based gravity survey is planned to commence late in the first quarter of 2022, as well as regional field activities on other early-stage licences.

Sampling, Analysis and QAQC of Exploration Core and Channel Samples

Most exploration diamond drill holes are collared with PQ size, continued with HQ, and are sometimes finished with NQ. Triple tube core barrels are used whenever possible to improve recovery. All drill core is cut lengthwise into two halves using a diamond saw; one half is sampled for assaying and the other half is retained in core trays. All drill core is sampled in intervals ranging up to three metres, however, the common length for sample intervals within mineralized zones is one metre. Weights of drill core samples range from three to eight kilograms, depending on the size of core, rock type, and recovery. A numbered tag is placed into each sample bag, and the samples are grouped into batches for laboratory submissions.

Core and channel samples from exploration programs at Chelopech, Ada Tepe and the Timok gold project are shipped to the Company's own exploration laboratory in Bor, Serbia, which is managed by SGS.

Quality control samples, comprising certified reference materials, blanks and field duplicates, are inserted into each batch of samples and locations for crushed duplicates are specified. All drill core and quality control samples are tabulated on sample submission forms that specify sample preparation procedures and codes for analytical methods. For internal quality control, the laboratory includes its own quality control samples comprising certified reference materials, blanks and pulp duplicates. All QAQC monitoring data are reviewed and signed off by an independent QAQC geologist. Chain of custody records are maintained from sample shipments to the laboratory until analyses are completed and remaining sample materials are returned to the Company. The chain of custody is transferred from the Company to SGS at the laboratory door.

Drill core samples submitted to the laboratory are dried at 105°C for a minimum of 12 hours, and then jaw crushed to about 80% passing 4 millimetres. Sample preparation duplicates are created by riffle splitting crushed samples on a 1 in 20 basis. Larger samples are riffle split prior to pulverizing, whereas smaller samples are pulverized entirely. Pulverizing specifications are 90% passing 75 microns. Gold analyses are done using a conventional 50-gram fire assay and AAS finish. Multi-element analyses for 49 elements, including Ag, Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10 ppm for Ag and 1% for Cu, Pb and Zn are re-analyzed using high grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company's QP has verified that all results reported in this disclosure have passed QAQC protocols. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

DEVELOPMENT AND OTHER MAJOR PROJECTS

Loma Larga Gold Project

In the third quarter of 2021, DPM completed the acquisition of the high-quality, advanced stage Loma Larga gold project in Ecuador. The project adds approximately 2.6 million gold equivalent ounces (gold equivalent based on a gold price of \$1,250 per ounce, silver price of \$18 per ounce and copper price of \$3 per pound and assumes 100% metallurgical recovery). These gold equivalent ounces of high-grade mineral reserves for an initial 12-year mine life and has the potential to produce an annual average of approximately 200,000 gold ounces in the first five years. Life of mine production is estimated to be approximately 170,000 gold ounces per year at an attractive all-in sustaining cost of approximately \$630 per ounce of gold, which continues to support DPM's peer-leading cost profile.

For more information, including key assumptions, risks and parameters relating to the FS, refer to the Technical Report entitled "NI 43-101 Feasibility Study Technical Report, Loma Larga Project, Azuay Province, Ecuador" dated April 8, 2020 and re-issued by DPM on November 29, 2021, which has been posted on the Company's website at www.dundeeprecious.com and has been filed on SEDAR at www.sedar.com.

Located in the Azuay province of Ecuador, the project has similar geology, mining method and processing flow sheet to our Chelopech underground mine. Loma Larga is expected to produce a pyrite gold concentrate that can be sold to various copper and gold smelting operations, as well as a small quantity of complex concentrate, which DPM could process at its Tsumeb smelter.

Following closing of the acquisition, the Company has been focused on integration activities, stakeholder engagement and a review of the technical studies and permitting schedule. DPM mobilized its Enterprise Project Management Office to provide support for the initial integration phase and is now implementing its well-established project development methodology. A comprehensive stakeholder and social engagement strategy is being developed and a review is underway to assess the alignment of the environmental and social studies against leading international practices. The permitting schedule has also been reviewed and is now being optimized. DPM is targeting completion of a revised FS in 2022 and has commenced scoping the FS optimization work as well as the design of a metallurgical test program, the results of which will be incorporated into the revised FS. A 15,800 metre drill program that will consist of metallurgical, geotechnical, hydrogeological and condemnation drilling is planned to optimize specific aspects of the previous FS and has commenced in the first quarter of 2022. Based on the revised permitting schedule, DPM is targeting to receive the major environmental permits by the end of 2022, followed by finalization of the exploitation agreement and construction permits. DPM is engaging with local communities, government authorities and other stakeholders, utilizing leading international practices, while concurrently adhering to a disciplined approach to project development in order to minimize up-front spend during the permitting process. The Company is also progressing discussions that are expected to result in the execution of an investor protection agreement with the government of Ecuador prior to making any significant capital commitments.

Timok Gold Project

The Timok gold project is a sediment hosted gold deposit located in the central-eastern region of the Republic of Serbia.

On February 23, 2021, DPM announced the results of the PFS for the Timok gold project which focused on the development of the oxide and transitional portions of the Mineral Resource. The PFS was based on the updated Mineral Resource Estimate, dated May 29, 2020, which considered primarily oxide and transitional material types.

The PFS included the following highlights:

- After-tax NPV^{5%} of \$135 million and internal rate of return of 21% assuming a gold price of \$1,500 per ounce;

- 547,000 gold ounces recovered over an eight-year mine life, with annual gold production estimated to average approximately 80,000 ounces per annum in years 1 to 6, and approximately 70,000 ounces per annum over the life of mine; and
- Life of mine average all-in sustaining cost of \$693 per ounce of gold.

Based on the positive results of the PFS, the Company has proceeded with a FS, which is scheduled for completion and release in the second quarter of 2022.

Initial capital for the Timok gold project is estimated to be \$211 million, with several initiatives underway directed at reducing the initial capital estimate and optimizing overall economics, including the potential for contractor mining and adding potential mineral resources associated with the Chocolate prospect into the mine plan, to be evaluated as part of the FS.

The FS engineering commenced in June 2021 and continued to focus on the oxide portion of the deposit. The Company completed the planned FS fieldwork activities in the second quarter of 2021.

The three-year retention of mineral rights was received during the third quarter of 2021. Other permitting activities associated with the spatial planning continued during the third quarter of 2021 with the objective of securing the mining rights for the project. The terms of reference for the spatial plan were released during the fourth quarter of 2021 for public review.

For additional details, including key assumptions, risks and parameters relating to the PFS, refer to the news release entitled “Dundee Precious Metals Announces Positive Pre-Feasibility Study and Encouraging New Exploration Results for the Timok Gold Project in Serbia” dated February 23, 2021 and the Technical Report entitled “NI 43-101 Technical Report, Timok Project, Pre-Feasibility Study, Zagubica, Serbia” effective March 30, 2021, which have been posted on the Company’s website at www.dundeeprecious.com and have been filed on SEDAR at www.sedar.com.

Tsumeb Rotary Holding Furnace

The Company continues to assess opportunities to further optimize the inherent value of the Tsumeb smelter operation. An assessment was completed in respect of the installation of a rotary holding furnace. The estimated upfront cost is expected to range between \$47 million and \$55 million, up from the prior estimate of \$39 million due primarily to a change in scope and updated cost estimates. This furnace is expected to provide surge capacity between the Ausmelt furnace and the converters, increase smelter recoveries as well as potentially bring in additional third party feed and increase the proportion of third party volumes. These opportunities have the potential to generate additional value, with the rotary furnace installation being a potentially high return project that would debottleneck and increase the annual throughput of complex concentrate by over 50% up to 370,000 tonnes and, in turn, generate significant incremental margins, given the fixed cost nature of the facility. As a result, the Company continues to monitor and pursue potential opportunities to secure additional long-term supply of complex concentrate on acceptable terms that would support this expansion.

Until such supply is secured, DPM will seek to process additional volumes of third party complex concentrates at Tsumeb, in lieu of Chelopech concentrate, when third party concentrates are available on acceptable terms and the Company can, in turn, capitalize on market demand for the Chelopech concentrate. While this has the potential to generate a net overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech, offset partially by lower revenue at Tsumeb. This could, in turn, result in the proposed expansion of the smelter being further delayed and possibly deferred indefinitely if an acceptable long term contract cannot be secured to support the expansion.

On December 13, 2019, the Government of Namibia issued an Environmental Clearance Certificate to Tsumeb, approving its proposed expansion to 370,000 tonnes per year, which remains valid until December 2022 with an option to renew.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

SELECTED QUARTERLY INFORMATION

Selected financial results for the last eight quarters, which have been prepared in accordance with IFRS, are shown in the table below:

\$ millions except per share amounts	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	166.4	162.3	174.7	138.0	151.8	156.0	154.0	147.8
Net earnings	51.5	50.4	88.1	19.8	50.1	53.3	49.0	42.5
Net earnings (loss) attributable to:								
• Continuing operations	52.1	50.4	67.5	20.7	50.2	55.2	48.0	45.7
• Discontinued operations	(0.6)	-	20.7	(0.7)	0.1	(1.5)	0.8	(2.5)
• Non-controlling interests	-	-	(0.1)	(0.2)	(0.2)	(0.4)	0.2	(0.7)
Net earnings (loss) per share:	0.27	0.27	0.48	0.11	0.28	0.30	0.27	0.24
• Continuing operations	0.27	0.27	0.37	0.11	0.28	0.31	0.27	0.25
• Discontinued operations	-	-	0.11	-	-	(0.01)	-	(0.01)
Net earnings (loss) diluted per share:	0.27	0.26	0.48	0.11	0.27	0.29	0.27	0.24
• Continuing operations	0.27	0.26	0.37	0.11	0.27	0.30	0.27	0.25
• Discontinued operations	-	-	0.11	-	-	(0.01)	-	(0.01)
Adjusted net earnings ⁽¹⁾	51.4	52.5	67.1	31.0	44.0	51.6	44.1	48.6
Adjusted basic earnings per share ⁽¹⁾	0.27	0.28	0.37	0.17	0.24	0.28	0.25	0.27

1) Adjusted net earnings and adjusted basic earnings per share for the second, third and fourth quarters of 2020 were decreased by \$0.9 million (\$0.00 per share), \$1.1 million (\$0.01 per share) and \$3.0 million (\$0.02 per share), respectively, to conform with current period presentation. These adjustments pertain to a deferred tax recovery not related to current period earnings resulting from changes in unrecognized tax benefits triggered by unrealized gains on publicly traded securities, which, together with the related deferred income tax expense, were recognized in other comprehensive income (loss).

The variations in the Company's quarterly results were driven largely by fluctuations in gold and copper grades and recoveries, volumes of complex concentrate smelted, gold, copper and sulphuric acid prices, foreign exchange rates, smelter toll rates, smelter metal recoveries, depreciation, gains and losses related to Sabina special warrants, gains and losses on commodity swap contracts related to hedging the Company's metal price exposures, realized gains or losses on foreign exchange option contracts related to hedging the Company's foreign denominated operating expenditures, the MineRP Disposition and impairment charges.

The following table summarizes the quarterly average realized prices for gold and copper and highlights the quarter over quarter variability:

Average Realized Metal Prices	2021				2020			
	Q4	Q2	Q1	Q1	Q4	Q3	Q2	Q1
Gold (\$/ounce)	1,780	1,800	1,803	1,779	1,816	1,835	1,649	1,547
Copper (\$/pound)	3.77	3.72	3.99	3.76	3.26	2.88	2.36	2.56

The following is a summary of selected annual information for the Company's last three fiscal years:

\$ thousands, except per share amounts

At December 31,	2021	2020	2019 ⁽¹⁾
Revenue from continuing operations	641,443	609,558	404,392
Impairment charges	-	-	107,000
Net earnings (loss) attributable to common shareholders from continuing operations	190,750	199,074	(66,621)
Net earnings (loss) attributable to common shareholders from discontinued operations	19,351	(3,072)	(4,281)
Net earnings (loss)	209,824	194,863	(72,042)
Adjusted net earnings from continuing operations	202,081	188,415	36,508
Basic earnings (loss) per share from continuing operations	1.02	1.10	(0.38)
Basic earnings (loss) per share from discontinued operations	0.10	(0.02)	(0.02)
Basic earnings (loss) per share	1.12	1.08	(0.40)
Diluted earnings (loss) per share	1.12	1.07	(0.40)
Dividend declared per share	0.12	0.09	-
Adjusted net earnings per share from continuing operations	1.09	1.04	0.20
Total assets	1,168,410	974,860	784,710
Non-current liabilities	78,198	84,500	82,233

1) 2019 results have been restated to reflect MineRP as discontinued operations.

Key items impacting the Company's financial results over the period from 2019 to 2021 include:

- (i) Improved combined gold recoveries at Chelopech in 2021 relative to 2020;
- (ii) Declining gold grades at Chelopech in 2021 relative to 2020 due to mining in lower grade zones in the third quarter of 2021 and increasing gold grades at Chelopech in 2020 relative to 2019, in line with its mine plan;
- (iii) Increasing gold and copper prices in 2021 relative to 2020 and 2019;
- (iv) Lower volumes of complex concentrate smelted at Tsumeb in 2021 relative to 2020 and 2019 as a result of planned maintenance and operational issues in 2021; higher volumes of complex concentrate smelted at Tsumeb in 2020 relative to 2019 as a result of unplanned downtime in 2019;
- (v) A weaker U.S. dollar in 2021 and 2019 and a stronger U.S. dollar in 2020 relative to the local currencies in which the Company's operating costs are denominated;
- (vi) Acquisition of INV accounted for as an asset acquisition in 2021;
- (vii) The MineRP Disposition in 2021;
- (viii) Growth capital expenditures for the Timok and Loma Larga gold projects incurred in 2021 and for the construction of the Ada Tepe incurred in 2019;
- (ix) Dividend distribution of \$22.4 million in 2021 compared to \$16.3 million in 2020 and \$nil in 2019;
- (x) Purchased 1,723,800 common shares under the NCIB for a total cost of \$10.4 million;
- (xi) Commencement of production and gold concentrate deliveries at Ada Tepe following the achievement of commercial production in June 2019 and full design capacity in the third quarter of 2019; and
- (xii) An impairment charge of \$107.0 million at Tsumeb in 2019.

CRITICAL ACCOUNTING ESTIMATES

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 periods 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 uncertainty considered by management in preparing the consolidated financial statements include, but are not limited to:

(i) 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.

(ii) 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 orebody access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. Expenses incurred after reaching the orebody are regarded as operating development costs and are included in the cost of ore hoisted.

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, 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 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 orebody 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 orebody. 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, mine properties, property, plant and equipment, depletion and depreciation charges, rehabilitation provisions and deferred income tax assets.

(iii) 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. The capitalized value of a lease is also included in property, plant and equipment.

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:

Asset Category	Estimated useful life (Years)
Buildings	15 - 20
Machinery and Equipment	3 - 20
Vehicles	5
Computer Hardware	3
Office Equipment	3 - 6

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.

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.

Exploration and evaluation assets, mine properties, property, plant and equipment and intangible assets balances could be materially impacted if other assumptions and estimates had been used. In addition, future operating results could be impacted if different assumptions and estimates are applied in future periods.

(iv) 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 charges are 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, other than a charge in respect of goodwill, 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.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill is allocated to the CGU that is expected to benefit from the business combination in which the goodwill arose. Any impairment in goodwill is recognized immediately and cannot be subsequently reversed.

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.

(v) 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.

The liability is accreted over time to its expected future settlement value. The accretion expense is recognized in finance cost 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.

Changes in the underlying assumptions used to estimate the rehabilitation liability as well as changes to environmental laws and regulations could cause material changes in the expected cost and expected future settlement value.

At as December 31, 2021, the undiscounted future cost for estimated mine closure and rehabilitation costs before inflation was estimated to be \$77.6 million. The carrying value of the estimated mine closure and rehabilitation cost was \$51.6 million at December 31, 2021 and \$52.5 million at December 31, 2020.

(vi) Revenue recognition

Revenue from the sale of concentrates 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 concentrates 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 ("settlement 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 is recognized when 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 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. These adjustments represent metal exposure and are calculated by comparing (i) the copper, gold and silver content in the concentrate received and processed by Tsumeb multiplied by the percentage accountable in the IXM contract to (ii) the accountable copper, gold and silver in the blister delivered to IXM and in the in-circuit material still being processed by Tsumeb. Many aspects of the metal exposure are subject to estimation, including the amount of metal contained in concentrate received, in-circuit material and blister delivered where final assays have not been completed. These significant estimates are based on the Company's process knowledge, joint surveys with IXM and multiple assay results, the final results of which could differ from initial estimates.

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, which is considered to occur when the products have been delivered to the location specified in the sales contract and the risk of loss has been transferred to the buyer.

Revenue from MineRP's software services is recognized over time when the services are rendered. This is measured based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The estimated revenue or extent of progress toward percentage of completion

is revised if changes occur or circumstances arise that indicate a revision is warranted. Any resulting increase or decrease in estimated revenue is reflected in the consolidated statements of earnings (loss) in the period in which such determination is made.

Revenue from licences entered by MineRP containing software and ongoing services elements is recognized based on the estimated fair value of each element. The fair value of each element is determined based on the market price of each element when sold separately. Revenue relating to the software element is recognized when the control has been transferred to the customer, which occurs on delivery. Revenue relating to the service element is recognized over time when the services are rendered.

(vii) Deferred revenue

Deferred revenue is recognized in the consolidated statements of financial position when a cash prepayment is received from one or more customers prior to the sale of product or delivery of service. Revenue is subsequently recognized in the consolidated statements of earnings (loss) when the sale occurs, which generally occurs when control has been transferred or in the case of services, when the services have been rendered.

The Company recognizes the time value of money, where there is a significant financing component and the period between the payment by the customer and the transfer of the contracted goods or services exceeds one year.

(viii) 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.

Judgment is required in determining whether deferred income tax assets are recognized on 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

NON-GAAP FINANCIAL MEASURES

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as Non-GAAP financial measures or ratios. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are used by management and investors to assist with assessing the Company's performance, including its ability to generate sufficient cash flow to meet its return objectives and support its investing activities and debt service obligations. In addition, the Human Capital and Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP financial measures and ratios, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

Non-GAAP Cash Cost and All-in Sustaining Cost Measures

Cash cost per tonne of ore processed, cash cost per pound of copper in gold-copper concentrate produced, cash cost per ounce of gold in gold-copper concentrate produced, cash cost per ounce of gold sold, all-in sustaining cost per ounce of gold and cash cost per tonne of complex concentrate smelted are Non-GAAP ratios. These measures capture the important components of the Company's production and related costs. Management and investors utilize these metrics as an important tool to monitor cost performance at the Company's operations. In addition, the Human Capital and Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance.

The following tables provide a reconciliation of the Company's cash cost per tonne of ore processed, cash cost per pound of copper produced, cash cost per ounce of gold produced and cash cost per tonne of complex concentrate smelted to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i>				
For the three months ended December 31, 2021	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	561,986	219,325	-	
Metals contained in gold-copper concentrate produced ⁽¹⁾ :				
Gold (ounces)	33,149	33,774	-	
Copper (pounds)	9,150,837	-	-	
Complex concentrate smelted (mt)			51,932	
Cost of sales	35,546	27,736	33,564	96,846
Add/(deduct):				
Depreciation, amortization & other	(7,683)	(14,264)	(3,734)	
Change in concentrate inventory	2,289	(253)	-	
Total cash cost before by-product credits	30,152	13,219	29,830	
By-product credits	(925)	(353)	(6,695)	
Total cash cost, net of by-product credits	29,227	12,866	23,135	
Cash cost per tonne of ore processed ⁽²⁾	53.65	60.27	-	
Cash cost per pound of copper produced ^{(2),(3)}	1.31	-	-	
Cash cost per ounce of gold produced ^{(2),(3)}	521	379	-	
Cash cost per tonne of complex concentrate smelted ⁽⁴⁾	-	-	445	

<i>\$ thousands, unless otherwise indicated</i>				
For the three months ended December 31, 2020	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	541,066	213,428	-	
Metals contained in gold-copper concentrate produced ⁽¹⁾ :				
Gold (ounces)	27,852	26,097	-	
Copper (pounds)	7,659,384	-	-	
Complex concentrate smelted (mt)	-	-	52,484	
Cost of sales	30,898	22,006	28,213	81,117
Add/(deduct):				
Depreciation, amortization & other	(7,841)	(13,132)	(2,777)	
Change in concentrate inventory	(453)	126	-	
Total cash cost before by-product credits	22,604	9,000	25,436	
By-product credits	(966)	(204)	(4,102)	
Total cash cost, net of by-product credits	21,638	8,796	21,334	
Cash cost per tonne of ore processed ⁽²⁾	41.78	42.17	-	
Cash cost per pound of copper produced ^{(2),(3)}	0.91	-	-	
Cash cost per ounce of gold produced ^{(2),(3)}	526	337	-	
Cash cost per tonne of complex concentrate smelted ⁽⁴⁾	-	-	406	

1) Excludes metals contained in pyrite concentrate produced.

2) Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.

3) Gold and copper are accounted for as co-products. Total cash cost is net of by-product silver revenue.

4) Total cash cost is net of by-product sulphuric acid revenue.

\$ thousands, unless otherwise indicated

For the twelve months ended December 31, 2021	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	2,199,155	865,587	-	
Metals contained in gold-copper concentrate produced ⁽¹⁾ :				
Gold (ounces)	116,433	132,964	-	
Copper (pounds)	34,687,982	-	-	
Complex concentrate smelted (mt)			189,705	
Cost of sales	130,798	100,480	128,662	359,940
Add/(deduct):				
Depreciation, amortization & other	(23,980)	(55,065)	(18,853)	
Change in concentrate inventory	(3,196)	(247)	-	
Total cash cost before by-product credits	103,622	45,168	109,809	
By-product credits	(4,283)	(1,294)	(18,921)	
Total cash cost, net of by-product credits	99,339	43,874	90,888	
Cash cost per tonne of ore processed ⁽²⁾	47.12	52.18	-	
Cash cost per pound of copper produced ^{(2),(3)}	1.19	-	-	
Cash cost per ounce of gold produced ^{(2),(3)}	499	329	-	
Cash cost per tonne of complex concentrate smelted ⁽⁴⁾	-	-	479	

\$ thousands, unless otherwise indicated

For the twelve months ended December 31, 2020	Chelopech	Ada Tepe	Tsumeb	Total
Ore processed (mt)	2,201,220	890,738	-	
Metals contained in gold-copper concentrate produced ⁽¹⁾ :				
Gold (ounces)	124,060	118,727	-	
Copper (pounds)	35,642,083	-	-	
Complex concentrate smelted (mt)	-	-	231,890	
Cost of sales	113,481	92,450	124,926	330,857
Add/(deduct):				
Depreciation, amortization & other	(29,926)	(54,351)	(15,063)	
Change in concentrate inventory	1,011	(2,410)	-	
Total cash cost before by-product credits	84,566	35,689	109,863	
By-product credits	(3,331)	(818)	(22,370)	
Total cash cost, net of by-product credits	81,235	34,871	87,493	
Cash cost per tonne of ore processed ⁽²⁾	38.42	40.07	-	
Cash cost per pound of copper produced ^{(2),(3)}	0.71	-	-	
Cash cost per ounce of gold produced ^{(2),(3)}	451	294	-	
Cash cost per tonne of complex concentrate smelted ⁽⁴⁾	-	-	377	

1) Excludes metals contained in pyrite concentrate produced.

2) Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.

3) Gold and copper are accounted for as co-products. Total cash cost is net of by-product silver revenue.

4) Total cash cost is net of by-product sulphuric acid revenue.

The following table provides, for the periods indicated, a reconciliation of Chelopech cash cost per ounce of gold sold and all-in sustaining cost per ounce of gold to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Cost of sales	35,546	30,898	130,798	113,481
Add/(deduct):				
Depreciation, amortization & other	(7,683)	(7,841)	(23,980)	(29,926)
Treatment charges, transportation and other related selling costs ⁽¹⁾	29,571	20,211	102,901	99,604
By-product credits ⁽²⁾	(31,703)	(26,230)	(128,636)	(94,613)
Cash cost of sales, net of by-product credits	25,731	17,038	81,083	88,546
Rehabilitation related accretion expenses	70	81	256	317
General and administrative expenses ⁽³⁾	3,568	4,732	10,019	13,807
Cash outlays for sustaining capital	4,158	4,267	15,511	11,616
Cash outlays for leases	237	211	936	645
All-in sustaining costs	33,764	26,329	107,805	114,931
Payable gold in concentrate sold (<i>ounces</i>) ⁽⁴⁾	40,538	37,399	149,297	150,764
Cash cost per ounce of gold sold	635	456	543	587
All-in sustaining cost per ounce of gold	833	704	722	762

1) Includes treatment charges, transportation and other selling costs related to the sale of pyrite concentrate of \$8.0 million (2020 – \$6.8 million) and \$24.9 million (2020 – \$24.7 million) in the fourth quarter and twelve months of 2021, respectively.

2) Represents copper and silver revenue.

3) Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech's proportion of total revenue.

4) Includes payable gold in pyrite concentrate sold in the fourth quarter and twelve months of 2021 of 11,331 ounces (2020 – 9,334 ounces) and 37,747 ounces (2020 – 36,111 ounces), respectively.

The following table provides, for the periods indicated, a reconciliation of Ada Tepe cash cost per ounce of gold sold and all-in sustaining cost per ounce of gold to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Cost of sales	27,736	22,006	100,480	92,450
Add/(deduct):				
Depreciation, amortization & other	(14,264)	(13,132)	(55,065)	(54,351)
Treatment charges, transportation and other related selling costs	964	819	4,310	3,579
By-product credits ⁽¹⁾	(285)	(169)	(1,038)	(732)
Cash cost of sales, net of by-product credits	14,151	9,524	48,687	40,946
Rehabilitation related accretion expenses	32	38	125	121
General and administrative expenses ⁽²⁾	2,361	2,913	7,847	10,300
Cash outlays for sustaining capital	5,235	1,559	17,469	9,514
Cash outlays for leases	347	388	1,466	1,290
All-in sustaining costs	22,126	14,422	75,594	62,171
Payable gold in concentrate sold (<i>ounces</i>)	33,282	25,169	129,754	120,070
Cash cost per ounce of gold sold	425	378	375	341
All-in sustaining cost per ounce of gold	665	573	583	518

1) Represents silver revenue.

2) Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Ada Tepe's proportion of total revenue.

DPM's cash cost per ounce of gold sold and all-in sustaining cost per ounce of gold calculations are set out in the following table:

<i>\$ thousands, unless otherwise indicated</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Cost of sales ⁽¹⁾	63,282	52,904	231,278	205,931
Add/(deduct):				
Depreciation, amortization & other ⁽¹⁾	(21,947)	(20,973)	(79,045)	(84,277)
Treatment charges, transportation and other related selling costs ⁽¹⁾	30,535	21,030	107,211	103,183
By-product credits ⁽²⁾	(31,988)	(26,399)	(129,674)	(95,345)
Cash cost of sales, net of by-product credits ⁽¹⁾	39,882	26,562	129,770	129,492
Rehabilitation related accretion expenses ⁽¹⁾	102	119	381	438
General and administrative expenses ⁽³⁾	5,929	7,645	17,866	24,107
Cash outlays for sustaining capital ⁽¹⁾	9,393	5,826	32,980	21,130
Cash outlays for leases ⁽¹⁾	584	599	2,402	1,935
All-in sustaining costs	55,890	40,751	183,399	177,102
Payable gold in concentrate sold (<i>ounces</i>)	73,820	62,568	279,051	270,834
Cash cost per ounce of gold sold	540	425	465	478
All-in sustaining cost per ounce of gold	757	651	657	654

1) Represents costs specific to Chelopech and Ada Tepe.

2) Represents copper and silver revenue.

3) Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech and Ada Tepe's proportion of total revenue.

Adjusted net earnings and adjusted basic earnings per share

Adjusted net earnings is a Non-GAAP financial measure and adjusted basic earnings per share is a Non-GAAP ratio used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings are defined as net earnings attributable to common shareholders, adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including:

- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value;
- significant tax adjustments not related to current period earnings; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted net earnings to net earnings attributable to common shareholders from continuing operations:

<i>\$ thousands, except per share amounts</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Net earnings attributable to common shareholders from continuing operations	52,108	50,176	190,750	199,074
Add/(deduct):				
Net (gains) losses related to Sabina special warrants, net of income taxes of \$nil for all periods	(659)	(3,124)	6,312	(5,640)
Deferred tax expense (recovery) adjustments not related to current period earnings ⁽¹⁾	-	(3,015)	5,019	(5,019)
Adjusted net earnings	51,449	44,037	202,081	188,415
Basic earnings per share	0.27	0.28	1.02	1.10
Adjusted basic earnings per share	0.27	0.24	1.09	1.04

1) Represents changes in unrecognized tax benefits included in net earnings related to unrealized gains (losses) on publicly traded securities, which, together with the related deferred income tax expense (recovery), were recognized in other comprehensive income (loss).

Adjusted EBITDA

Adjusted EBITDA is a Non-GAAP financial measure used by management and investors to measure the underlying operating performance of the Company's operating segments. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods. In addition, the Human Capital and Compensation Committee of the Board of Directors uses adjusted EBITDA, together with other measures, to set incentive compensation goals and assess performance.

Adjusted EBITDA excludes the following from earnings before income taxes:

- depreciation and amortization;
- interest income;
- finance cost;
- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted EBITDA to earnings before income taxes:

<i>\$ thousands</i> Ended December 31,	Three Months		Twelve Months	
	2021	2020	2021	2020
Earnings before income taxes	60,274	52,588	229,418	217,923
Add/(deduct):				
Depreciation and amortization	23,533	23,984	96,207	100,211
Finance cost	1,380	1,481	5,549	7,022
Interest income	(254)	(87)	(632)	(194)
Net (gains) losses related to Sabina special warrants	(659)	(3,124)	6,312	(5,640)
Adjusted EBITDA	84,274	74,842	336,854	319,322

Cash provided from operating activities, before changes in working capital

Cash provided from operating activities, before changes in working capital, is a Non-GAAP financial measure defined as cash provided from operating activities excluding changes in working capital as set out in the Company's consolidated statements of cash flows. This measure is used by the Company and investors to measure the cash flow generated by the Company's operating segments prior to any changes in working capital, which at times can distort performance.

Free cash flow

Free cash flow is a Non-GAAP financial measure defined as cash provided from operating activities, before changes in working capital, less cash outlays for sustaining capital, mandatory principal repayments and interest payments related to debt and leases. This measure is used by the Company and investors to measure the cash flow available to fund the Company's growth capital expenditures.

The following table provides a reconciliation of cash provided from operating activities, before changes in working capital and free cash flow to cash provided from operating activities:

<i>\$ thousands</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Cash provided from operating activities	88,777	70,536	253,126	196,965
Add:				
Changes in working capital	(8,877)	(20,412)	55,469	51,640
Cash provided from operating activities, before changes in working capital	79,900	50,124	308,595	248,605
Cash outlays for sustaining capital	(12,724)	(9,180)	(49,758)	(30,478)
Principal repayments related to leases	(1,165)	(1,076)	(4,455)	(4,008)
Interest payments	(204)	(571)	(1,989)	(2,692)
Free cash flow	65,807	39,297	252,393	211,427

Average realized metal prices

Average realized gold and copper prices are Non-GAAP ratios used by management and investors to highlight the price actually realized by the Company relative to the average market price, which can differ due to the timing of sales, hedging and other factors.

Average realized gold and copper prices represent the average per unit price recognized in the Company's consolidated statements of earnings (loss) prior to any deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any cost differences relative to the provisional invoice.

The following table provides a reconciliation of the Company's average realized gold and copper prices to its revenue:

<i>\$ thousands, unless otherwise indicated</i>	Three Months		Twelve Months	
Ended December 31,	2021	2020	2021	2020
Total revenue	166,433	151,751	641,443	609,558
Add/(deduct):				
Tsumeb revenue	(33,574)	(34,818)	(119,350)	(147,130)
Treatment charges and other deductions	30,535	23,096	107,211	95,831
Silver revenue	(1,127)	(1,103)	(4,831)	(3,740)
Revenue from gold and copper	162,267	138,926	624,473	554,519
Revenue from gold	131,407	113,629	499,630	462,916
Payable gold in concentrate sold (<i>ounces</i>)	73,820	62,568	279,051	270,834
Average realized gold price per ounce	1,780	1,816	1,790	1,709
Revenue from copper	30,860	25,297	124,843	91,603
Payable copper in concentrate sold (<i>'000s pounds</i>)	8,175	7,766	32,680	33,389
Average realized copper price per pound	3.77	3.26	3.82	2.74

RISKS AND UNCERTAINTIES

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, exploration, development, financing, construction, commissioning and operation of its mine, mill and concentrate processing facilities. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geo-political, environmental, regulatory, health, legal, tax and market risks impacting, among other things, precious metals and copper prices, sulphuric acid prices, toll rates, foreign exchange rates, inflation, the availability and cost of capital to fund the capital requirements of the business and the supply chain related to the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements contained in this MD&A. The Company endeavors to manage these risks and uncertainties in a balanced manner with

a view to mitigating risk while maximizing total shareholder returns. The Company continually strives to identify and to effectively manage the risks of each of its business units. This includes developing appropriate risk management strategies, policies, processes and systems. There can be no assurance that the Company has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful.

A description of the more significant business risks and uncertainties affecting the Company are set out below. These risks, along with other potential risks not specifically discussed in this MD&A, should be considered when evaluating the Company and its guidance. Additional risks not identified below may affect the Company.

COVID-19

The COVID-19 pandemic and the emergence of multiple COVID-19 variants has had an adverse impact on global economic conditions. Any future emergence and spread of similar or other pathogens could have a similar adverse impact. The COVID-19 pandemic may continue or worsen which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, the demand for and ability to transport the Company's products and its ability to advance its projects and other growth initiatives.

The outbreak and resurgence of COVID-19 continues to significantly impact global economies and the global upheavals have caused significant volatility in commodity prices. The outbreak and its declaration as a global pandemic caused companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. The duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Furthermore, governments in relevant jurisdictions may introduce new, or modify existing, laws, regulations, orders or other measures that could impact the Company's ability to operate or affect the actions of its suppliers, contractors and service providers.

Authorities in the jurisdictions in which the Company operates mandated restrictions and additional measures to contain the spread of COVID-19. While there is some easing of restrictions, should these measures and ongoing vaccination efforts be insufficient to contain the spread and impact of COVID-19, this may lead to further economic downturn that may adversely impact the Company's business, financial condition and results of operations. The outbreak and resurgence of COVID-19 may also continue to affect financial markets, may adversely affect the Company's ability to raise capital, if required, and may cause continued interest rate volatility and movements that may make obtaining financing or extending existing credit facilities, if required, more challenging or more expensive or unavailable on commercially reasonable terms or at all. In addition, if any number of employees, contractors or consultants of the Company or any key supplier become infected with COVID-19 or similar pathogens and/or the Company is unable to source necessary replacements, consumables or supplies or transport its products, due to government restrictions or otherwise, it could have a material negative impact on the Company's operations and prospects, including the partial or complete shutdown, delays in planned activities, including maintenance, or other disruption of one or more of its operations. Furthermore, an outbreak of COVID-19 at the Company's operations could cause reputational harm and negatively impact the Company's social licence to operate. The COVID-19 pandemic has also increased cybersecurity and information technology risks due to the rise in fraudulent activity and increased number of employees working remotely.

Although the Company has not experienced any material disruptions to its operations to date, as a result of measures it has taken, there is no assurance the Company will not be adversely affected by the current COVID-19 pandemic or other potential future health crises. The Company will continue to work actively to monitor the situation and implement further measures as required to mitigate and/or deal with any repercussions that may occur as a result of the COVID-19 outbreak.

Metal Prices

The fluctuation in the price of a metal sold by the Company can significantly impact revenues as well as all-in sustaining cost per ounce of gold and other cost measures that are reported net of by-product credits.

Accordingly, the price of gold and copper are major factors influencing the Company's business, results of operations and financial condition, and, in turn, the price for its common shares.

Metal prices can fluctuate widely and are affected by numerous factors beyond the Company's control, including overall global market conditions; the sale or purchase of gold and silver by various central banks, financial institutions and Exchange Traded Funds; interest rates; foreign exchange rates; inflation or deflation; global and regional supply and demand; and the political and economic conditions of major gold, silver and copper producing and consuming countries throughout the world. If gold and/or copper prices were to decline significantly from current levels, there can be no assurance that cash flow from operations, together with cash on hand and available lines of credit under the Company's RCF, will be sufficient to meet the Company's operating and capital requirements, including its contractual commitments and mandatory debt repayments, and the Company could be forced to discontinue production, reassess the feasibility of a particular project, and/or could lose its interest in, or be forced to sell, some of its properties. In addition, a significant commodity price decline could result in significant reductions in Mineral Reserve and Mineral Resource estimates, which could have a material adverse impact on the value of one or more of the Company's cash generating units and result in an impairment of the carrying value of certain assets, including exploration and evaluation assets, mine properties, and property, plant and equipment.

In accordance with established board approved risk management policies, from time to time, the Company enters into cash settled commodity swap contracts to swap future contracted monthly average metal prices for fixed metal prices in order to reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales. The Company also selectively enters into cash settled commodity swap and option contracts from time to time to reduce its price exposure on future sales and in respect of certain cost measures that are impacted by variability in by-product metal credits. These contracts are entered primarily to provide price protection below a specified "floor" price and, to reduce the upfront cost of these contracts, are typically accompanied by option contracts that provide price participation up to a specified "ceiling" price. The Company sells and hedges gold and copper metal contained in concentrates produced at prices that are effectively determined by reference to the traded prices on major commodity exchanges, including the LME and the LBMA. The Company currently has no hedges in place its expected payable copper to be sold in 2022.

Smelter Toll Rates, Sulphuric Acid Prices, Metal Recoveries and Feed

The availability of sufficient volumes of high value complex concentrate, at suitable toll rates, is critical to the ongoing viability and profitability of the Tsumeb smelter, given the fixed cost nature of the operation. To facilitate the procurement of complex concentrates, the Company entered into an agreement with IXM that currently matures on December 31, 2023. There is no assurance that this agreement will be renewed with IXM upon its expiry on December 31, 2023.

Under this agreement, the Company typically secures complex concentrate volumes at specified toll rates covering the next 12-24 months. As of December 31, 2021, the Company has contracted high value complex concentrate covering over 90% of its expected concentrate requirements through to the end of 2023. There can be no assurance that such concentrate will be available to the smelter in future or that the parties will agree on contracted toll rates that will be sufficient to generate an adequate return. From time to time the Company may increase the amount of third party concentrate and reduce the amount of Chelopech concentrate processed at Tsumeb. To the extent the volume of complex concentrate from Chelopech is reduced at Tsumeb, it can affect the profitability of the Tsumeb smelter. Failure to find sufficient quantities of suitable high value complex concentrate to be processed at acceptable toll rates could have a material adverse impact on the Company's business, financial condition and results of operations.

Under the agreement with IXM, Tsumeb must return specified quantities of copper, gold and silver, and maintain specified maximum levels of in-process metal. Metal over and under recoveries at the smelter are subject to smelter processing capabilities, contracted terms, and various estimates, including the quantities of metal contained in concentrate received, material in-process and blister delivered. These estimates are based on the Company's process knowledge and multiple assay results. Actual metal deliveries could differ materially from initial estimates and could have a material adverse impact on the Company's business, financial condition and results of operations as any over or under recovery of metals is recorded in revenue. In the event that in-process metals at the smelter exceed specified maximum contractual levels, Tsumeb

may be required to purchase such excess in-process metal. IXM may agree to waive such purchase requirement, and has done so in 2020 and 2021, when in-process metal exceeded maximum contractual levels.

Tsumeb produces sulphuric acid as a by-product of the smelting operation. Historically, the vast majority of this sulphuric acid has been sold to customers in Namibia, with the balance exported to other countries in Africa. In 2021, no sulphuric acid was exported out of Namibia. The revenue from the sales of sulphuric acid make up approximately 15% to 20% of Tsumeb's revenue and changes in the market price of and demand for sulphuric acid can have a material impact on Tsumeb's financial results. As of December 31, 2021, approximately 74% of Tsumeb's forecast sulphuric acid production over the next 4 years is expected to be sold domestically under a reference price contract which includes floor and ceiling prices. The remainder of Tsumeb's sulphuric acid production is expected to be sold at market terms under spot or longer-term agreements. An inability to sell or deliver sufficient acid production whereby Tsumeb's sulphuric acid storage capacity is exceeded would result in a reduction of smelter operating levels up to and including a full stoppage.

Foreign Exchange

By virtue of its international operations, the Company incurs costs and expenses in a number of foreign currencies. The revenue from its mining and smelting operations received by the Company is denominated in U.S. dollars since the prices of the metals that it produces are referenced in U.S. dollars, while the majority of operating and capital expenditures of its mining and smelter operations are denominated in Bulgarian leva, which is pegged to the Euro, the Namibian dollar, which is tied to the South African rand, and the Canadian dollar. Fluctuations in these foreign exchange rates give rise to foreign exchange exposures, either favourable or unfavourable, which could have a material impact on the Company's business, financial condition and results of operations. Fluctuations in the U.S. dollar relative to certain currencies can also have an impact on commodity prices quoted in U.S. dollars, such that a stronger U.S. dollar tends to have a negative impact on U.S. quoted prices while a weaker U.S. dollar tends to have a favourable impact. As a result, this relationship is considered in conjunction with the Company's risk assessment.

From time to time, the Company enters into forward and option foreign exchange contracts in order to reduce the foreign exchange exposures associated with projected operating expenses and capital expenditures denominated in foreign currencies. Approximately 83% of projected Namibian dollar operating expenses for 2022 have been hedged with a series of call and put options with a weighted average floor and ceiling rates of 15.14 and 17.05, respectively.

Counterparty Risk

The Company is exposed to counterparty risk, including market pricing and credit-related risk, in the event any counterparty, whether a customer, debtor or financial intermediary, is unable or unwilling to fulfill their contractual obligations to the Company or where such agreements are otherwise terminated and not replaced with agreements on substantially the same terms.

Under the terms of the Company's existing concentrate sale contracts, the risk to counterparties is mitigated, in part, through required provisional payments that range between 70% and 95% of the provisional value of each lot at the time title of the concentrate transfers. A final adjusting payment, reflecting the actual metal prices and volumes for the specified quotation period, is made when final weights and assays are determined. During 2021, the Company had contracts with 14 customers in connection with its mining and smelting operations, one of whom accounted for approximately 40% (2020 - 57%) of the Company's revenue. All contractual commitments are subject to force majeure clauses which, if implemented, could have a material adverse impact on the Company's business, financial condition and results of operations.

While there can be no assurance that the Company will not experience a material loss for non-performance by any counterparty with whom it has a commercial relationship, the Company has established policies to manage its credit exposure that include assessing financial strength, limiting aggregate exposure to new and existing counterparties, and using contractual arrangements, including provisional payments and letters of credit. Should any such losses arise, they could have a material adverse impact on the Company's business, financial condition and results of operations.

Operations

Mining operations and related processing and infrastructure facilities are subject to a number of risks, including risks related specifically to the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, disruptions in the supply of critical materials and supplies, disruptions due to pandemic conditions, delays in obtaining work visas or other authorizations, labour disputes, changes in laws, technical difficulties or failures, equipment failure, failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material. Such risks could result in damage to, or destruction of, mines and other processing facilities, damage to life or property, environmental damage, delays in mining and processing, delays in scheduled maintenance, losses and possible legal liability. Any prolonged downtime or shutdowns at the Company's mining and processing facilities could have a material adverse impact on the Company's business, financial condition and results of operations.

Success of the Company's operations also depends on adequate public infrastructure. Reliable roads, bridges, power sources and water supplies are important determinants which affect capital and operating costs. Natural events, such as seismic events and severe climatic conditions, as well as sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company's business, financial condition and results of operations.

Dependence on a Restricted Portfolio of Assets

The Company's operations at the Chelopech mine and Ada Tepe mine accounted for all of the Company's gold, silver and copper production in 2021. Any adverse condition affecting the Chelopech mine or Ada Tepe mine could have an adverse impact on the Company's business, financial condition and results of operations. Until such time as the Company acquires or develops other significant producing assets, the Company will continue to be dependent on its operations at the Chelopech mine and Ada Tepe mine for all of its cash flow provided by mining activities.

Production, Operating and Shipping Costs

The Company prepares estimates of future production, operating costs and other costs for its operations. Despite the Company's best efforts to budget and estimate such costs, many unforeseen factors can impact the Company's future production and total cash costs of production, such as the cost of inputs used in mining and processing operations, including the cost of fuel, energy, consumables, labour and equipment; availability of suitable high value complex concentrates to be processed at the smelter; regulatory factors; adequate offtake arrangements for sulphuric acid produced; grades and recoveries; royalties and taxes; foreign exchange rates; adverse climatic conditions and natural phenomena; and industrial accidents can impact the accuracy of these projections. As such, there can be no assurance that production and production cost estimates will be achieved. Failure to achieve production or total cash cost estimates could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company contracts for the shipment of its concentrates to its customers on varying terms and conditions, all subject to the prevailing rates, availability and general circumstances surrounding this market. Any material changes to the shipping markets and/or the terms and conditions of shipping contracts could have a material adverse impact on the Company's business, financial condition and results of operations.

Mineral Resources and Mineral Reserves

The Mineral Resources and Mineral Reserves disclosed by the Company are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the Company's control. Such estimation is a subjective process and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors, such as the need for orderly development of the ore bodies or the processing of

new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold, silver or copper recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuations in gold, silver and copper prices, results of drilling, change in cut-off grades, metallurgical testing, production and the evaluation of mine plans subsequent to the date of any estimates may require revision of such Mineral Resource and Mineral Reserve estimates. The volume and grade of Mineral Reserves mined and processed, and the recovery rates achieved may not be the same as currently anticipated. Any material reduction in the estimated Mineral Resources and Mineral Reserves could have a material adverse impact on the Company's business, financial condition and results of operations. A significant decrease in the Mineral Resource and Mineral Reserve estimates could have a material adverse impact on the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, depletion and depreciation charges, and estimated mine closure and rehabilitation costs, and could result in an impairment of the carrying value.

Inferred Mineral Resources

Inferred Mineral Resources cannot be converted to Mineral Reserves unless they are first converted into Measured and Indicated Resources as a result of continued exploration. Due to the uncertainty which may be attached to Inferred Mineral Resources, there can be no assurance that Inferred Mineral Resources will be upgraded to Measured and Indicated Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Need for Mineral Reserves

As mines have limited lives based on Proven and Probable Mineral Reserves, the Company must continually develop, replace and expand its Mineral Reserves and Mineral Resources as its mines produce gold, copper and silver concentrates. The Company's ability to maintain or increase its annual production of gold, copper and silver and its aggregate Mineral Reserves will be significantly dependent on its ability to expand its Mineral Resource base both at its existing mines and new mines it intends to bring into production in the future.

Exploration

Exploration is speculative and involves many risks that even a combination of careful evaluation, experience and knowledge utilized by the Company may not eliminate. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible. Substantial expenditures are normally required to locate and establish Mineral Reserves and to permit and construct mining and processing facilities. While the discovery of mineralization may result in substantial rewards if an orebody is proven, few properties that are explored are ultimately developed into producing mines.

Financing, Interest Rate and Liquidity

The Company relies on the cash flows generated from its mining and smelting operations, including provisional payments received from its customers, cash on hand, available lines of credits 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, general economic conditions 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 or toll agreements, as well as its liquidity, cost of capital and its ability to access additional capital, which could have a material adverse impact on 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 with its debt covenants; (ii) strives to maintain a prudent capital structure that is comprised primarily of equity financing and a long-term committed RCF; and (iii) targets a minimum level of liquidity comprised of surplus cash balances and/or available committed lines of credit to avoid being placed into a situation where it is required to raise additional capital at times when the costs or terms would be regarded as unfavourable.

The Company's exposure to the risk of changes in market interest rates relates primarily to the interest earned on the Company's cash and short-term investments and potential interest paid on future drawdowns under its RCF, which is based on a floating reference rate.

Furthermore, there can be no assurance that the Company's operations will be profitable or that the Company will be able to raise capital on terms that it considers reasonable. Adverse commodity market, general economic conditions and adverse capital market conditions could result in a delay or the indefinite postponement of development or construction projects and could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

Dividends

The declaration amount and payment of future dividends will be subject to the sole discretion of the Board after taking into account, among other things, the Company's financial position, current and forecast operating results, overall market conditions, its outlook for sustainable free cash flow and capital and any restrictions contained in any debt instrument and/or credit agreement to which the Company may be party to from time to time. Despite the implementation of a regular dividend policy, there is no guarantee of the amount, timing and sustainability of the dividend.

Foreign Country and Political

The majority of the Company's operations and business are outside of Canada, primarily in Eastern Europe, southern Africa and Ecuador, and as such, the Company's operations are exposed to various political and other risks and uncertainties.

These risks and uncertainties vary from country to country and include, but are not limited to, corruption; crime; extreme fluctuations in foreign currency exchange rates; high rates of inflation; labour unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; absence of reliable rule of law, regulatory and judiciary processes; illegal mining; environmental policies; extreme weather conditions; changes in taxation or royalty policies; restrictions on foreign exchange and movements of capital; changing political conditions; inappropriate laws and regulations; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction; the risks of war or civil unrest; terrorism; hostage taking or detainment of personnel; and military repression.

Any changes in mining or investment policies or shifts in political attitude in the countries in which the Company conducts its business and operations may have a material adverse impact on the Company's business, financial condition and results of operations. It is difficult to predict the future political, social and economic direction of the countries in which the Company operates, and the impact government decisions could have on its business. Any political or economic instability in the countries in which the Company currently operates could have a material adverse impact on the Company's business, financial condition and results of operations. Furthermore, the consequences of factors such as pandemics and climate change may result in further political or economic instability in the countries in which the Company currently operates as scarce resources may be redistributed.

In addition, authorities and court systems in the countries in which the Company conducts its business and operations may be unpredictable. Challenges to foreign asset ownership, operations and regulatory compliance may be brought by government authorities for reasons that cannot be predicted and that may not be motivated by substantive law. It is also not unusual, in the context of a dispute resolution, for a party in these foreign jurisdictions to use the uncertainty of the legal environment as leverage in its business negotiations.

Failure to comply with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements.

Anti-Bribery and Anti-Corruption

The Company's operations are governed by, and involve interactions with, public officials and many levels of government in numerous countries. The Company's operations take place in jurisdictions ranked unfavourably under Transparency International's Corruption Perception Index. These jurisdictions may be vulnerable to the possibility of bribery, corruption, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions. The Company is required to comply with anti-bribery and anti-corruption laws, including the *Canadian Corruption of Foreign Public Officials Act* ("CFPOA"), as well as similar laws in the countries in which the Company conducts its business (together, the "Anti-Corruption Laws"). In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by third parties, with whom the Company has a business relationship, such as, but not limited to, contractors, suppliers, consultants, agents and customers. Although the Company has adopted a number of steps to mitigate bribery and corruption risks, which include, among other things, developing policies and procedures, establishing a robust third party due diligence process, implementing training programs and performing regular internal monitoring activities and audits, such measures may not always be effective in ensuring the strict compliance with Anti-Corruption Laws by the Company, its employees or third parties. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse impact on the Company's reputation, business, financial condition and results of operations.

Environmental, Health and Safety

Mining and smelting operations, including exploration, development and production of mineral deposits and disposal of tailings and hazardous materials, generally involve a high degree of risk and are subject to conditions and events beyond the Company's control. The Company's operations are subject to all of the hazards and risks normally encountered in the mining and smelting sectors including: adverse environmental conditions; industrial and environmental accidents; metallurgical and other processing problems; unusual or unexpected rock formations; ground or slope failures; structural cave-ins or slides; flooding or fires; seismic activity; rock bursts; equipment failures; failures to contain hazardous materials (including arsenic) within the designated areas, and periodic interruptions due to weather conditions, as well as intentional acts by individuals or groups who intend to harm or disrupt the Company's operations. These risks could result in the destruction of mines or processing facilities, the failure of tailings management facilities and damage to infrastructure, causing partial or complete shutdowns, personal injury or death, environmental or other damage to the Company's properties or the properties of others, monetary losses and potential legal liability. Although the Company conducts extensive maintenance and monitoring and incurs significant costs to maintain its operations, equipment and infrastructure, including tailings management facilities, unanticipated failures or damage may occur that could cause injuries, production loss or environmental pollution resulting in significant legal and/or economic liability.

The Company's mining and smelting operations are subject to extensive environmental, health and safety regulations in the various jurisdictions in which it operates. These regulations address, among other things, emissions; air and water quality standards; land use; rehabilitation and reclamation; and safety and work environment standards, including human rights. They also set forth limitations on the generation, transportation, storage and disposal of various wastes, including hazardous wastes. Environmental, health and safety legislation continues to evolve and, while the Company takes active steps to monitor this legislation, it could result in stricter standards and enforcement, increased capital and operating costs and burdens to achieve compliance, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Amendments to current laws and regulations governing the Company's mining, processing, development and exploration activities, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition and results of operations, and cause increases in exploration expenses, capital expenditures, production costs or future rehabilitation costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties and/or expansion of existing properties.

Environmental hazards may exist on the properties in which the Company holds interests, which are unknown to the Company at present, and which have been caused by previous or existing owners or

operators of the properties. The Company may also acquire properties with known or undiscovered environmental risk. Any indemnifications by the previous owners or others may not be adequate to pay all the fines, penalties and costs incurred related to such properties. Some of the Company's properties have also been used for mining, processing, smelting and related operations for many years before the Company acquired them and were acquired "as is" or with assumed environmental liabilities from previous owners or operators. The Company has been required to address contamination at its properties in the past and may need to do so in the future, either for existing environmental conditions or for leaks, discharges or contamination that may arise from its ongoing operations or other contingencies. The cost of addressing environmental conditions or risks, and liabilities associated with environmental damage may be significant, and could have a material adverse impact on the Company's business, financial condition and results of operations. Production at the Company's mines and processing facilities involves the use of various chemicals, including certain chemicals that are designated as hazardous substances. Contamination from hazardous substances, either at the Company's own properties or other locations for which it may be responsible, may subject the Company to liability for the investigation or remediation of contamination, as well as for claims seeking to recover costs for related property damage, personal injury or damage to natural resources. The occurrence of any of these events could have a material adverse impact on the Company's business, financial condition and results of operations.

In 2016, the Company completed a major multi-year capital program at its smelter in Namibia directed at modernizing the environmental equipment being utilized and debottlenecking its processing capacity. This included the completion of a sulphuric acid plant, which has reduced the plant's SO₂ emissions. The Company is committed to making further improvements to the health, safety and environmental performance of the smelter and is continuously assessing the scope of any capital expenditures required to support these further improvements. The Company's environmental and occupational health and safety performance will be subject to continued monitoring by the Namibian authorities and deviation from expected environmental and occupational health and safety outcomes could have a material adverse impact on the Company's future production, business, financial condition and results of operations.

Climate Change

Global climate change continues to attract considerable public, scientific and regulatory attention. Governments and regulatory bodies at the international, national, regional and local levels have introduced or may introduce legislative changes to respond to the potential impacts of climate change. Additional government action to regulate climate change, including regulations on carbon emissions and energy use, could increase direct and indirect costs to the Company's operations and may have a material adverse impact on the Company. The Company's primary operations are located in Bulgaria and Namibia, both of which are signatories to the Paris Agreement Under the United Nations Framework Convention on Climate Change (the "Paris Agreement"). Additional requirements from the Paris Agreement or other climate change regulations could lead to increased costs for the Company. For example, the European Green Deal, which is an ambitious set of policy initiatives brought forward by the European Commission with the overarching aim of making Europe climate neutral by 2050, will likely have significant effects which are not yet fully quantifiable.

In addition, the Company's operations are subject to the physical risks of climate change, which may include increased extreme weather events, rising sea levels and significantly restricted water availability. In the long term, the Company may be required to respond to the physical effects of climate change which could have a material adverse impact on the Company and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Management completed a focused climate change assessment and issued a report in December 2020, following the TCFD recommendations that highlights DPM's efforts to achieve reductions in energy and water use, emissions and its consumption of raw materials, and outlines the major identified risks and opportunities for DPM related to climate change. Based on the results of the assessment, existing management and governance practices will be supplemented to ensure climate change effects are, among other things, minimized, adequately included in the ongoing assessment of the risk and opportunities for the Company, and disclosed based on the requirements of the TCFD recommendations. Based on this assessment and other factors, management does not view climate change as an immediate material risk faced by the Company. However, as time goes on, it may have an impact on how the Company conducts its business. The Company's report on the impact of climate change has been posted on the Company's website at www.dundeeprecious.com.

Reclamation and Mine Closure Costs

Although variable depending on location and the governing authority, land reclamation and mine closure requirements are generally imposed on mining companies in order to minimize long-term effects of land disturbance. The Company is required by governments in the jurisdictions where it operates to provide financial assurances to cover any reclamation and mine closure obligations that it may have at its mine sites. The amount and nature of the Company's financial assurance obligations depend on a number of factors, including the Company's financial condition and reclamation and mine closure cost estimates. Reclamation and mine closure cost estimates can escalate because of new regulatory requirements, changes in site conditions, conditions in the receiving environment, or changes in analytical methods or scientific understanding of the impacts of various constituents in the environment. Changes to the form or amount of the Company's financial assurance obligations in respect of reclamation and mine closure obligations could significantly increase the Company's costs, making the maintenance and development of existing or new mines less economically feasible. Increases in financial assurance requirements could severely impact the Company's credit capacity and its ability to raise capital for other projects or acquisitions. The Company may be unable to obtain letters of credit or surety bonds to satisfy these requirements, in which case it may be required to deposit cash as financial assurance. If the Company is unable to satisfy these requirements, it may face loss of permits, fines and other material and negative consequences, which could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company recognizes a liability for its rehabilitation expenses when a legal and/or constructive obligation is identified. The liability is measured at the present value of estimated costs required to rehabilitate the operating locations based on the risk-free nominal discount rates applicable to the countries in which the operations are located. The carrying value of the rehabilitation provision was \$51.6 million and \$52.5 million at December 31, 2021 and 2020, respectively. Changes in the underlying assumptions used to estimate the mine closure and rehabilitation costs as well as changes to environmental laws and regulations could cause material changes in the expected cost and the fair value of the estimated mine closure and rehabilitation costs and these changes could have a material adverse impact on the Company's business, financial condition and results of operations.

Inadequate Controls over Financial Reporting

The Company assessed and tested its internal control procedures in order to satisfy the requirements of National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), which require an annual assessment by management of the operating effectiveness of the Company's internal control over financial reporting. The Company's failure to satisfy the requirements of NI 52-109 on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could have a material adverse impact on the Company's business and common share price. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could have a material adverse impact on the Company's business, financial condition, results of operations and share price.

No evaluation can provide absolute assurance that the Company's internal control over financial reporting will detect or uncover all material information required to be reported. Furthermore, there can be no certainty that the Company's internal control over financial reporting will prevent or detect all errors and fraud. In addition, with ever increasing regulations and changes in the Company's business it is expected that the Company's internal control over financial reporting will continue to evolve and improve over time.

Stakeholder Relations and Licence to Operate

The Company's relationships with stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining and smelter activities on the environment and on communities impacted by such activities. Non-governmental organizations ("NGOs") and civil society groups, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances and the handling, transportation and storage of various waste, including hazardous waste. Adverse publicity generated by such NGOs and civil society groups or others related to the extractive industries generally, or the Company's operations

specifically, could have a material adverse impact on, including but not limited to, the laws under which the Company operates, its ability to secure new permits and its reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, obtain permits and licences and/or continue its operations, which could have a material adverse impact on the Company's business, results of operations and financial condition.

Development Projects

As part of the Company's growth strategy, it invests in the development, design, construction, operation and optimization of existing and new facilities to enhance operations and increase future production. In developing these new projects, the Company may be required to incur significant preliminary engineering, environmental, permitting and legal-related expenditures prior to determining whether a project is technically feasible and economically viable. The commercial viability of development projects is based on many factors, including: in the case of a mine, the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal recoveries, metal prices and, in the case of the smelter, toll rates, each of which are highly cyclical; availability of complex concentrate; government regulations; capital and operating costs of such projects; and foreign currency exchange rates. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits, subsequent appeals of such permits, including favourable EIA decisions, the acquisition of satisfactory surface or other land rights and having adequate funding arrangements in place.

All projects are approved for development on a project-by-project basis after considering strategic fit, inherent risks, and expected financial returns. This approach, which incorporates a gated project governance model, and combined with an experienced management team, staff and contract personnel, mitigates some of the risk associated with development projects. However, there can be no assurance that there will not be delays in obtaining the necessary permits or that the development or construction of any one or more projects will be completed on time, on budget or at all, or that the ultimate operating cost of the operation will not be higher than originally envisaged. In addition, to secure long lead times required for ordering equipment, the Company may place orders for equipment and make deposits thereon or advance projects before obtaining all requisite permits and licences. Such actions are taken only when the Company reasonably believes such licences or permits will be forthcoming prior to the requirement to expend the full amount of the purchase price. In the event a project, which was deemed economically viable, is not completed or does not operate at anticipated performance levels, the Company may be unable to fully recover its investment and be required to record a write-down. This, in turn, may have a material adverse impact on the Company's business, financial condition and results of operations.

It is not unusual in the mining industry, especially in jurisdictions like Bulgaria, Serbia, Ecuador and Namibia, for operations to experience construction challenges or delays and unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Given the inherent risks and uncertainties associated with any major capital project, there can be no assurance that construction will proceed in accordance with current expectations or at all, or that construction costs will be consistent with the budget, or that the operation will operate as planned.

Opposition to Mining

The Company's ability to advance its exploration and development activities, particularly in respect of its Loma Larga and Timok projects, may be affected to varying degrees by opposition to mining activities causing delays in obtaining or the inability to obtain necessary permits and/or resulting in government regulations with respect to, but not limited to, restrictions on future exploitation and production. Any shifts in political attitudes or changes in laws that may result in, among other things, significant changes to mining laws or any other national or local regulations or policies are beyond the Company's control and there is the risk that governments may adopt policies, which may extend to the deemed or actual expropriation of assets or revocation or cancellation of mining concession rights, that could adversely affect DPM's business.

Information Technology Systems and Information Technology Systems Security Threats

DPM has entered into agreements with third parties for hardware, software, telecommunications and other technology services/systems in connection with its operations (including information technology, operational technology and digital). The Company's operations depend, in part, on technology services/systems and how well the Company and its suppliers protect networks, equipment, technology systems and software against damage from a number of threats, including, but not limited to, cable cuts; damage to physical plants; natural disasters; terrorism; fire; power loss; hacking; computer viruses; vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, technology systems and software as well as specific cybersecurity systems and governance to mitigate the risk of failures. Any of these and other events could result in data leakage, information loss, system failures, business interruptions and/or increases in capital expenses, which could have a material adverse impact the Company's reputation, business, financial condition and results of operations.

Although to date the Company and its operations have not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that DPM will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, company and personal data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Personal Data Security

The Company is or will be subject to privacy and data security regulations in several of the jurisdictions that it operates in, such as Canada, Namibia and the European Union. The European Union's *General Data Protection Regulation*, or GDPR, took effect in May 2018 and introduced increased regulations relating to personal data security. The GDPR requires companies to satisfy new requirements regarding the handling of personal and sensitive data, including its use, protection and the ability of persons whose data is stored to correct or delete such data about themselves. The Company could incur substantial costs in complying with various national privacy regulations as a result of having to make changes to prior business practices. Such developments may also require the Company to make system changes and develop new processes, further affecting its compliance costs. Emerging legislation to address privacy issues could impose additional obligations on the Company. In addition, violations of privacy-related regulations can result in significant penalties and reputational harm, which in turn could adversely impact the Company's business and results of operations.

Competition

The Company faces competition from other mining companies in connection with the acquisition of properties producing, or capable of producing and processing, precious and base metals, as well as the ultimate sale of its production. Many of these companies may have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, there can be no assurance that the Company will be able to acquire or maintain cost competitive operations or sell its production or process complex concentrate on economically acceptable terms, which could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company's Tsumeb operation also faces competition from other smelting companies as well as trading companies, notably those with blending operations, to secure complex feed. These competitive forces, together with changes in regulations for complex concentrate could affect the supply-demand dynamics of this market and could negatively affect Tsumeb's ability to secure complex copper concentrate on terms that are economic for Tsumeb to smelt this material and therefore have a material adverse impact on the Company's business, financial condition and results of operations.

Impairment

The Company is required to undertake regular assessments to determine whether an impairment is required for any of its assets. The assessment of impairment requires significant judgments over 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 considerations ranging from overall economic activity and the supply of and demand of 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. There can be no assurance that management's estimate of the future will reflect actual events, further impairment charges may materialize and the timing and amount of such impairment charges are difficult to predict and may have a material adverse impact on the Company's business, financial condition and results of operations.

Enforcement of Legal Rights

The Company's material subsidiaries are organized under the laws of foreign jurisdictions. Given that the Company's material assets are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

Insurance and Uninsured Risks

The Company's business is subject to numerous risks and hazards, including severe climatic conditions, industrial accidents, equipment failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and other natural events such as earthquakes. Such occurrences could result in damage to mineral properties or processing facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining and processing, monetary losses and possible legal liability.

In order to eliminate or reduce certain risks, the Company purchases and maintains insurance coverage, subject to limits and deductibles that are considered reasonable and prudent. This insurance coverage does not cover all potential risks because of customary exclusions and/or limited availability, and in some instances, the Company's view that the cost of certain insurance coverage is excessive in relation to the risk or risks being covered. Further, there can be no assurance that insurance coverage will continue to be available on commercially reasonable terms, that such coverage will ultimately be sufficient, or that insurers will be able to fulfill their obligations should a claim be made.

Due to recent dam failures, there has been increased scrutiny by insurance underwriters on tailings management facilities and insurance underwriters' tolerance for writing risk in the pollution liability market has been reduced due to the elevated level of risk. As a result, the Company opted not to acquire pollution liability insurance in 2021 relating to liquefaction results from tailings management facilities failures due to its view that the cost is excessive in relation to the limited risk or risks being covered. Furthermore, material losses that may arise from the COVID-19 outbreak are not covered by the Company's insurance. Losses arising from any events that are not fully insured may cause the Company to incur significant costs that could have a material adverse impact on its business, financial condition and results of operations.

Value of Investment Portfolio

The value of the Company's investment portfolio of securities will vary based on the underlying value of the securities acquired by the Company. The business activities of issuers in the resource industry ("Resource Issuers") are speculative and may be adversely affected by factors outside the control of those issuers. Resource Issuers may not hold or discover commercial quantities of precious metals or minerals, have limited access to capital, and profitability may be affected by adverse fluctuations in commodity prices, demand for commodities, general economic conditions and cycles, unanticipated depletion of reserves or resources, native land claims, liability for environmental damage, competition, imposition of tariffs, duties

or other taxes and government regulations, as applicable. Since the Company has and may continue to invest primarily in securities issued by Resource Issuers engaged in the mining industry or related resource businesses (including junior issuers), the value of the Company's investment portfolio of securities may be more volatile than portfolios with a more diversified investment focus. In some cases, the value of securities owned by the Company may also be affected by such factors as investor demand, specified rights or restrictions associated with the security, general market trends or regulatory restrictions. Fluctuations in the market values of such securities may occur for a number of reasons beyond the control of the Company, and there can be no assurance that an adequate liquid market will exist for securities or that quoted market prices at any given time will properly reflect the value at which the Company could monetize these securities.

Laws, Regulations and Permitting

The activities of the Company are subject to various laws and regulations governing prospecting, exploration, development, production, taxes, labour commercial standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, archaeological discovery and other matters. Although the Company currently carries out its operations and business in accordance with all applicable laws, rules and regulations, no assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be changed or be applied in a manner which could limit or curtail production or development. Furthermore, amendments to current laws and regulations governing operations and activities of mining, milling and processing or more stringent implementation thereof could cause costs and delays that could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company's current and future operations and development activities are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company currently has the required permits for its current operations, there can be no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations or additional permits for planned new operations or changes to existing operations that could have a material adverse impact on the Company's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining and processing operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining and processing activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations, including environmental laws.

Labour Relations

While the Company has good relations with both its unionized and non-unionized employees, there can be no assurance that it will be able to maintain positive relationships with its employees or that new collective agreements will be entered into without work interruptions. In addition, relations between the Company and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions that the Company operates. Adverse changes in such legislations or in the relationship between the Company and its employees could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company has entered into a collective agreement with its employees in Bulgaria, for Chelopech and Ada Tepe, that is in effect until July 2023. Tsumeb entered into a new collective agreement with its employees as of March 2021 which will continue to be in effect until February 2023.

Income and Other Taxes

The Company operates in Canada and several foreign jurisdictions, through a number of subsidiary intermediary entities. As a result, it is subject to potential changes in tax laws, judicial interpretations in respect thereof, and the administrative and/or assessing practices of tax authorities in each jurisdiction. While these tax risks are proactively managed and monitored by senior management and outside tax

experts, there can be no assurance that there will not be changes to these laws or interpretations that could have a material adverse impact on the Company's business, financial condition and results of operations. In December 2020, the Namibian Ministry of Finance announced that tax incentives under the EPZ Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The EPZ regime is expected to be replaced by a new regime known as the SSEZ, which is expected to be implemented in 2022.

The Company believes that it is not currently a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes and it does not anticipate becoming a PFIC in the foreseeable future. However, the PFIC rules are complex, and, as a Canadian company publicly listed on the TSX, the Company does not operate its business in a manner specifically intended to avoid being classified as a PFIC. Accordingly, there can be no assurance that the Company will not be considered a PFIC. The Company also has not and does not expect to provide any shareholder with information that will enable a U.S. shareholder to make a qualified electing fund election in respect of the Company. To the extent that the Company is a PFIC in respect of any taxable year, its status as such would have adverse tax consequences for taxable U.S. investors. U.S. investors should consult their own tax advisors regarding the PFIC rules and the potential adverse U.S. Federal income tax consequences to which they may be subject to in respect of an investment in the Company's common shares.

Future Plans

As part of its overall business strategy, the Company examines, from time to time, opportunities to acquire and/or develop new mineral projects and businesses. A number of risks and uncertainties are associated with these potential transactions and DPM may not realize all of the anticipated benefits. The acquisition and the development of new projects and businesses are subject to numerous risks, including the particular attributes of the deposit, political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital, future metal prices, foreign currency rates and toll rates, in the case of the smelter. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully could have a material adverse impact on the Company's business, financial condition and results of operations.

Business Development, Acquisitions and Integration

From time to time the Company examines opportunities to acquire and/or develop new mineral projects, additional mining assets and businesses. Any acquisition and/or development that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and/or development activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition or development, and integrate the acquired operations successfully with those of the Company. Any acquisitions and/or developments would be accompanied by risks, including the particular attributes of the deposit, political, regulatory, design, construction, labour, operating, technical, and technological risks, as well as uncertainties relating to the availability and cost of capital, future metal prices, foreign currency rates, and toll rates, in the case of a smelter. Furthermore, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition or development, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition or development, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition or development with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or developments. Failure to successfully realize the anticipated benefits associated with one or more of these initiatives successfully

could have a material adverse impact on the Company's business, financial condition and results of operations.

Land Title

Although the title to the properties owned by the Company were reviewed by, or on behalf of, the Company, there can be no assurances that there are no title defects affecting such properties or the shares of subsidiaries that hold such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's interest in mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Market Price of Common Shares

The common shares of the Company are listed on the TSX. The price of these and other shares making up the mining sector have historically experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, including those impacting the price of commodities, interest rates, market perceptions concerning equity securities generally and the precious and base metal sectors in particular, and factors that may be specific to the Company, including daily traded volumes of the common shares.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value, which in turn could impact the ability of the Company to raise equity or raise equity on terms considered to be acceptable. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources and have a material adverse impact on the Company's business, financial condition and results of operations.

Dilution to Common Shares

During the life of the Company's outstanding stock options granted under its share-based compensation plans, the holders are given an opportunity to profit from an increase in the market price of the Company's common shares with a resulting dilution in the interest of shareholders. The holders of stock options may exercise such securities at a time when the Company may have been able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights. The increase in the number of common shares in the market, if all or part of these outstanding rights were exercised, and the possibility of sales of these additional shares may have a negative effect on the price of the Company's common shares.

The Company may need to raise additional financing in the future through the issuance of additional equity securities. If the Company raises additional funding by issuing additional equity securities, such financings may substantially dilute the interests of shareholders of the Company and reduce the value of their investment in the Company's securities.

Reputational Risk

As a result of the increased usage and the speed and the global reach of social media and other web-based applications used to generate, publish and discuss user-generated content and to connect with others, the Company is at a much greater risk of losing control over how it is perceived by the public. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events (for example, with respect to the handling of environmental matters, community relations or litigation), and could include any negative publicity, whether credible, factual, true or not. While the Company places a great emphasis on protecting and nurturing its reputation, it does not ultimately have direct control over how it is

perceived by others, including how it is viewed on social media and other web-based applications. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on the Company's business, financial condition and results of operations.

Foreign Subsidiaries and Repatriation of Funds

The Company conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among DPM and such entities, could restrict or impact the Company's ability to fund or receive cash from its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse impact on the Company's business, financial condition and results of operations. In addition, the corporate law and other laws governing the Company's foreign subsidiaries differ materially from Canadian corporate and other laws. Challenges to the Company's ownership or title to the shares of such subsidiaries or the subsidiaries' title or ownership of their assets may occur based on alleged formalistic defects or other grounds that are based on form rather than in substance. Any such challenges may cost time and resources for the Company or cause other adverse effects.

Key Executives and Key Personnel

The Company is dependent on the services of key executives, including its President and CEO and a number of highly skilled and experienced executives and key personnel. The loss of these persons or the Company's inability to attract and retain additional highly skilled employees could have a material adverse impact on the Company's future operations and business.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development or investment in or provide services to natural resource companies, including Dundee Corporation, and other companies in which the Company has investments, and consequently there exists the possibility for such directors and officers to be in a position of conflict. The Board is aware of these potential conflicts and these individuals recuse themselves from the Board deliberations and voting when necessary. The Company expects that any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Canadian Business Corporations Act* and other applicable laws.

Litigation Risk

Legal proceedings may be brought against the Company, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on its financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result the Company may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings. The Company may also become party to disputes governed by the rules of international arbitration. In the event of a dispute arising at its foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Shareholder Activism

In recent years, publicly-traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation

practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Company to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company reputation and divert the attention and resources of the Company management and the Company's board of directors, which could have an adverse effect on the Company's business and results of operations. Even if the Company does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of the Company to implement such changes. If shareholder activists seeking to increase short-term shareholder value are elected to the Company's board of directors, this could adversely affect the Company's business and future operations. Additionally, shareholder activism could create uncertainty about the Company's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Company's business, future operations, profitability and ability to attract and retain qualified personnel.

Public Company Obligations

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could have a material adverse impact on the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. The Company's efforts to comply with rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, based on the Internal Control – Integrated Framework (2013) developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

The CEO and CFO evaluated or caused to be evaluated under their supervision the design and operating effectiveness of the DC&P and ICFR as defined by NI 52-109 as of December 31, 2021. Based on this evaluation, the CEO and CFO concluded that the Company's DC&P and ICFR were designed and operating effectively as of December 31, 2021.

NI 52-109 also requires Canadian public companies to disclose in their MD&A any change in ICFR that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to the ICFR in the year ended December 31, 2021. Only reasonable, rather than absolute, assurance that misstatements are prevented or detected on a timely basis by ICFR can be provided due to the inherent limitations of the ICFR system. Such limitations also apply to the effectiveness of ICFR as it is also possible that controls may become inadequate because of changes in conditions or deterioration in compliance with policies and procedures.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements and other information included in this MD&A and our other disclosure documents constitute "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation, which we refer to collectively hereinafter as "Forward Looking Statements".

Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "guidance", "outlook", "intends", "anticipates", "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, or the negative of any of these terms or similar expressions. The Forward Looking Statements in this MD&A relate to, among other things: measures the Company is undertaking in response to the COVID-19 outbreak, including its impacts on the Company’s global supply chains, the level of and duration of reductions or curtailments in operating levels at any of the Company’s operations or in its exploration and development activities; expected cash flows; the price of gold, copper, silver and sulphuric acid; toll rates, metals exposure and stockpile interest deductions at Tsumeb; Tsumeb’s ability to continue to benefit from the EPZ/SSEZ tax incentives in Namibia; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; estimated capital costs, all-in sustaining costs, operating costs and other financial metrics, including those set out in the outlook and guidance provided by the Company; currency fluctuations; the impact of any impairment charges; the processing of Chelopech concentrate; timing of further optimization work at Tsumeb; potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; DPM’s strategy, plans, targets and goals in respect of environmental, social and governance issues, including climate change, greenhouse gas emissions reduction targets, tailings management facilities and human rights initiatives; results of economic studies (including the Timok PFS and the Loma Larga FS); expected milestones; success of exploration activities; the timing of the completion and results of a FS for the Timok gold project; expectations with respect to the potential to incorporate additional existing Mineral Resources into the Timok mine plan by processing the sulphide portion of the ore body; development of the Loma Larga project, including expected production, successful negotiations of an investment protection agreement and exploitation agreement and granting of environmental and construction permits in a timely manner; success of permitting activities; permitting timelines; success of investments, including potential acquisitions; requirements for additional capital; government regulation of mining and smelting operations; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; the timing and amount of dividends; the timing and number of common shares of the Company that may be purchased pursuant to the NCIB; and timing and possible outcome of pending litigation or legal proceedings, if any.

Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and QP (in the case of technical and scientific information), 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. In addition to factors already discussed in this document, such factors include, among others: risks relating to the Company’s business generally and the impact of global pandemics, including COVID-19, resulting in changes to the Company’s supply chain, product shortages, delivery and shipping issues, closure and/or failure of plant, equipment or processes to operate as anticipated, employees and contractors becoming infected, low vaccination rates, lost work hours and labour force shortages; fluctuations in metal and sulphuric acid prices, toll rates and foreign exchange rates; regulatory changes, including changes impacting the complex concentrate market; inability of Tsumeb to secure complex copper concentrate on terms that are economic; possible variations in ore grade and recovery rates; inherent uncertainties in respect of conclusions of economic evaluations and economic studies, including the Timok PFS and the Loma Larga FS; uncertainties with respect to timing of the Timok FS; changes in project parameters, including schedule and budget, as plans continue to be refined; uncertainties with respect to realizing the anticipated benefits from the acquisition of INV and the development of the Loma Larga project; uncertainties with respect to actual results of current exploration activities; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; 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; limitations on insurance coverage; 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; actual results of current and planned reclamation activities; opposition by social and non-governmental organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; failure to achieve certain cost savings or the potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; increased costs and physical risks, including extreme weather events and resource shortages, related to climate change; cyber-attacks and other cybersecurity risks; there being no assurance that the Company will purchase additional common shares of the Company under the NCIB; risks related to the implementation, cost and realization of benefits from digital initiatives; uncertainties with respect to realizing the targeted MineRP earn-outs as well as those risk factors discussed or referred to in any other documents (including without limitation the Company’s

most recent 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. This list is not exhaustive of the factors that may affect any of the Company's Forward Looking Statements.

The Forward Looking Statements are based on what the Company's management considers to be reasonable assumptions, beliefs, expectations and opinions based on the information currently available to it. Without limitation to the foregoing, the following section outlines certain specific Forward Looking Statements contained in the "Three-Year Outlook" section of this MD&A, unless otherwise noted, and provides certain material assumptions used to develop such Forward Looking Statements and material risk factors that could cause actual results to differ materially from the Forward Looking Statements (which are provided without limitation to the additional general risk factors discussed herein):

Ore processed: assumes Chelopech and Ada Tepe mines perform at planned levels. Subject to a number of risks, the more significant of which is failure of plant, equipment or processes to operate as anticipated.

Cash cost per tonne of ore processed: assumes Chelopech and Ada Tepe ore mined/milled are in line with the guidance provided; foreign exchange rates remain at or around current levels; and operating expenses at Chelopech and Ada Tepe are at planned levels. Subject to a number of risks, the more significant of which are: lower than anticipated ore mined/milled; a weaker U.S. dollar relative to the Euro; and unexpected increases in labour and other operating costs.

Metals contained in concentrate produced: assumes grades and recoveries are consistent with current estimates of Mineral Resources and Mineral Reserves and DPM's current expectations; and ore mined/milled is consistent with guidance. Subject to a number of risks, the more significant of which are: lower than anticipated ore grades, recovery rates and ore mined/milled.

All-in sustaining costs: assumes that metals contained in concentrate produced and cash cost per tonne of ore processed at Chelopech and Ada Tepe are each in line with the guidance provided; copper and silver prices remain at or around current levels; the timing, destination and commercial terms in respect of concentrate deliveries are consistent with DPM's current expectations; payable metals in concentrate sold are consistent with the guidance provided, and general and administrative expenses, sustaining capital expenditures and leases are consistent with the guidance provided. Subject to a number of risks, the more significant of which are: lower than anticipated metals contained in concentrate produced, concentrate deliveries and metal prices; a higher than anticipated cash cost per tonne of ore processed; and higher than anticipated sustaining capital expenditures, leases and general and administrative expenses.

Complex concentrate smelted at Tsumeb: assumes no significant disruption in equipment availability, planned maintenance activities or concentrate supply. Subject to a number of risks, the more significant of which are: unanticipated operational issues; delays in maintenance activities; lower than anticipated equipment availability; and disruptions to or changes in the supply of complex concentrate, including changes in the proportion of third party and Chelopech feed.

Cash cost per tonne of complex concentrate smelted: assumes complex concentrate smelted is consistent with the guidance provided; no delays in planned maintenance activities; sulphuric acid prices are at or around current levels; sulphuric acid production and operating expenses are at planned levels; and foreign exchange rates remain at or around current levels. Subject to a number of risks, the more significant of which are: complex concentrate smelted and sulphuric acid production are lower than anticipated; sulphuric acid prices are lower than anticipated; strengthening of the ZAR relative to the U.S. dollar; and higher than anticipated operating and transportation costs due to a variety of factors, including higher than anticipated inflation, labour and other operating costs.

Sustaining and growth capital expenditures: assumes foreign exchange rates remain at or around current levels, and all capital projects proceed as planned and at a cost that is consistent with the budget established for each project. Subject to a number of risks, the more significant of which are: technical challenges, delays related to securing necessary permits and approvals, equipment deliveries, equipment performance, and the speed with which work is performed; availability of qualified labour; and changes in project parameters and estimated costs, including foreign exchange impacts.

Liquidity (see comments contained in “Liquidity and Capital Resources” section): assumes the operating and cost performance are consistent with current expectations; metal and sulphuric acid prices, and foreign exchange rates remain at or around current levels; concentrate and sulphuric acid sales agreements, and smelter toll terms are consistent with current terms and/or forecast levels; progress of capital projects is consistent with current expectations; and DPM’s RCF remains in place. Subject to a number of risks, the more significant of which are: lower than anticipated metals production at Chelopech and Ada Tepe, complex concentrate throughput and sulphuric acid production at Tsumeb, concentrate deliveries and metal prices; lower than anticipated reductions in secondary material at Tsumeb; a weaker U.S. dollar relative to local operating currencies; changes in contractual sales and/or toll terms and sulphuric acid prices; changes to capital project parameters, schedule and/or costs; and the inability to draw down on DPM’s RCF due to a breach or potential breach of one of its covenants.

General: assumes ability to carry on exploration and development activities; ability to operate in a safe, efficient and effective manner; no significant unanticipated operational or technical difficulties; maintenance of good relations with the communities surrounding Chelopech, Ada Tepe and Tsumeb; and no significant events or changes relating to regulatory, environmental, health and safety matters, including that the Company does not experience any significant negative effects as a result of the COVID-19 pandemic.

The reader is cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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. The Company’s Forward Looking Statements reflect current expectations regarding future events and are only as of the date hereof. Other than as it may be required by law, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management’s estimates or opinion should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

This MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. Subject to the SEC Modernization Rules described below, the United States reporting requirements are currently governed by the United States Securities and Exchange Commission (“SEC”) Industry Guide 7 (“SEC Industry Guide 7”) under the Securities Act of 1933. The definitions used in NI 43-101 are incorporated by reference from the CIM Definition Standards. For example, the terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in NI 43-101, and these definitions differ from the definitions in SEC Industry Guide 7. Furthermore, while the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101, these terms are not defined terms under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. Further, under SEC Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Any reserves reported by the Company in the future and in compliance with NI 43-101 may not qualify as “reserves” under SEC Industry Guide 7. Further, until recently, the SEC has not recognized the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of “reserve”. The SEC adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Securities Exchange Act of 1934, as amended. These amendments became effective February 25, 2019 (the “SEC Modernization Rules”) with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical disclosure requirements for mining issuers that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred

mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding CIM Definition Standards, incorporated by reference in NI 43-101. Readers are cautioned that while the above terms are "substantially similar" to the corresponding CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules. Readers are also cautioned that while the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", it should not be assumed that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, readers are cautioned not to assume that any "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" that the Company reports are or will be economically or legally mineable. Further, "inferred mineral resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, readers are also cautioned not to assume that all or any part of the "inferred mineral resources" exist. In accordance with Canadian securities laws, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101. For the above reasons, information contained in this MD&A containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

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) “Hume Kyle”

Hume Kyle
Executive Vice President and
Chief Financial Officer

February 17, 2022



Independent auditor's report

To the Shareholders of Dundee Precious Metals Inc.

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, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- 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, which include significant accounting policies and other explanatory information.

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.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

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



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, 2021. These matters were 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>Assessment of indicators of impairment or impairment reversal of property, plant and equipment related to the Tsumeb CGU</p> <p><i>Refer to note 2.2 – Significant accounting policies and note 10 – Property, plant and equipment to the consolidated financial statements.</i></p> <p>The Company's property, plant and equipment (PP&E) net book value amounted to \$335.3 million as at December 31, 2021, which includes a portion related to the Tsumeb Cash Generating Unit (CGU). Management assesses at each reporting date whether indicators of impairment or impairment reversal exist. If any indication of impairment or impairment reversal exists, an estimate of the CGU's recoverable amount is calculated.</p> <p>Management uses significant judgment in assessing whether indicators of impairment or impairment reversal exist that would necessitate impairment testing, including external and internal factors related to changes in forecasted toll rates, the foreign exchange rate, production volumes, capital and operating expenditures, and the discount rate.</p> <p>We considered this a key audit matter due to (i) the significant judgment by management in assessing whether indicators of impairment or impairment reversal exist that would necessitate impairment testing of the PP&E related to the Tsumeb CGU; (ii) the significant audit effort and subjectivity in performing procedures related to management's assessment; and (iii) the assistance of professionals with specialized skill and knowledge in the field of valuation.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Evaluated the reasonableness of management's assessment of indicators of impairment or impairment reversal of the PP&E related to the Tsumeb CGU:<ul style="list-style-type: none">– Assessed the completeness of external and internal factors that could be considered as indicators of impairment or impairment reversal of the PP&E by considering evidence obtained in other areas of the audit.– Assessed the external and internal factors related to changes in forecasted toll rates, the foreign exchange rate, production volumes and capital and operating expenditures by comparing to historical and current toll rates in tolling agreements, analyst consensus data and considering the current and past performance of the Tsumeb CGU.– Professionals with specialized skill and knowledge in the field of valuation assisted us in assessing the reasonableness of the discount rate determined by management.



Key audit matter	How our audit addressed the key audit matter
<p>Recognition of the Tsumeb metal exposure adjustment</p> <p><i>Refer to note 2.2 – Significant accounting policies and note 5 – Accounts receivable to the consolidated financial statements.</i></p> <p>As at December 31, 2021, the Company’s accounts receivable included a metal recovery of \$2.2 million related to estimated metal exposure at Tsumeb.</p> <p>Revenue from processing concentrate is adjusted for any over or under recoveries of metals delivered relative to contracted rates under the tolling agreement between Tsumeb and its customer. These metal exposure adjustments are calculated by comparing (i) the copper, gold and silver (together, metal) content in the concentrate received and processed by Tsumeb multiplied by the percentage payable in the agreement to (ii) the metal in the blister delivered to the customer and in the in-circuit material still being processed.</p> <p>The metal exposure adjustment is subject to estimation, including the amount of metal contained in concentrate received, in-circuit material and blister delivered where final assays have not been completed.</p> <p>We considered this a key audit matter due to (i) the significant judgment by management in estimating the Tsumeb metal exposure adjustment, including a high degree of estimation uncertainty and (ii) the significant audit effort and subjectivity in performing procedures related to management’s assumptions.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"> • Tested the operating effectiveness of controls relating to the metal exposure process, including management’s estimate of the metal exposure adjustment. • Observed the metal stockpile survey performed near year-end. • Obtained a customer confirmation in respect of the quantities of concentrate treated, blister returned and metal in-circuit at year-end. • Tested how management estimated the Tsumeb metal exposure adjustment at year-end and evaluated the reasonableness of the estimated amount of metal contained in concentrate received, in-circuit material and blister delivered, where final assays have not been completed at year-end, by comparing to historical recovery rates and historical adjustments to provisional assays.

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 an opinion or 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.

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, 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.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 Michael Hawtin.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 17, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2021 and 2020

(in thousands of U.S. dollars)

		December 31, 2021	December 31, 2020
ASSETS			
Current Assets			
Cash		334,377	149,532
Accounts receivable	5	128,338	84,920
Inventories	6	49,626	43,049
Other current assets	7(c), 7(d)	1,452	10,818
		513,793	288,319
Assets held for sale	3	-	30,713
		513,793	319,032
Non-Current Assets			
Investments at fair value	7(a), 7(b)	47,983	106,595
Exploration and evaluation assets	8	98,925	-
Mine properties	9	138,037	155,438
Property, plant & equipment	10	335,305	364,337
Intangible assets	11	17,359	16,139
Deferred income tax assets	22	8,685	9,470
Other long-term assets		8,323	3,849
		654,617	655,828
TOTAL ASSETS		1,168,410	974,860
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	12	77,170	72,234
Income tax liabilities	22	2,395	910
Current portion of long-term liabilities	16	6,234	5,929
		85,799	79,073
Liabilities held for sale	3	-	6,003
		85,799	85,076
Non-Current Liabilities			
Rehabilitation provisions	15	50,401	51,338
Share-based compensation plans	18	13,933	19,002
Other long-term liabilities	16	13,864	14,160
		78,198	84,500
TOTAL LIABILITIES		163,997	169,576
EQUITY			
Share capital		585,050	525,219
Contributed surplus		8,629	7,078
Retained earnings		412,394	224,701
Accumulated other comprehensive income (loss)	26(c)	(1,660)	41,671
Equity attributable to common shareholders of the Company		1,004,413	798,669
Non-controlling interests		-	6,615
TOTAL EQUITY		1,004,413	805,284
TOTAL LIABILITIES AND EQUITY		1,168,410	974,860

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) "Anthony Walsh"

Anthony Walsh, Director

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the years ended December 31, 2021 and 2020

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

		2021	2020
	Notes		
Continuing Operations			
Revenue	29	641,443	609,558
Costs and expenses			
Cost of sales	19	359,940	330,857
General and administrative expenses	19	18,161	30,604
Corporate social responsibility expenses		4,838	4,571
Exploration and evaluation expenses	19	18,006	19,072
Finance cost	20	5,549	7,022
Other (income) expense	21	5,531	(491)
		412,025	391,635
Earnings before income taxes		229,418	217,923
Current income tax expense	22	33,625	23,353
Deferred income tax expense (recovery)	22	5,064	(4,462)
Net earnings from continuing operations		190,729	199,032
Discontinued Operations			
Net earnings (loss) from discontinued operations	3	19,095	(4,169)
Net earnings		209,824	194,863
Net earnings (loss) attributable to:			
Common shareholders of the Company			
From continuing operations		190,750	199,074
From discontinued operations		19,351	(3,072)
Non-controlling interests		(277)	(1,139)
Net earnings		209,824	194,863
Earnings (loss) per share attributable to common shareholders of the Company			
- Basic			
From continuing operations	23	1.02	1.10
From discontinued operations	23	0.10	(0.02)
- Diluted			
From continuing operations	23	1.02	1.09
From discontinued operations	23	0.10	(0.02)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2021 and 2020

(in thousands of U.S. dollars)

	2021	2020
Net earnings	209,824	194,863
Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:		
Foreign exchange option contracts designated as cash flow hedges		
Unrealized gains (losses), net of income tax of \$nil (2020 - \$nil)	1,175	(114)
Deferred cost of hedging, net of income tax of \$nil (2020 - \$nil)	(2,504)	(947)
Realized (gains) losses transferred to cost of sales, net of income tax of \$nil (2020 - \$nil)	(6,525)	3,486
Commodity swap contracts designated as cash flow hedges		
Unrealized gains (losses), net of income tax expense (recovery) of \$(1,525) (2020 - \$9)	(13,723)	78
Deferred cost of hedging, net of income tax recovery of \$56 (2020 - \$2)	(504)	(18)
Realized losses transferred to revenue, net of income tax recovery of \$1,516 (2020 - \$nil)	13,645	-
Cost of hedging transferred to revenue, net of income tax recovery of \$58 (2020 - \$nil)	522	-
Currency translation adjustments from discontinued operations	(908)	(3,395)
Other comprehensive income (loss) items that will not be reclassified subsequently to profit or loss:		
Unrealized gains (losses) on publicly traded securities, net of income tax expense (recovery) of \$(5,019) (2020 - \$5,019)	(37,593)	31,451
	(46,415)	30,541
Comprehensive income	163,409	225,404
Comprehensive income (loss) attributable to:		
Common shareholders of the Company		
From continuing operations	145,243	233,010
From discontinued operations	18,682	(5,445)
Non-controlling interests	(516)	(2,161)
Comprehensive income	163,409	225,404

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(in thousands of U.S. dollars)

		2021	2020
	<i>Notes</i>		
OPERATING ACTIVITIES			
Earnings before income taxes		229,418	217,923
Revenue transferred from deferred revenue	14	-	(46,674)
Depreciation and amortization		96,207	100,211
Changes in working capital	25(a)	(55,469)	(51,640)
Other Items not affecting cash	25(b)	26,209	14,422
Payments for settlement of derivative contracts		(14,082)	(9,103)
Income taxes paid		(29,157)	(28,174)
Cash provided from operating activities of continuing operations		253,126	196,965
Cash provided from (used in) operating activities of discontinued operations	3	(442)	101
INVESTING ACTIVITIES			
Proceeds from MineRP Disposition	3	45,188	-
Cash payment for acquisition of INV, net of cash acquired	4	(1,569)	-
Purchase of publicly traded securities	7(b)	(8,307)	(5,119)
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets		263	124
Expenditures on exploration and evaluation assets		(10,100)	-
Expenditures on mine properties		(16,862)	(8,012)
Expenditures on property, plant and equipment		(33,648)	(25,447)
Expenditures on intangible assets		(3,538)	(4,097)
Increase in restricted cash	4	(3,500)	-
Cash used in investing activities of continuing operations		(32,073)	(42,551)
Cash used in investing activities of discontinued operations	3	-	(1,301)
FINANCING ACTIVITIES			
Proceeds from share issuance		2,810	1,776
Repayments of credit facilities	13(a)	-	(10,000)
Lease obligations		(4,455)	(4,008)
Dividends paid	26(a)	(22,143)	(10,866)
Payments for share repurchases	26(b)	(10,207)	-
Interest and finance fees paid		(2,213)	(3,067)
Cash used in financing activities of continuing operations		(36,208)	(26,165)
Cash used in financing activities of discontinued operations		(140)	(375)
Increase in cash of continuing operations		184,845	128,249
Decrease in cash of discontinued operations		(582)	(1,575)
Cash at beginning of year, continuing operations		149,532	21,283
Cash at beginning of year, discontinued operations		582	2,157
Cash at end of year, continuing operations		334,377	149,532
Cash at end of year, discontinued operations		-	582

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, 2021 and 2020

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

	December 31, 2021		December 31, 2020	
	Number	Amount	Number	Amount
Share Capital				
Authorized				
Unlimited common and preference shares with no par value				
Issued				
Fully paid common shares with one vote per share				
Balance at beginning of year	181,400,125	525,219	180,537,053	522,351
Shares issued as part of an exploration option agreement		-	25,000	153
Shares issued on exercise of stock options (note 18)	1,070,774	2,810	838,072	1,776
Shares issued on acquisition of INV (note 4)	10,664,501	60,844	-	-
Share repurchases (note 26(b))	(1,694,200)	(5,269)	-	-
Transferred from contributed surplus on exercise of stock options		1,446		939
Balance at end of year	191,441,200	585,050	181,400,125	525,219
Contributed surplus				
Balance at beginning of year		7,078		9,150
Share based compensation expense		1,052		1,314
Transferred to share capital on exercise of stock options		(1,446)		(939)
MineRP Disposition (note 3)		4,741		-
Stock options issued on acquisition of INV (note 4)		2,366		-
Share repurchases (note 26(b))		(5,141)		-
Other changes in contributed surplus		(21)		(2,447)
Balance at end of year		8,629		7,078
Retained earnings				
Balance at beginning of year		224,701		45,007
Net earnings attributable to common shareholders of the Company		210,101		196,002
Dividend distributions (note 26(a))		(22,408)		(16,308)
Balance at end of year		412,394		224,701
Accumulated other comprehensive income (loss) (note 26(c))				
Balance at beginning of year		41,671		10,108
Other comprehensive income (loss)		(46,176)		31,563
MineRP disposition (note 3)		2,845		-
Balance at end of year		(1,660)		41,671
Total equity attributable to common shareholders of the Company		1,004,413		798,669
Non-controlling interests				
Balance at beginning of year		6,615		6,278
Net loss attributable to non-controlling interests		(277)		(1,139)
Other comprehensive income (loss) attributable to non-controlling interests		(239)		(1,022)
MineRP disposition (note 3)		(6,010)		-
Other changes in non-controlling interests		(89)		2,498
Balance at end of year		-		6,615
Total equity at end of year		1,004,413		805,284

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

1. CORPORATE INFORMATION

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 1 Adelaide Street East, Suite 500, P. O. Box 195, Toronto, Ontario, M5C 2V9.

As at December 31, 2021, DPM’s consolidated financial statements include DPM and its subsidiary companies (collectively, the “Company”).

Continuing operations:

DPM’s principal subsidiaries include:

- 100% of Dundee Precious Metals Chelopech EAD (“Chelopech”), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria;
- 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; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited (“Tsumeb”), which owns and operates a custom smelter located in Tsumeb, Namibia.

DPM holds interests, directly or indirectly, in a number of exploration properties located in Ecuador, Serbia and Canada including:

- 100% of DPM Ecuador S.A. (“DPM Ecuador”), formerly INV Minerale Ecuador S.A., which is focused on the exploration and development of the Loma Larga gold project located in Ecuador (*note 4*);
- 100% of DPM Avala d.o.o., formerly Avala Resources d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia; and
- 8.9% of Sabina Gold and Silver Corp. (“Sabina”), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

Discontinued operations (*note 3*):

On May 3, 2021, DPM sold its 73.7% ownership interest in MineRP Holdings Inc. (“MineRP”), which owns MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile.

2.1 BASIS OF PREPARATION

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee. These consolidated financial statements were approved by the Board of Directors on February 17, 2022.

2.2 SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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:

- commencement of commercial production (*note 2.2(l)*);
- 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)*);
- revenue recognition related to toll smelting arrangements (*note 2.2(t)*); and
- deferred income tax assets and liabilities (*note 2.2(x)*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 from continuing operations 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.

(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. Prior to the sale of MineRP in May 2021, MineRP was the only foreign operation of the Company with a functional currency being South African Rand ("ZAR") and its subsidiaries with functional currencies denominated in the currencies of the primary economic environments in which each of the subsidiaries operated.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash deposits, guaranteed investment certificates and/or other highly rated and liquid securities with an original maturity of less than three months.

(f) Inventories

Inventories of ore and concentrates 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 concentrates 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 concentrates 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 sulphuric acid, arsenic calcines, 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. Arsenic calcines not expected to be processed in the next 12 months are classified as long-term inventory and included in other long-term assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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) expense in the consolidated statements of earnings (loss). The Company’s investment in Sabina special warrants and its accounts receivable on provisionally priced sales 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) 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

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 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) 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 and long-term debt, 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) 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.

Foreign exchange option contracts designated as cash flow hedges

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Commodity swap contracts designated as cash flow hedges

The Company also designates the spot component of commodity swap contracts to hedge future metal price exposures ("Production Hedges") as cash flow hedges.

The effective portion of changes in fair value of the spot component of the swaps are initially recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income (loss). The accumulated fair value change is subsequently recognized in revenue in the consolidated statements of earnings (loss) in the period the underlying hedged sales occur.

The forward points, or time value, which form a component of these commodity swap contracts, are treated as a separate cost of hedging. As a result, any unrealized fair value change in the time value component of the outstanding commodity swap 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 revenue in the period the underlying hedged sales occur.

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.

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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 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) 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.

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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(I) 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 orebody access, including mine shafts and ventilation raises, are considered to be capital development and are capitalized. Expenses incurred after reaching the orebody are regarded as operating development costs and are included in the cost of ore hoisted.

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, mine development or mineable reserve development, which qualify for capitalization.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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

2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 orebody 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 orebody. 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(x)*).

(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. The capitalized value of a lease is also included in property, plant and equipment.

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:

Asset Category	Estimated useful life (Years)
Buildings	15 - 20
Machinery and Equipment	3 - 20
Vehicles	5
Computer Hardware	3
Office Equipment	3 - 6

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 licenses, intellectual properties, customer relationships, long-term customer contracts and goodwill.

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. Goodwill is initially measured as described in *note 2.2(a)* through business combinations.

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.

Goodwill is carried at cost less any accumulated impairment losses and is not subject to amortization. All other intangible assets are carried at cost less accumulated amortization and any accumulated impairment charges. Other intangible assets are amortized on a straight-line basis over their estimated useful lives.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amortization periods applicable to intangible assets amortized on a straight-line basis over their estimated useful lives are as follows:

Asset Category	Estimated useful life (Years)
Computer Software	3 - 5
Exploration and Software Licenses	3 - 5
Intellectual Property	10
Customer Relationships	15
Customer Contract	14

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.

(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. 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.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 charges are 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, other than a charge in respect of goodwill, 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.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill is allocated to the CGU that is expected to benefit from the business combination in which the goodwill arose. Any impairment in goodwill is recognized immediately and cannot be subsequently reversed.

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.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

The liability is accreted over time to its expected future settlement value. The accretion expense is recognized in finance cost 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.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 cost 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 payment 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.

(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 and the excess of the purchase price over the book value is recognized as a reduction in contributed surplus in the consolidated statements of changes in shareholders' equity.

(t) Revenue recognition

Revenue from the sale of concentrates 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.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from the sale of concentrates 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 ("settlement 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 is recognized when 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 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"). These adjustments represent metal exposure and are calculated by comparing (i) the copper, gold and silver content in the concentrate received and processed by Tsumeb multiplied by the percentage accountable in the IXM contract to (ii) the accountable copper, gold and silver in the blister delivered to IXM and in the in-circuit material still being processed by Tsumeb. Many aspects of the metal exposure are subject to estimation, including the amount of metal contained in concentrate received, in-circuit material and blister delivered where final assays have not been completed. These significant estimates are based on the Company's process knowledge, joint surveys with IXM and multiple assay results, the final results of which could differ from initial estimates.

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, which is considered to occur when the products have been delivered to the location specified in the sales contract and the risk of loss has been transferred to the buyer.

Revenue from MineRP's software services is recognized over time when the services are rendered. This is measured based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The estimated revenue or extent of progress toward percentage of completion is revised if changes occur or circumstances arise that indicate a revision is warranted. Any resulting increase or decrease in estimated revenue is reflected in the consolidated statements of earnings (loss) in the period in which such determination is made.

Revenue from licenses entered by MineRP containing software and ongoing services elements is recognized based on the estimated fair value of each element. The fair value of each element is determined based on the market price of each element when sold separately. Revenue relating to the software element is recognized when the control has been transferred to the customer, which occurs on delivery. Revenue relating to the service element is recognized over time when the services are rendered.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Deferred revenue

Deferred revenue is recognized in the consolidated statements of financial position when a cash prepayment is received from one or more customers prior to the sale of product or delivery of service. Revenue is subsequently recognized in the consolidated statements of earnings (loss) when the sale occurs, which generally occurs when control has been transferred or in the case of services, when the services have been rendered.

The Company recognizes the time value of money, where there is a significant financing component and the period between the payment by the customer and the transfer of the contracted goods or services exceeds one year.

(v) 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.

(w) Share-based compensation transactions

Equity-settled transactions

Stock options are granted to directors and selected employees to buy common shares of the Company. 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 closing price of the 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. The 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 18*. 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 options is reflected as additional share dilution in the computation of diluted earnings per share.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash-settled transactions

A Director Deferred Share Unit (“Director DSU”) Plan and an Employee Deferred Share Unit (“Employee DSU”) Plan were established for directors and certain employees in lieu of cash compensation. The Director 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 Employee DSUs are paid in cash based on (i) the five-day volume weighted average price (“Market Price”) of DPM’s common shares on the date the employee ceases to be employed by DPM or a subsidiary thereof (“Separation Date”); or (ii) if a deferred redemption date has been elected by the employee (“Deferred Redemption Date”), a cash payment by the Company to the employee based on the Market Price or the closing price of DPM’s common shares on the day preceding the Deferred Redemption Date; or (iii) the Market Price of DPM’s common shares if the Deferred Redemption Date is December 15 of the calendar year commencing after the Separation Date. 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 plans 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 Restricted Share Unit (“RSU”) 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 RSUs and RSUs 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. The 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. The 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 authorization date based on the closing price of DPM’s common shares preceding the day the RSUs and PSUs are granted. The cost of RSUs and PSUs is recognized as a liability under share based compensation plans, 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).

(x) 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.

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2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Judgment is required in determining whether deferred income tax assets are recognized on 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.

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(y) 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.

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3. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

On December 22, 2020, the Company and other shareholders of MineRP entered into a definitive agreement with Epiroc Canada Holding Inc., a subsidiary of Epiroc Rock Drills AB (“Epiroc”) for the sale of MineRP (the “MineRP Disposition”). The MineRP Disposition closed on May 3, 2021.

MineRP Disposition

Net cash consideration received for DPM's equity interest in MineRP:

Total purchase price	59,000
Cash received for settlement of DPM loan to MineRP	(20,571)
Working capital adjustment	(1,485)
Closing indebtedness	(534)
Closing cash	276
Cash consideration	36,686
Less: transaction costs	(3,048)
Net cash consideration	33,638
Cash paid to non-controlling interests	(9,021)
Net cash consideration received for DPM's equity interest in MineRP^{(a), (b)}	24,617

Net assets disposed:

Cash	276
Accounts receivable	2,231
Property, plant & equipment	1,137
Intangible assets	26,760
Other long-term assets	230
Total assets disposed	30,634
Accounts payable and accrued liabilities	5,835
Loan payable to Epiroc	20,571
Current portion of long-term liabilities	311
Deferred income tax liabilities	950
Other long-term liabilities	630
Total liabilities disposed	28,297
Non-controlling interests	607
Net assets disposed	1,730
Reclassification of currency translation adjustments from accumulated other comprehensive income	(2,845)
Gain on MineRP Disposition included in net earnings from discontinued operations	20,042

- (a) Net cash consideration received included \$5.1 million held in escrow on closing to secure against any post closing adjustments related to working capital and certain representations and warranties, of which \$1.6 million related to working capital items. The working capital adjustment was finalized in December 2021, resulting in an unfavourable final adjustment of \$0.6 million to the Company which was recognized as a reduction in the gain on MineRP Disposition included in net earnings from discontinued operations for the year ended December 31, 2021. As at December 31, 2021, the remaining cash held in escrow of \$3.5 million related to other indemnities was recognized as restricted cash included in other long-term assets in the consolidated financial statements of financial position.

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- (b) The MineRP Disposition also provides for potential additional proceeds in the form of an earn-out conditional on the achievement of certain revenue targets by MineRP in 2021 and 2022, for which no value has been recognized as at December 31, 2021 based on the assessment of its fair market value.

As a result of the MineRP Disposition, the assets and liabilities of MineRP have been presented as held for sale in the consolidated statement of financial position as at December 31, 2020, and the operating results and cash flows of MineRP have been presented as discontinued operations in the consolidated statements of earnings (loss) and cash flows for the years ended December 31, 2021 and 2020.

The following table summarizes the assets and liabilities of MineRP which have been aggregated and presented as held for sale as at December 31, 2020:

	December 31, 2020
Cash	582
Accounts receivable	1,524
Property, plant & equipment	1,265
Intangible assets	27,153
Other long-term assets	189
Total assets held for sale	30,713
Accounts payable and accrued liabilities	4,038
Current portion of long-term liabilities	303
Deferred income tax liabilities	950
Other long-term liabilities	712
Total liabilities held for sale	6,003
Non-controlling interests of net assets held for sale	6,504

The following table summarizes the operating results of MineRP which have been aggregated and presented as discontinued operations for the years ended December 31, 2021 and 2020:

	2021	2020
Revenue	4,521	11,495
Costs and expenses		
Cost of sales	3,726	10,160
General and administrative expenses	2,384	6,424
Other income	(631)	(485)
	5,479	16,099
Loss before income taxes	(958)	(4,604)
Current income tax expense	-	212
Deferred income tax recovery	(11)	(647)
Net loss from discontinued operations before gain on MineRP Disposition	(947)	(4,169)
Gain on MineRP Disposition	20,042	-
Net earnings (loss) from discontinued operations	19,095	(4,169)

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4. ACQUISITION OF INV METALS INC. (“INV”)

On July 26, 2021, the Company acquired all of the issued and outstanding shares it did not already own of INV, now renamed DPM Ecuador Holdings Inc., which owns DPM Ecuador, the principal assets of which are comprised of the Loma Larga gold project and certain other exploration licenses. As consideration for the acquisition, DPM issued 10,664,501 common shares representing 0.0910 of a DPM common share for each INV common share acquired at a market price of \$5.72 (Cdn\$7.19) per share with an aggregate value of \$61.0 million.

This transaction was accounted for as an asset acquisition with the consideration paid allocated primarily to the exploration and evaluation assets related to the Loma Larga project. The following table summarizes the consideration paid and the allocation of this consideration to the assets acquired and liabilities assumed as at the date of acquisition.

Consideration paid

DPM common shares issued, net of share issuance costs	60,844
Fair value of previously held equity interest ^(a)	17,988
DPM stock options ^(b)	2,366
Transaction costs	2,463
Total consideration paid	83,661

Assets acquired and liabilities assumed

Cash	1,029
Accounts receivable	556
Investments at fair value	151
Exploration and evaluation assets	86,372
Property, plant and equipment	589
Other long-term assets	897
Accounts payable and accrued liabilities	(4,677)
Current portion of long-term liabilities	(220)
Other long-term liabilities	(1,036)
Net assets acquired	83,661

(a) The fair value of the 35,344,424 INV shares previously held by DPM (note 7(b)) was based on the market price of \$0.51 (Cdn\$0.64) per INV share as at the date of acquisition.

(b) As at the date of acquisition, 12,304,700 outstanding INV stock options vested immediately and were exchanged for 1,119,728 DPM stock options, the fair value of which was estimated using the Black-Scholes option pricing model.

The Company recognized a post-acquisition net loss of \$0.6 million from DPM Ecuador in the consolidated statements of earnings (loss) for the year ended December 31, 2021. Had DPM Ecuador been consolidated from January 1, 2021, the Company would have reported a net loss of \$8.6 million, including change of control payments as a result of the acquisition, in its consolidated statements of earnings (loss) for the year ended December 31, 2021.

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5. ACCOUNTS RECEIVABLE

	December 31, 2021	December 31, 2020
Accounts receivable (a)	116,699	74,506
Supplier advances and other prepaids	9,618	8,501
Value added tax receivable	2,021	1,913
	128,338	84,920

(a) As at December 31, 2021, the Company's accounts receivable included a metal recovery of \$2.2 million (December 31, 2020 – a liability of \$0.4 million) related to estimated metal exposure at Tsumeb.

6. INVENTORIES

	December 31, 2021	December 31, 2020
Ore and concentrates	18,012	14,382
Spare parts, supplies and other	31,614	28,667
	49,626	43,049

For the year ended December 31, 2021, the cost of inventories recognized as an expense and included in cost of sales was \$209.5 million (2020 – \$186.4 million).

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:

		December 31, 2021	December 31, 2020
Financial assets			
Cash	Amortized cost	334,377	149,532
Accounts receivable			
on provisional priced sales	FVPL	85,083	52,957
Other accounts receivable	Amortized cost	43,255	31,963
Restricted cash	Amortized cost	5,730	2,111
Sabina special warrants (a)	FVPL	5,816	12,128
Publicly traded securities (b)	FVOCI	42,167	94,467
Commodity swap contracts (c)	Derivatives for cash flow and fair value hedges	21	104
Foreign exchange option contracts (d)	Derivatives for cash flow hedges	-	6,364
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	73,735	66,465
Commodity swap contracts (c)	Derivatives for cash flow and fair value hedges	1,946	5,769
Foreign exchange option contracts (d)	Derivatives for cash flow hedges	1,489	-

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The carrying values of all the financial assets and liabilities approximate their fair values as at December 31, 2021 and 2020.

(a) Sabina special warrants

During the year ended December 31, 2021, the Company purchased an additional 512,820 common shares of Sabina at an average price of \$1.56 (Cdn\$1.95) per share. As at December 31, 2021, DPM held: (i) 31,050,566 common shares of Sabina; and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at December 31, 2021 and 2020.

The fair value of the Sabina special warrants was included in investments at fair value in the consolidated statements of financial position.

For the year ended December 31, 2021, the Company recognized unrealized losses on the Sabina special warrants of \$6.3 million (2020 – unrealized gains of \$5.7 million) in other (income) expense (*note 21*) in the consolidated statements of earnings (loss).

(b) Publicly traded securities

Publicly traded securities include a portfolio of equity investments in publicly traded mining and exploration companies, comprised primarily of Sabina. As a result of the Company acquiring 100% of INV on July 26, 2021, INV is no longer reported under investments at fair value (*note 4*).

For the year ended December 31, 2021, the Company recognized unrealized losses on these publicly traded securities of \$42.6 million (2020 – unrealized gains of \$36.5 million) in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

(c) Commodity swap contracts

The Company enters into QP Hedges, being 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.

As at December 31, 2021, the Company's outstanding QP Hedges, all of which mature within six months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	18,040 ounces	1,803.46/ounce
Payable copper	6,194,982 pounds	4.16/pound

The Company also enters into Production Hedges, being cash settled commodity swap contracts from time to time to swap future contracted monthly average prices for fixed metal prices to reduce its future metal price exposure in respect of its projected production. As at December 31, 2021, the Company had no outstanding Production Hedges.

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

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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 and silver prices, as applicable. As at December 31, 2021, the net fair value loss on all outstanding commodity swap contracts was \$1.9 million (December 31, 2020 – \$5.7 million), of which \$0.02 million (December 31, 2020 – \$0.1 million) was included in other current assets and \$1.9 million (December 31, 2020 – \$5.8 million) in accounts payable and accrued liabilities.

All commodity swap contracts are subject to master netting agreements. As at December 31, 2021, there was no set-off of assets and liabilities in the consolidated statements of financial position. As at December 31, 2020, \$0.1 million of commodity swap assets were set-off against commodity swap liabilities of \$5.8 million in accounts payable and accrued liabilities.

For the year ended December 31, 2021, the Company recognized, in revenue, net losses of \$3.5 million (2020 – \$11.1 million) on commodity swap contracts in respect of QP Hedges and realized losses of \$15.7 million (2020 – \$nil) on commodity swap contracts in respect of Production Hedges.

(d) Foreign exchange option contracts

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 provide price protection below a specified “floor” rate and participation up to a specified “ceiling” rate. The option contracts comprise 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.

As at December 31, 2021, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected ZAR denominated operating expenses as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR ⁽ⁱ⁾	Call options sold Weighted average ceiling rate US\$/ZAR	Put options purchased Weighted average floor rate US\$/ZAR
2022	1,464,090,000	17.05	15.14

(i) The Namibian dollar is pegged to the ZAR on a 1:1 basis.

The Company designates the intrinsic value of 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 is calculated based on foreign exchange forward rates quoted in the market. As at December 31, 2021, the net fair value loss on all outstanding foreign exchange option contracts was \$1.5 million (December 31, 2020 – net fair value gain of \$6.4 million), of which \$nil was included in other current assets (December 31, 2020 – \$6.4 million) and \$1.5 million (December 31, 2020 – \$nil) in accounts payable and accrued liabilities. All foreign exchange option contracts are subject to master netting agreements. As at December 31, 2021 and 2020, there was no set-off of assets and liabilities in the consolidated statements of financial position.

The Company recognized realized gains of \$6.5 million (2020 – realized losses of \$3.5 million) for the year ended December 31, 2021 in cost of sales on the spot component of settled contracts.

For the year ended December 31, 2021, the Company recognized unrealized losses of \$5.4 million (2020 – unrealized gains of \$3.4 million) in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. For the year ended December 31, 2021, the Company also recognized unrealized losses of \$2.5 million (2020 – \$0.9 million) on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

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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.

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 and cash flow hedges:

	2021	2020
Commodity swap contracts		
designated as fair value hedges ⁽ⁱ⁾		
Carrying amount		
Assets included in other current assets	21	104
Liabilities included in accounts payable and accrued liabilities	<u>(1,946)</u>	<u>(5,836)</u>
	(1,925)	(5,732)
Notional amount	58,281	135,513
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	(1,892)	(5,666)
Hedged items	1,914	5,444
Commodity swap contracts		
designated as cash flow hedges		
Carrying amount		
Assets included in accounts payable and accrued liabilities	-	67
Notional amount	-	21,883
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	-	87
Hedged items	-	(87)
Foreign exchange option contracts		
designated as cash flow hedges		
Carrying amount		
Assets included in other current assets	-	6,364
Liability included in accounts payable and accrued liabilities	(1,489)	-
Notional amount ZAR (in 000's)	1,464,090	1,426,200
Changes in fair value used for measuring ineffectiveness		
Hedging instruments	-	5,350
Hedged items	-	(5,350)

- (i) The carrying value of the hedged item, comprised of accounts receivable on provisionally priced sales, as at December 31, 2021 was \$85.1 million (December 31, 2020 – \$53.0 million).

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See *note 26(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.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2021 and 2020:

	As at December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	85,083	-	85,083
Sabina special warrants	-	-	5,816	5,816
Publicly traded securities	42,167	-	-	42,167
Commodity swap contracts	-	21	-	21
Financial liabilities				
Commodity swap contracts	-	1,946	-	1,946
Foreign exchange option contracts	-	1,489	-	1,489

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Accounts receivable on provisionally priced sales	-	52,957	-	52,957
Sabina special warrants	-	-	12,128	12,128
Publicly traded securities	94,467	-	-	94,467
Commodity swap contracts	-	104	-	104
Foreign exchange option contracts	-	6,364	-	6,364
Financial liabilities				
Commodity swap contracts	-	5,769	-	5,769

During the years ended December 31, 2021 and 2020, 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.

The following table reconciles Level 3 fair value measurements from January 1, 2021 to December 31, 2021:

	December 31, 2021	December 31, 2020
Balance at beginning of year	12,128	6,488
Unrealized gains (losses) included in net earnings (<i>note 21</i>)	(6,312)	5,640
Balance at end of year	5,816	12,128

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8. EXPLORATION AND EVALUATION ASSETS

	December 31, 2021
Balance at beginning of year	-
Additions (a)	12,444
Acquisition of INV (note 4)	86,372
Capitalized depreciation	109
Balance at end of year	98,925

(a) In February 2021, the Company announced the results of a pre-feasibility study for its Timok gold project in Serbia. Based on the results of the PFS, the Board of Directors approved proceeding with a feasibility study ("FS"). As a result, \$8.5 million costs related to the FS for the Timok gold project were capitalized to exploration and evaluation assets in the consolidated statements of financial position as at December 31, 2021.

Exploration and evaluation expenditures expensed directly to net earnings from continuing operations amounted to \$18.0 million (2020 - \$19.1 million) for the year ended December 31, 2021.

9. MINE PROPERTIES

	December 31, 2021	December 31, 2020
Cost:		
Balance at beginning of year	314,003	298,995
Additions	16,837	9,367
Capitalized depreciation	537	480
Change in rehabilitation provisions	(1,115)	5,161
Balance at end of year	330,262	314,003
Accumulated depletion and impairment:		
Balance at beginning of year	158,565	118,263
Depletion	33,660	40,302
Balance at end of year	192,225	158,565
Net book value:		
At beginning of year	155,438	180,732
At end of year	138,037	155,438

The costs comprising mine properties related to producing mines. Of the total depletion expense, \$31.0 million (2020 - \$37.7 million) was charged to cost of sales for the year ended December 31, 2021.

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10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Construction Work-in- Progress	Total
Cost:				
Balance as at January 1, 2020	73,994	547,061	21,611	642,666
Additions	2,727	17,757	14,129	34,613
Capitalized depreciation	-	-	510	510
Disposals	(373)	(4,774)	-	(5,147)
Change in rehabilitation provisions	3,919	198	-	4,117
Transfers	486	16,524	(17,010)	-
Reclassified as assets held for sale (note 3)	(1,240)	(476)	-	(1,716)
Balance as at December 31, 2020	79,513	576,290	19,240	675,043
Additions	3,106	16,406	15,971	35,483
Acquisition of INV (note 4)	263	326	-	589
Capitalized depreciation	-	-	802	802
Disposals	(1,506)	(3,274)	(305)	(5,085)
Impairment charge	(6)	(5,506)	-	(5,512)
Change in rehabilitation provisions	(609)	(1,262)	-	(1,871)
Transfers	167	12,058	(12,225)	-
Balance as at December 31, 2021	80,928	595,038	23,483	699,449
Accumulated depreciation and impairment:				
Balance as at January 1, 2020	22,952	232,533	-	255,485
Depreciation expense	8,087	51,595	-	59,682
Capitalized depreciation	-	990	-	990
Currency translation adjustment	-	(135)	-	(135)
Depreciation relating to disposals	(248)	(4,617)	-	(4,865)
Reclassified as assets held for sale (note 3)	(405)	(46)	-	(451)
Balance as at December 31, 2020	30,386	280,320	-	310,706
Depreciation expense	7,635	53,958	-	61,593
Capitalized depreciation	48	1,382	-	1,430
Depreciation relating to disposals	(1,116)	(3,175)	-	(4,291)
Impairment charge	(3)	(5,291)	-	(5,294)
Balance as at December 31, 2021	36,950	327,194	-	364,144
Net book value:				
As at December 31, 2020	49,127	295,970	19,240	364,337
As at December 31, 2021	43,978	267,844	23,483	335,305

Of the total depreciation expense from continuing operations, \$61.3 million (2020 – \$59.3 million) was charged to cost of sales and \$0.6 million (2020 – \$0.7 million) was charged to general and administrative expenses for the year ended December 31, 2021.

See note 17 for the carrying value of right-of-use assets under leases recognized in property, plant and equipment as at December 31, 2021 and 2020 and other related information for the years ended December 31, 2021 and 2020.

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11. INTANGIBLE ASSETS

	Goodwill	Other Intangibles	Total
Cost:			
Balance as at January 1, 2020	22,513	32,667	55,180
Additions	-	7,476	7,476
Currency translation adjustment	(942)	(84)	(1,026)
Disposals	-	(56)	(56)
Reclassified as assets held for sale (note 3)	(21,571)	(7,889)	(29,460)
Balance as at December 31, 2020	-	32,114	32,114
Additions	-	4,609	4,609
Disposals	-	(697)	(697)
Balance as at December 31, 2021	-	36,026	36,026
Accumulated amortization and impairment:			
Balance as at January 1, 2020	-	15,146	15,146
Amortization	-	3,192	3,192
Amortization relating to disposals	-	(56)	(56)
Reclassified as assets held for sale (note 3)	-	(2,307)	(2,307)
Balance as at December 31, 2020	-	15,975	15,975
Amortization	-	3,370	3,370
Capitalized depreciation	-	17	17
Amortization relating to disposals	-	(695)	(695)
Balance as at December 31, 2021	-	18,667	18,667
Net book value:			
As at December 31, 2020	-	16,139	16,139
As at December 31, 2021	-	17,359	17,359

Of the total intangible asset amortization expense from continuing operations, \$2.4 million (2020 – \$2.2 million) was charged to cost of sales and \$1.0 million (2020 – \$0.3 million) was charged to general and administrative expenses for the year ended December 31, 2021.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2021	December 31, 2020
Accounts payable	20,380	13,110
Accrued liabilities	43,982	45,704
Commodity swap contracts (note 7(c))	1,946	5,769
Foreign exchange option contracts (note 7(d))	1,489	-
Dividend payable (note 26(a))	5,743	5,442
Value added tax payable	3,630	2,209
	77,170	72,234

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13. DEBT

(a) DPM Revolving Credit Facility (“RCF”)

DPM has a committed RCF of \$150.0 million with a consortium of banks. In February 2021, the Company extended the RCF’s maturity date from February 2023 to February 2024. The Company’s borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company’s funded net debt to adjusted earnings before interest, taxes, depreciation and amortization (“Debt Leverage Ratio”), as defined in the RCF agreement. The RCF is secured by pledges of the Company’s investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth of \$500.0 million plus (minus) 50% of ongoing annual net earnings (loss).

As at December 31, 2021 and 2020, DPM was in compliance with all financial covenants and \$nil was drawn under the RCF.

(b) Tsumeb overdraft facility

Tsumeb has a Namibian \$100.0 million (\$6.3 million) demand overdraft facility. This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at December 31, 2021 and 2020, \$nil was drawn from this facility.

(c) Other credit agreements and guarantees

In February 2021, Chelopech and Ada Tepe increased its multi-purpose credit facility from \$16.0 million to \$21.0 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2021, \$13.9 million (December 31, 2020 – \$6.1 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 (\$23.8 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, 2022 and is guaranteed by DPM. As at December 31, 2021, \$23.8 million (December 31, 2020 – \$25.8 million) had been utilized in the form of letters of guarantee.

In February 2021, Ada Tepe increased its multi-purpose credit facility from \$5.3 million to \$10.3 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at December 31, 2021, \$0.2 million (December 31, 2020 – \$0.2 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.

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

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14. DEFERRED REVENUE

In September 2016, the Company entered into a prepaid forward gold sales arrangement with several of DPM's existing lenders whereby the Company undertook to deliver specified quantities of gold on specified dates in exchange for an upfront cash prepayment of \$50.0 million. Deliveries in the form of unallocated gold credits sourced from the Company's existing mines occurred over a 15-month period from October 2019 to December 2020.

The cash prepayment of \$50.0 million, together with a total deemed financing expense of \$13.2 million, was recorded as deferred revenue in the consolidated statements of financial position, which was subsequently recognized as revenue when deliveries were made under the prepaid forward gold sales arrangement.

During the year ended December 31, 2020, 34,087 ounces of gold were delivered pursuant to the prepaid forward gold sales arrangement and as a result, \$46.7 million was transferred from deferred revenue to revenue. As at December 31, 2020, the deferred revenue had been fully recognized as revenue.

15. REHABILITATION PROVISIONS

The rehabilitation provisions represent the present value of rehabilitation costs relating to the Chelopech, Tsumeb and Ada Tepe sites, which are expected to be incurred between 2022 and 2049.

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

	December 31, 2021	December 31, 2020
Discount period		
Chelopech	2022 - 2043	2021 - 2037
Tsumeb	2022 - 2049	2022 - 2049
Ada Tepe	2022 - 2038	2021 - 2040
Local discount rate		
Chelopech/Ada Tepe	1.3%	0.9%
Tsumeb	11.1%	11.4%
Local inflation rate		
Chelopech/Ada Tepe	2.5%	2.5%
Tsumeb	4.5%	4.5%

Changes to rehabilitation provisions were as follows:

	Chelopech	Tsumeb	Ada Tepe	Total
Balance as at January 1, 2020	16,416	18,927	6,052	41,395
Change in cost estimate (a)	2,352	1,950	3,436	7,738
Remeasurement of provisions (b)	4,185	(4,842)	1,854	1,197
Accretion expense (note 20)	317	1,758	121	2,196
Balance as at December 31, 2020	23,270	17,793	11,463	52,526
Change in cost estimate	834	-	-	834
Remeasurement of provisions (b)	(1,702)	(980)	(1,432)	(4,114)
Accretion expense (note 20)	256	1,999	125	2,380
Balance as at December 31, 2021	22,658	18,812	10,156	51,626

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- (a) During the year ended December 31, 2020, Tsumeb and Ada Tepe increased their estimated rehabilitation costs based on their current activities, updated closure plan and existing closure obligations.
- (b) Remeasurement of provisions resulted from changes in discount rates, inflation rates and foreign exchange rates at each site.

16. OTHER LONG-TERM LIABILITIES

	December 31, 2021	December 31, 2020
Leases (note 17)	15,188	17,083
Other liabilities	4,910	3,006
	20,098	20,089
Less: Current portion	(6,234)	(5,929)
	13,864	14,160

17. 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.

Tsumeb has a long-term lease agreement for the supply of oxygen. The original term of the lease was 15 years extending to 2025, payable on a monthly basis. The lease payments were discounted at a rate of 12.5%.

Right-of-use assets recognized in property, plant and equipment (note 10) as at December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Buildings	3,741	2,431
Machinery and Equipment	7,024	14,287
	10,765	16,718

Additions to the right-of-use assets during the year ended December 31, 2021 were \$2.9 million (2020 – \$5.3 million).

Lease obligations related to right-of-use assets recognized in the current portion of long-term liabilities and other long-term liabilities (note 16) as at December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Current portion of long-term liabilities	4,405	4,137
Other long-term liabilities	10,783	12,946
	15,188	17,083

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Expenses related to leases recognized in the consolidated statements of earnings (loss) for the year ended December 31, 2021 and 2020 were as follows:

	2021	2020
Depreciation charge of right-of-use assets		
Buildings	870	848
Machinery and Equipment	3,954	3,593
	4,824	4,441
Finance charges (note 20)	1,163	1,227
Expense relating to short-term leases	494	572
Expense relating to leases of low-value assets that are not short-term leases	59	64
Expense relating to variable lease payments not included in lease obligations	1,194	184

Total cash outflows for leases for the year ended December 31, 2021 were \$5.5 million (2020 – \$5.3 million).

18. SHARE-BASED COMPENSATION PLANS

RSU plan

DPM has an RSU 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) Non-performance based 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.

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

	Number of RSUs	Amount
Balance as at January 1, 2020	2,697,627	7,173
RSUs granted	1,115,800	5,424
RSUs redeemed	(1,300,789)	(4,095)
RSUs forfeited	(232,044)	(393)
Mark-to-market adjustments		1,664
Balance as at December 31, 2020	2,280,594	9,773
RSUs granted	726,258	3,869
RSUs redeemed	(1,199,532)	(7,700)
RSUs forfeited	(82,749)	(89)
Mark-to-market adjustments		433
Balance as at December 31, 2021	1,724,571	6,286

As at December 31, 2021, there was \$3.1 million (December 31, 2020 – \$2.9 million) of RSU expenses remaining to be charged to net earnings in future periods relating to the RSU plan.

(b) PSUs

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Under the RSU Plan, the Board of Directors may, at its sole discretion, (i) grant RSUs 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, 2020	1,540,223	5,350
PSUs granted	371,454	2,023
PSUs redeemed	(588,850)	(2,842)
PSUs forfeited	(70,737)	(191)
Mark-to-market adjustments		2,872
Balance as at December 31, 2020	1,252,090	7,212
PSUs granted	240,928	1,403
PSUs redeemed	(511,316)	(5,599)
Mark-to-market adjustments		471
Balance as at December 31, 2021	981,702	3,487

As at December 31, 2021, there was \$1.7 million (December 31, 2020 – \$1.6 million) of expenses remaining to be charged to net earnings in future periods relating to these PSUs.

DSU plans

DPM has a DSU Plan for directors and certain employees.

Under the Director DSU Plan, directors receive a portion of their annual compensation in the form of DSUs. The DSUs are redeemable in cash equal to the closing price of DPM's common shares on the applicable redemption date as elected by the director.

Under the Employee DSU Plan, grants to employees of the Company are determined by the Board of Directors, or the Human Capital & Compensation Committee, in lieu of a cash bonus. The DSUs are redeemable in cash based on (i) the Market Price of DPM's common shares on the Separation Date; or (ii) the Market Price or the closing price of DPM's common share on the day preceding the Deferred Redemption Date; or (iii) the Market Price of DPM's common shares if the Deferred Redemption Date is December 15 of the calendar year commencing after the Separation Date.

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

	Number of DSUs	Amount
Balance as at January 1, 2020	1,716,616	7,493
DSUs granted	152,642	844
Mark-to-market adjustments		5,141
Balance as at December 31, 2020	1,869,258	13,478
DSUs granted	179,883	1,093
DSUs redeemed	(297,007)	(2,078)
Mark-to-market adjustments		(1,876)
Balance as at December 31, 2021	1,752,134	10,617

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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 option cannot be less than the market price of DPM's common shares on the trading date preceding the effective date of the option grant. The aggregate number of shares that can be issued from treasury under this plan is 12,500,000. Options granted vest equally over a three-year period and expire five years from the date of grant.

During the year ended December 31, 2021, the Company granted 464,443 (2020 – 680,860) stock options with a fair value of \$1.1 million (2020 – \$1.0 million). The estimated value of the options granted will be recognized as an expense in the consolidated statements of earnings (loss) and an addition to contributed surplus in the consolidated statements of changes in shareholders' equity over the vesting period. The Company recorded stock option expenses of \$1.1 million (2020 – \$0.9 million) for the year ended December 31, 2021 under this stock option plan.

As at December 31, 2021, there was \$0.7 million (December 31, 2020 – \$0.7 million) of expenses remaining to be charged to net earnings in future periods relating to these options.

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:

	2021	2020
Five year risk free interest rate	0.8% - 0.9%	0.4% - 0.6%
Expected life in years	4.75	4.75
Expected volatility	52.6% - 54.6%	57.6% - 60.5%
Dividends per share	\$0.12	\$0.08

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, 2020	3,145,565	3.13
Options granted	680,860	4.56
Options exercised	(838,072)	2.85
Options forfeited	(63,266)	4.24
Options expired	(9,000)	2.97
Balance as at December 31, 2020	2,916,087	3.52
Options granted	464,443	7.67
INV options (note 4)	1,119,728	6.74
Option exercised	(1,070,774)	3.27
Options expired	(34,139)	10.11
Balance as at December 31, 2021	3,395,345	5.17

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The following lists the options outstanding and exercisable as at December 31, 2021:

Range of exercise prices per share (Cdn\$)	Options outstanding			Options exercisable	
	Number of options outstanding	Weighted average remaining years	Weighted average exercise price per share (Cdn\$)	Number of options exercisable	Weighted average exercise price per share (Cdn\$)
2.69 - 3.28	922,537	0.74	3.07	922,537	3.07
3.29 - 4.45	1,394,946	2.20	4.42	775,742	4.41
4.46 - 8.50	790,484	2.77	6.86	304,292	5.62
8.51 - 10.99	287,378	0.30	10.92	287,378	10.92
2.69 - 10.99	3,395,345	1.78	5.17	2,289,949	4.85

19. EXPENSES BY NATURE

The operating costs, including cost of sales, general and administrative expenses, and exploration and evaluation expenses, as reported in the consolidated statements of earnings (loss), have been regrouped by the nature of the expenses as follows:

	2021	2020
Raw materials, consumables and spare parts	104,648	82,554
Staff costs	85,467	75,736
Service costs	70,917	63,426
Share-based compensation expense	4,156	18,184
Royalties	21,468	15,856
Drilling, assaying and other exploration and evaluation expenses	11,095	13,057
Insurance	4,855	3,834
Net (gains) losses on foreign exchange option contracts (note 7(d))	(6,525)	3,486
Depletion of mine properties (note 9)	30,960	37,704
Depreciation of property, plant and equipment (note 10)	61,877	59,973
Amortization of intangible assets (note 11)	3,370	2,534
Other costs	3,819	4,189
Total operating costs	396,107	380,533

20. FINANCE COST

	2021	2020
Borrowing costs	2,006	2,306
Deemed interest on prepaid forward gold sales arrangement (note 14)	-	1,293
Accretion expense related to rehabilitation provisions (note 15)	2,380	2,196
Finance charges under leases (note 17)	1,163	1,227
	5,549	7,022

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21. OTHER (INCOME) EXPENSE

	2021	2020
Net (gains) losses on Sabina special warrants (note 7(a))	6,312	(5,640)
Net foreign exchange losses	1,628	4,376
Interest income	(632)	(194)
Other (income) expense	(1,777)	967
	5,531	(491)

22. INCOME TAXES

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

	2021	2020
Current income tax expense on earnings	33,625	23,353
Deferred income tax expense (recovery) related to origination and reversal of temporary differences	5,064	(4,462)
Income tax expense	38,689	18,891

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

	2021	2020
Earnings before income taxes from continuing operations	229,418	217,923
Combined Canadian federal and provincial statutory income tax rates	26.5%	26.5%
Expected income tax expense	60,796	57,750
Lower rates on foreign earnings	(41,163)	(39,256)
Changes in unrecognized tax benefits	14,842	2,906
Non-taxable portion of capital (gains) losses	3,346	(3,663)
Non-deductible share-based compensation expense	279	246
Other, net	589	908
Income tax expense	38,689	18,891

A deferred income tax recovery of \$8.2 million (2020 – a deferred income tax expense of \$5.0 million) relating to publicly traded securities and cash flow hedges was also recognized in other comprehensive income (loss) for the year ended December 31, 2021.

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The significant components of the Company's deferred income taxes as at December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Deferred income tax assets		
Non-capital losses	72,565	64,117
Capital losses	3,354	3,313
Cumulative Canadian exploration and evaluation expenses	2,308	2,555
Depreciable property, plant and equipment	8,897	9,215
Financing costs	2,345	3,193
Share-based compensation expense	3,541	5,035
Rehabilitation provisions	2,754	2,861
Investments	1,360	-
Other	1,055	1,363
Gross deferred income tax assets	98,179	91,652
Unrecognized tax benefits	(88,724)	(74,156)
Total deferred income tax assets	9,455	17,496
Deferred income tax liabilities		
Depreciable property, plant and equipment	649	315
Investments	-	5,982
Other	121	1,729
Total deferred income tax liabilities	770	8,026
Net deferred income tax assets	8,685	9,470

As at December 31, 2021, the Company had \$8.7 million (December 31, 2020 – \$9.5 million) of net deferred income tax assets and \$nil (December 31, 2020 – \$nil) of net deferred income tax liabilities 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 2021, \$8.6 million (2020 – \$16.3 million) is expected to be recovered after more than 12 months. Of the total deferred income tax liabilities recognized in 2021, \$0.6 million (2020 – \$7.5 million) is expected to be payable after more than 12 months.

As at December 31, 2021, the Company had Canadian non-capital losses of \$255.3 million (December 31, 2020 – \$199.6 million) expiring between 2026 and 2041 and Serbian non-capital losses of \$31.8 million (December 31, 2020 – \$26.7 million) expiring between 2022 and 2026 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, 2021 and 2020, no provisions have been made in the consolidated financial statements for potential tax liabilities relating to such assessments and interpretations.

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23. EARNINGS (LOSS) PER SHARE

	2021	2020
Net earnings (loss) attributable to common shareholders		
Net earnings from continuing operations	190,750	199,074
Net earnings (loss) from discontinued operations	19,351	(3,072)
Basic weighted average number of common shares	186,135,033	181,054,158
Effect of stock options	1,342,045	1,319,213
Diluted weighted average number of common shares	187,477,078	182,373,371
Basic earnings (loss) per share		
From continuing operations	1.02	1.10
From discontinued operations	0.10	(0.02)
Diluted earnings (loss) per share		
From continuing operations	1.02	1.09
From discontinued operations	0.10	(0.02)

24. RELATED PARTY TRANSACTIONS

Key management remuneration

The Company's related parties include its key management. Key management includes directors (executive and non-executive), the Chief Executive Officer ("CEO") and the Executive 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, 2021 and 2020 was as follows:

	2021	2020
Salaries, management bonuses and director fees	3,290	3,229
Other benefits	210	222
Share-based compensation	1,897	8,703
Total remuneration	5,397	12,154

Included in net loss from discontinued operations for the year ended December 31, 2020 were MineRP stock options of \$0.4 million granted to the Company's former CEO.

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25. SUPPLEMENTARY CASH FLOW INFORMATION

(a) Changes in working capital

	2021	2020
Increase in accounts receivable and other assets	(42,190)	(49,867)
Increase in inventories	(5,103)	(3,134)
Decrease in accounts payable and accrued liabilities	(1,714)	(2,444)
Increase (decrease) in other liabilities	(6,462)	3,805
	(55,469)	(51,640)

(b) Other items not affecting cash

	2021	2020
Net finance cost	4,917	6,828
Share-based compensation expense	1,052	929
Net (gains) losses on Sabina special warrants	6,312	(5,640)
Net losses on commodity swap contracts	19,289	10,533
Net (gains) losses on foreign exchange option contracts	(6,525)	3,486
Other, net	1,164	(1,714)
	26,209	14,422

26. SUPPLEMENTARY SHAREHOLDERS' EQUITY INFORMATION

(a) Dividend

During the year ended December 31, 2021, the Company declared a quarterly dividend of \$0.03 per common share to its shareholders of record, resulting in total dividend distributions of \$22.4 million (2020 – \$16.3 million) recognized against its retained earnings in the consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$22.1 million (2020 – \$10.9 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, 2021 and recognized a dividend payable of \$5.7 million (December 31, 2020 – \$5.4 million) in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2021.

On February 17, 2022, the Company declared a dividend of \$0.04 per common share payable on April 18, 2022 to shareholders of record on March 31, 2022, representing a 33% increase over the previous quarterly dividend.

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

Effective March 2, 2021, DPM renewed its NCIB to repurchase certain of its common shares through the facility of the TSX. The number of shares that can be purchased during the period of the NCIB will not exceed 9,000,000 shares. The NCIB will expire on February 28, 2022. In December 2021, the Company initiated an automatic purchase program under the NCIB to facilitate share repurchases.

During the year ended December 31, 2021, the Company purchased a total of 1,723,800 shares, of which 1,694,200 shares were cancelled as at December 31, 2021 with the remaining shares cancelled in January 2022. The total cost of these purchases was \$10.4 million at an average price of \$6.02 (Cdn\$7.64) per share, \$5.3 million of which was recognized as a reduction in share capital and \$5.1 million as a reduction in contributed surplus in the consolidated statements of changes in shareholders' equity for the year ended December 31, 2021. The Company paid an aggregate of \$10.2 million which was included in cash used in financing activities in the consolidated statements of cash flows for the year ended December 31, 2021 and recognized an obligation of \$0.2 million in accounts payable and accrued liabilities in the consolidated statements of financial position as at December 31, 2021.

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

	2021	2020
Cash flow hedge reserves		
Foreign exchange option contracts		
Balance at beginning of year	5,344	1,972
Unrealized gains (losses), net of income taxes	1,175	(114)
Realized (gains) losses transferred to cost of sales, net of income taxes	(6,525)	3,486
Balance at end of year	(6)	5,344
Commodity swap contracts		
Balance at beginning of year	78	-
Unrealized gains (losses), net of income taxes	(13,723)	78
Realized losses transferred to revenue, net of income taxes	13,645	-
Balance at end of year	-	78
Deferred cost of hedging reserves		
Foreign exchange option contracts		
Balance at beginning of year	1,060	2,007
Deferred cost of hedging, net of income taxes	(2,504)	(947)
Balance at end of year	(1,444)	1,060
Commodity swap contracts		
Balance at beginning of year	(18)	-
Deferred cost of hedging, net of income taxes	(504)	(18)
Cost of hedging transferred to revenue, net of income taxes	522	-
Balance at end of year	-	(18)
Unrealized gains on publicly traded securities		
Balance at beginning of year	39,829	8,378
Unrealized gains (losses), net of income taxes	(37,593)	31,451
Balance at end of year	2,236	39,829
Accumulated currency translation adjustments		
Balance at beginning of year	(2,446)	(2,249)
Currency translation adjustments	-	(2,373)
Reclassified as held for sale	-	2,176
Balance at end of year	(2,446)	(2,446)
Accumulated currency translation adjustments related to assets and liabilities held for sale		
Balance at beginning of year	(2,176)	-
Classified as held for sale	(669)	(2,176)
MineRP disposition (note 3)	2,845	-
Balance at end of year	-	(2,176)
Accumulated other comprehensive income (loss)	(1,660)	41,671

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27. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company had the following minimum contractual commitments as at December 31, 2021:

	up to 1 year	1 - 5 years	Total
Capital commitments	9,209	-	9,209
Purchase commitments	18,985	49	19,034
Total commitments	28,194	49	28,243

As at December 31, 2021, Tsumeb had approximately \$73.8 million (December 31, 2020 – \$76.9 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM, pursuant to a tolling agreement (the “Tolling Agreement”).

In April 2021, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things: i) targeted declining excess secondary material balances, above which excess secondary material would be required to be purchased by the Company; ii) the elimination of all excess secondary material by March 31, 2023; iii) an increase in the defined level of normal secondary material; and iv) an extension of the Tolling Agreement by three years to December 31, 2026.

As at December 31, 2021, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately \$36.5 million, which was approximately \$21.9 million above the targeted levels under the Tolling Agreement. IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels as at December 31, 2021.

(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.

28. FINANCIAL RISK MANAGEMENT

The Company’s principal financial liabilities comprise accounts payable and accrued liabilities and long-term debt. 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, long-term debt, accounts payable and accrued liabilities. The sensitivity has been prepared using financial assets and liabilities held as at the reporting dates.

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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 also selectively enters into commodity swap contracts to reduce its price exposure applicable to projected payable gold contained in Chelopech's pyrite concentrate 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, 2021, 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 decrease or increase earnings before income taxes by \$2.0 million (2020 – \$3.8 million) and would decrease or increase equity by \$2.0 million (2020 – \$4.9 million).

The following table demonstrates the effect on 2021 and 2020 earnings before income taxes 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.

Effect of a 5% increase in metal prices on earnings before income taxes

	2021	2020
Gold	25,129	23,146
Copper	6,883	4,580
Total increase on earnings before income taxes	32,012	27,726

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 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. As at December 31, 2021, the Company had no debt. For the year ended December 31, 2021, 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 by \$3.4 million (2020 – \$1.5 million). The impact on equity is the same as the impact on net earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

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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.

For the year ended December 31, 2021, a 5% appreciation of the U.S. dollar relative to the ZAR on the Company's outstanding foreign exchange option contracts, with all other variables held constant, would decrease equity by \$1.9 million (2020 – \$6.9 million). The effect of a 5% depreciation of the U.S. dollar relative to ZAR on the Company's outstanding foreign exchange option contracts, with all other variables held constant, would be to increase equity by equivalent amounts.

The following table demonstrates the effect on 2021 and 2020 earnings before income taxes 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.

	Effect of a 5% appreciation of the U.S. dollar on			
	Earnings before income taxes		Equity	
	2021	2020	2021	2020
Euro	1,731	2,120	1,521	1,919
Namibian Dollar	(353)	(74)	(353)	(74)
Canadian Dollar	(773)	(771)	1,335	3,952
Total increase	605	1,275	2,504	5,797

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 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 2021, the Company had contracts with 14 customers in connection with its mining and smelting operations, one of whom accounted for approximately 40% (2020 – 57%) of the Company's revenue. Under the terms of the Company's concentrate sales contracts, the purchasers make an initial advance payment equal to 70% to 95% 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.

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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.

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

	As at December 31, 2021			
	up to 1 year	1 - 5 years	over 5 years	Total
Accounts payable and accrued liabilities	73,735	-	-	73,735
Commodity swap contracts	1,946	-	-	1,946
Foreign exchange option contracts	1,489	-	-	1,489
Lease obligations	5,407	10,305	1,791	17,503
Other obligations	700	840	125	1,665
	83,277	11,145	1,916	96,338

	As at December 31, 2020			
	up to 1 year	1 - 5 years	over 5 years	Total
Accounts payable and accrued liabilities	66,465	-	-	66,465
Commodity swap contracts	5,769	-	-	5,769
Lease obligations	5,350	14,000	871	20,221
Other obligations	648	510	58	1,216
	78,232	14,510	929	93,671

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 to ensure it has ready access to debt and equity markets 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. The Company's long term funding strategy is to maintain a capital structure comprised primarily of equity sourced from equity offerings and net earnings generated from its businesses and, as a result, the targeted level of debt making up the Company's capital base is relatively low. Given the long term nature of the assets being funded and the U.S. dollar denominated revenue stream generated therefrom, the Company's general strategy around any debt financing is to raise long-term U.S. dollar denominated debt to supplement these equity financings.

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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, 2021, the Company was in compliance with all loan covenants and its net debt as a percentage of total capital was negative 50% (December 31, 2020 – negative 23%).

Financial Risk Management in response to Coronavirus (“COVID-19”)

In March 2020, the World Health Organization classified the COVID-19 epidemic as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19. The Company's Chelopech and Ada Tepe mines in Bulgaria continue to operate at full capacity and have not experienced any disruptions to their operations.

As previously reported, the Tsumeb smelter in Namibia curtailed its operations by shutting down ancillary plants for 30 days in April 2020 in response to a government directive to the natural resources sector aimed at limiting staffing levels. Full operations resumed in May 2020 with ongoing management of the number of employees and contractors working at site and continued observance of the COVID-19 controls that have been established across all sites. During the first quarter of 2021, Tsumeb's maintenance shutdown, which was originally planned for 30 days, was extended to 45 days in part as a result of COVID-19 related safety protocols, travel restrictions and the use of remote commissioning support.

The Company continues to closely assess and monitor the COVID-19 situation. The Company is continuing with a number of measures to mitigate the associated risks, including procedures and contingency plans that were established at each operating location directed at safeguarding employees, managing potential supply chain disruptions, and maintaining production at each of its operations. Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations.

The Company has experienced several positive cases of COVID-19 within its workforce. Positive cases are being effectively managed with testing, contact tracing and isolation measures and, to date, the vast majority of employees have recovered with the remaining employees isolating offsite in accordance with the Company's procedures. Given the relatively low number of COVID-19 cases and the management protocols in effect, the impact on the Company's operations has been minimal.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results.

29. 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 three reportable operating segments – Chelopech and Ada Tepe in Bulgaria and Tsumeb in Namibia. 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.

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The operating results of MineRP have been presented as a discontinued operation for the years ended December 31, 2021 and 2020 and the assets and liabilities of MineRP have been presented as held for sale as at December 31, 2020 as a result of the MineRP Disposition (*note 3*).

The accounting policies of the segments are the same as those described in *note 2.2, Significant Accounting Policies*. 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 net earnings (loss) and other relevant information by segment for the years ended December 31, 2021 and 2020:

	Year ended December 31, 2021				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing operations					
Revenue (a)	292,779	229,314	119,350	-	641,443
Costs and expenses					
Cost of sales	130,798	100,480	128,662	-	359,940
General and administrative expenses	-	-	-	18,161	18,161
Corporate social responsibility expenses	-	-	-	4,838	4,838
Exploration and evaluation expenses	6,089	2,204	-	9,713	18,006
Finance cost	722	430	2,967	1,430	5,549
Other (income) expense	(1,632)	(1,175)	884	7,454	5,531
	135,977	101,939	132,513	41,596	412,025
Earnings (loss) before income taxes	156,802	127,375	(13,163)	(41,596)	229,418
Income tax expense	16,046	17,419	-	5,224	38,689
Net earnings (loss) from continuing operations	140,756	109,956	(13,163)	(46,820)	190,729
Other disclosures					
Depreciation and amortization	22,063	54,405	18,202	1,537	96,207
Capital expenditures (b)	22,567	18,378	13,604	15,064	69,613

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	Year ended December 31, 2020				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Continuing operations					
Revenue (a)	264,855	197,573	147,130	-	609,558
Costs and expenses					
Cost of sales	113,481	92,450	124,926	-	330,857
General and administrative expenses	-	-	-	30,604	30,604
Corporate social responsibility expenses	-	-	-	4,571	4,571
Exploration and evaluation expenses	3,664	2,146	-	13,262	19,072
Finance cost	714	1,617	2,899	1,792	7,022
Other (income) expense	238	1,123	462	(2,314)	(491)
	118,097	97,336	128,287	47,915	391,635
Earnings (loss) before income taxes	146,758	100,237	18,843	(47,915)	217,923
Income tax expense (recovery)	13,929	9,438	-	(4,476)	18,891
Net earnings (loss) from continuing operations	132,829	90,799	18,843	(43,439)	199,032
Other disclosures					
Depreciation and amortization	29,753	54,351	15,063	1,044	100,211
Capital expenditures (b)	21,058	15,523	9,531	3,185	49,297

(a) Revenues from Chelopech and Ada Tepe were generated from the sale of concentrate and Tsumeb's revenues were generated from processing concentrate and acid sales. For the year ended December 31, 2021, \$237.7 million or 46% (2020 – \$222.0 million or 48%) of revenues from the sale of concentrate and \$100.5 million or 84% (2020 – \$125.2 million or 85%) of revenues from processing concentrate were derived from a single external customer. Revenues from the sale of concentrate of \$157.5 million or 30% (2020 – \$123.7 million or 27%) were also derived from another single external customer.

(b) 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).

The following table summarizes the Company's revenue recognized for the years ended December 31, 2021 and 2020:

	2021	2020
Revenue recognized at a point in time from:		
Sale of concentrate (a)	518,607	446,382
Processing concentrate (b)	100,509	125,201
Acid sales	18,841	21,929
Mark-to-market price adjustments on provisionally priced sales	3,486	16,046
Total revenue	641,443	609,558

(a) For the year ended December 31, 2021, the Company's revenue from the sale of concentrate included a \$1.8 million (2020 – \$3.9 million) adjustment in connection with the final determination and settlement of prior year provisional sales and net mark-to-market losses of \$19.3 million (2020 – \$11.1 million) on commodity swap contracts entered to hedge provisionally priced sales.

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- (b) For the year ended December 31, 2021, the Company's revenue from processing concentrate included a metal recovery of \$2.6 million (2020 – \$1.5 million) related to the estimated metal exposure at Tsumeb.

The following table summarizes the total assets and total liabilities by segment as at December 31, 2021 and 2020:

	As at December 31, 2021				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	117,806	110,689	33,440	251,858	513,793
Total non-current assets	173,894	216,702	106,392	157,629	654,617
Total assets	291,700	327,391	139,832	409,487	1,168,410
Total liabilities	54,388	31,660	41,865	36,084	163,997

	As at December 31, 2020				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	98,584	63,651	46,969	79,115	288,319
Total non-current assets	175,518	256,771	111,750	111,789	655,828
Assets held for sale				30,713	30,713
Total assets	274,102	320,422	158,719	221,617	974,860
Liabilities	52,830	27,776	37,660	45,307	163,573
Liabilities held for sale				6,003	6,003
Total liabilities	52,830	27,776	37,660	51,310	169,576

DPM is domiciled in Canada. Revenues by geographic location are based on the location in which the revenues originate. Revenues by geographic location for the years ended December 31, 2021 and 2020 are summarized below:

	Year ended December 31, 2021		
	Europe	Africa	Total
Revenue	522,093	119,350	641,443
	Year ended December 31, 2020		
	Europe	Africa	Total
Revenue	462,428	147,130	609,558

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Assets by geographic location as at December 31, 2021 and 2020 are summarized below:

	As at December 31, 2021				
	Canada	Europe	Africa	Ecuador (note 4)	Total
Total current assets	242,595	234,924	33,596	2,678	513,793
Financial assets	51,520	-	1,388	-	52,908
Deferred income tax assets	-	8,685	-	-	8,685
Other non-current assets	4,587	391,603	105,004	91,830	593,024
Total assets	298,702	635,212	139,988	94,508	1,168,410

	As at December 31, 2020				
	Canada	Europe	Africa	Ecuador	Total
Total current assets	74,079	167,244	46,996	-	288,319
Financial assets	106,595	-	1,509	-	108,104
Deferred income tax assets	-	9,470	-	-	9,470
Other non-current assets	4,203	423,811	110,240	-	538,254
Assets held for sale			30,713	-	30,713
Total assets	184,877	600,525	189,458	-	974,860

CORPORATE INFORMATION

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Stock Listing and Symbol

The Toronto Stock Exchange

DPM – Common Shares

Copies of the Company's Quarterly and Annual Reports are available on written request from our registrar.

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