

Dundee Precious Metals Announces Mine Life Extension and Update to Mineral Resource and Mineral Reserve Estimates for the Chelopech Mine

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TORONTO, March 30, 2021 - [Dundee Precious Metals Inc.](#) (TSX: DPM) ("DPM" or "the Company") is pleased to announce a mine life extension and updated Mineral Resource and Mineral Reserve estimate for the Chelopech mine in Bulgaria. The Mineral Resource and Mineral Reserve estimates for DPM's Ada Tepe mine in Bulgaria and Timok gold project in Serbia remain unchanged from the estimates previously reported in the news releases dated October 16, 2020 and February 23, 2021, respectively.

Highlights

- 10% net addition to Mineral Reserves: Successfully added 3.9 million tonnes ("Mt") to Mineral Reserves, which more than offset 2020 production depletion of 2.2 Mt for a net addition of 1.7 Mt. 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;
- Mine life extended to 2029: Proven and Probable Mineral Reserves of 1.7 million ounces (Moz.) of gold and 344.4 million pounds (Mlbs.) of copper supports an optimized mine life that extends to 2029 as well as the Company's previously issued three-year outlook for Chelopech;
- 22% increase to Measured and Indicated Mineral Resources: Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, increased 22%, representing a 3.2 Mt 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 mine life, if such Mineral Resources are converted to Mineral Reserves;
- Additional potential with in-mine and brownfield exploration: Significant drilling program planned for 2021, including 44,000 metres of in-mine drilling and 38,000 metres of drilling on prospective brownfield targets.

"We continued our strong track record of extending mine life at our Chelopech mine in 2020, with net additions to our Mineral Reserves and Mineral Resources compared with 2019 estimates," said David Rae, President and Chief Executive Officer of Dundee Precious Metals. "With Mineral Reserves that now extend to 2029, an updated Mineral Resource base and increased in-mine and brownfield exploration drilling, we believe there is strong potential for this trend to continue at Chelopech."

Updated Mineral Resource and Mineral Reserve Estimate

The updated Mineral Resource and Mineral Reserve estimate for the Chelopech mine reflects the conversion of Mineral Resources to Mineral Reserves, as well as a strategic mine plan optimization process that was completed in Q3 2020. The strategic optimization process included an analysis of multiple mine schedules at various cut-off values ("CoV"), with the primary objectives focused on optimizing net present value and the life of mine ("LOM"). Of the overall increase to Mineral Reserves, approximately 20 to 25% was added as a result of the conversion of new Mineral Resources generated by in-mine drilling activities, with the balance of the increase resulting from the optimization of the CoV and other design parameters.

Total Proven and Probable Mineral Reserves at Chelopech of 1.7 Moz. of gold and 344.4 Mlbs. of copper support an eight-year mine life that extends to 2029, prior to any further conversions from existing Mineral Resources or additional exploration success.

The Mineral Reserves statement is shown below and is effective as of December 31, 2020.

Chelopech Proven and Probable Mineral Reserve Estimate (As at December 31, 2020)

Classification	Tonnes Gold		Silver		Copper	
	(Mt)	Grade (g/t)	K oz.	Grade (g/t)	K oz.	Grade (%) Mlbs.
Proven	7.8	2.71	681	7.23	1,818	0.84 145.5
Probable	10.8	3.03	1,046	8.09	2,797	0.84 198.9
Total	18.6	2.89	1,727	7.73	4,615	0.84 344.4

Footnotes:

1. The Mineral Reserves disclosed herein have been estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum "CIM Definition Standards for Mineral Resources and Mineral Reserves" (CIM, 2014)
2. Mineral Reserves are based on a profitability indicator that considers, among other things, metal price, metallurgical recoveries, treatment charges and market forecast.
3. Mineral Reserves are based on a cut-off value of \$10 per tonne.
4. Long-term metal price assumed for the evaluation of Mineral Reserves and Mineral Resources are \$1,400 per ounce for gold, \$17.50 per ounce for silver, and \$2.75 per pound for copper.
5. Mineral Reserves account for mining dilution and ore loss.
6. Mineral Reserves reflect depletion for mining as at December 31, 2020.

Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, increased to 17.4 Mt. Approximately 30 to 35% of the increase is attributable to additions of new Mineral Resources through extensional drilling, with the balance resulting from the optimization of CoV assumptions.

The Mineral Resource statement is shown below and is effective as of December 31, 2020.

Chelopech Mineral Resource Estimate, exclusive of Mineral Reserves (As at December 31, 2020)

Classification	Tonnes Gold		Silver		Copper	
	(Mt)	Grade (g/t)	K oz.	Grade (g/t)	K oz.	Grade (%) Mlbs.
Measured	10.9	2.74	956	8.26	2,887	0.88 210
Indicated	6.5	2.44	512	9.45	1,978	0.73 105
Total Measured & Indicated	17.4	2.63	1,467	8.71	4,864	0.82 315
Inferred	1.7	2.15	114	8.09	431	0.67 24

Footnotes:

1. Mineral Reserves disclosed herein have been estimated in accordance with CIM, 2014.
2. Mineral Resources have been estimated using an operating net profit cut-off of US\$0/t using metal prices of \$1,400/oz. gold, \$17/oz. silver and \$2.75/lb copper.
3. Tonnages are rounded to the nearest 0.1 million tonnes.
4. Metal content is rounded to the nearest 1 thousand ounces or 1 million pounds.

Mineral Resource and Mineral Reserves Estimation Approach

Mineral Resources and Mineral Reserves for Chelopech are reported using a net smelter return ("NSR") methodology to determine the profitability of each stope in the mine plan. NSR refers to revenues expected from the mill feed, taking into consideration metal prices, mill and smelter recoveries, concentrate grades, transportation costs of the concentrate to the smelter, treatment and refining charges, and other smelter deductions.

This approach has many benefits, versus using a single metal cut-off grade, including: polymetallic ore grades can be converted into a profitability variable expressed in terms of U.S. dollars per tonne; the value of Mineral Reserves can be quickly compared to applicable costs to determine their viability; cut-off grades become cut-off NSRs; during the extraction process, the value of an area or a stope can be quickly estimated; and, the effect of commodity price fluctuations can be quickly evaluated.

Chelopech Mineral Reserves are based on an NSR cut-off value of \$1,400 per oz. for gold, \$17 per oz. for silver, and \$2.75 per lb. for copper plus a profit margin of \$10 per tonne. The current NSR assumptions are equivalent to an NSR using \$1,250 per oz. of gold at a \$5 per tonne profit margin, and better reflect the long-term potential of the ore body by ensuring the extraction of profitable stopes at relatively conservative long-term metal prices.

Prior Mineral Reserve estimates for the Chelopech mine were based on a price of \$1,250 per oz. of gold plus a \$10 per tonne profit margin. This equates to approximately a \$1,000 per oz. gold price at a \$0 per tonne margin, which is regarded as low given the longer-term outlook for metal prices. Therefore, DPM refined its assumptions to support the determination of the optimal mine value and mine life.

Life of Mine Plan

The table below shows the current LOM plan, reflecting the updated Mineral Reserves estimate. The updated LOM plan adds approximately 228,000 oz. of gold production and 43 Mlbs. of copper production between 2021 and 2029, relative to the previous mine plan outlined in the technical report for Chelopech entitled "NI 43-101 Technical Report - Mineral Resource and Reserve Update, Chelopech Mine, Bulgaria" dated March 30, 2020.

The tables below show the current LOM plan compared to the previous 2020 LOM plan.

Current 2021 Life of Mine Plan

	Unit	Total / Average	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Ore Processed	Mt	18.6	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	1.1
Grade											
Au	g/t	2.89	3.08	2.96	3.01	3.19	3.04	2.84	2.92	2.45	2.12
Cu	%	0.84	0.93	0.89	0.92	0.82	0.90	0.84	0.86	0.68	0.61
Recoveries - Copper Concentrate											
Au	%	47.94	51.65	51.28	49.85	52.01	48.14	41.86	41.95	47.33	43.33
Cu	%	81.32	82.31	81.87	81.85	82.49	81.12	79.50	80.55	81.38	79.52
Recoveries - Pyrite concentrate											
Au	%	23.22	24.25	24.31	24.80	23.90	24.29	24.41	24.20	17.05	15.17
Total Au Production	K oz.	1,229	166	158	159	172	156	133	135	108	42
Total Cu Production	Mlbs.	280	37	35	36	33	36	33	33	26	11

Previous 2020 Life of Mine Plan

	Unit	Total / Average	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Ore Processed	Mt	14.7	2.2	2.2	2.2	2.2	2.2	2.2	1.5	-	-
Grade											
Au	g/t	3.02	3.08	3.04	3.08	3.05	3.03	2.95	2.86	-	-
Cu	%	0.90	0.93	0.93	0.91	0.91	0.89	0.91	0.78	-	-
Recoveries - Copper Concentrate											
Au	%	49.52	52.21	48.35	50.28	50.86	51.90	48.38	41.66	-	-
Cu	%	81.70	82.87	81.37	81.63	81.88	82.50	82.20	77.76	-	-
Recoveries - Pyrite concentrate											
Au	%	20.80	22.24	22.49	22.42	22.38	22.16	17.10	14.22	-	-
Total Au Production	K oz.	1,001	162	152	159	158	159	136	75	-	-
Total Cu Production	Mlbs.	237	37	37	36	36	36	36	19	-	-

Three-Year Outlook

The updated Mineral Reserve estimate supports the Company's previously issued 2021 guidance and three-year outlook for Chelopech, as shown below.

	2021 Guidance	2022 Outlook	2023 Outlook
Metals contained in concentrate produced			
Gold (K oz.)	156 - 176	145 - 165	150 - 170
Copper (Mlbs.)	34 - 39	32 - 39	32 - 39
Cash cost per tonne of ore processed ⁽¹⁾ (\$/t)	42 - 45	N/A	N/A
All-in sustaining cost per ounce of gold ⁽¹⁾ (\$/oz.)	685 - 755	N/A	N/A
Sustaining capital expenditures ⁽¹⁾ (US\$ millions)	20 - 25	14 - 18	9 - 12

1. Cash cost per tonne of ore processed, all-in sustaining cost per ounce of gold and sustaining capital expenditures have no standardized meaning under IFRS. Refer to the "Non-GAAP Financial Measures" section of the MD&A for the period ended December 31, 2020 for further discussion of these items, including a reconciliation to IFRS measures.

For more information regarding the Company's 2021 guidance and three-year outlook, refer to the Management's Discussion and Analysis ("MD&A") for the period ended December 31, 2020, issued on February 11, 2021, which can be found on the Company's website at www.dundee precious.com and is available at www.sedar.com.

Further extending mine life through additional in-mine and brownfield exploration

DPM continues to focus on extending Chelopech's mine life through its in-mine and brownfield exploration programs, with an intensive program planned for 2021 which includes:

- Approximately 44,000 metres of in-mine drilling. From that total, approximately 33,000 metres will be focused on delineating extensions of existing orebodies as well as testing historically underexplored sections of the mine, with the remainder to be focused on operational grade control works; and
- Approximately 38,000 metres of brownfield exploration, concentrated on near mine exploration drilling related to the Sveta Petka commercial discovery process, which includes the West Shaft and Wedge targets, and on drilling more conceptual targets on the Brevene exploration license, including Bridge and Vozdol.

In line with the Company's 2021 guidance, exploration spending is expected to be \$13 to \$15 million, of which approximately 50% has been allocated to support the exploration program at Chelopech.

In-mine exploration

In 2020, approximately 45,000 metres of Mineral Resource development diamond drilling were completed, with a focus on grade control drilling to better define the shape and volume of existing orebodies and to test for new mineralization along modeled trends. Drilling was concentrated on targets in the upper levels of the Chelopech deposit, and the program resulted in the addition of two new ore bodies to the Mineral Resource inventory.

The 2021 Mineral Resource development strategy for Chelopech will focus on the upper levels of Blocks 5, 8, 17, 25, 144, 145, 149 and 700. Extensional and exploration drilling targets include an area south-east from Block 8, which is a largely unexplored target that exhibits prospective structural and alteration indicators. Drilling at target 19NE will test for narrow lenses of sulphide mineralisation, branching out from the main Block 19 orebody. Additionally, target areas peripheral to Blocks 25, 146, 147, 148 and 151 that exhibit prospective structural trends will be tested. A map of key extensional and exploration targets for the year is shown below.

Figure 1. Key target areas for Chelopech in-mine extensional and exploration drilling in 2021:
<https://www.globenewswire.com/NewsRoom/AttachmentNg/ae6acb95-2c15-4218-b7b5-9af4d21d6b9c>

Brownfield exploration activities

During 2020, the brownfield exploration program was focused on the surface drilling of copper-gold targets at the highly prospective Wedge and West Shaft prospects on the Sveta Petka exploration license.

At the West Shaft prospect, which is a newly discovered extension of the Chelopech hydrothermal system located approximately one-kilometre south-west of the Chelopech mine, an intensive diamond drilling exploration program began in the second half of 2020, with work to delineate and test the extension at depth ongoing. Work in 2021 will continue to focus on aggressive target delineation drilling, and to explore for an extension to the south where an additional zone of gold-copper mineralization was identified during recent drilling, approximately 250 metres southeast from the main mineralized zone. Deep directional drilling is continuing at the Wedge prospect, which is situated on the northern edge of the Chelopech mine, with a focus on testing more conceptual targets.

In January 2021, a Geological Discovery was registered with the Bulgarian Ministry of Energy for the Sveta Petka License. A work program for 2021 is currently being developed to support an application for a Commercial Discovery, which is required together with an Environmental Impact Assessment to convert the license into a mining concession.

In 2021 exploration activities on the Sveta Petka license will be focused on infill and extensional drilling required for the technical development of the Wedge, West Shaft and Krasta prospects in conjunction with the Commercial Discovery process. Additionally, following positive results of drilling completed at Wedge prospect, targeting for potential higher grades of the Petrovden porphyry target is underway. Target delineation drilling at the Sharlo Dere target, in the mine concession, will commence during the second quarter.

On the broader Brevene exploration license scout drilling of priority targets, including the Bridge Target, has commenced. A targeting study to evaluate the Vozdol prospect has been completed and drilling on selected priority targets will commence during the second quarter.

Figure 2. Key target areas for Chelopech brownfield exploration activities in 2021:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/50c5840e-d878-4b78-995f-6901606dc1eb>

Technical Information

The Mineral Resource and Mineral Reserve estimates for the Chelopech mine and other scientific and technical information which supports this news release was prepared by CSA Global (UK) Ltd. ("CSA Global"), in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), as relates to Mineral Resources, Galen White, BSc, FAusIMM, Partner and Principal Consultant of CSA Global (UK) Limited and as relates to Mineral Reserves, under the supervision of Karl van Olden, BSc (Eng), GDE, MBA, FAusIMM, Mining Manager of CSA Global. Both are Qualified Persons ("QP"), as defined under NI 43-101. Galen White and Karl van Olden are independent of the Company.

Ross Overall, Corporate Mineral Resource Manager, of the Company, who is a QP, as defined under NI 43-101, has reviewed and approved the contents of this news release.

About Dundee Precious Metals Inc.

[Dundee Precious Metals Inc.](#) is a Canadian-based international gold mining company with operations and projects located in Bulgaria, Namibia and Serbia. The Company's purpose is to unlock resources and generate value to thrive and growth 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).

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Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward looking statements" or "forward looking information" (collectively, "Forward Looking Statements") that involve a number of risks and uncertainties. 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", "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 news release relate to, among other things; the price of gold, copper, and silver, and other commodities; mine life; production forecasts; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; financial metrics, including those set out in the three-year outlook provided by the Company; and success of exploration activities.. Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and the QPs, 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 news release, such factors include, among others, risks relating to the Company's business, including possible variations in ore grade and recovery rates; uncertainties inherent to the conclusions of economic evaluations and economic studies; changes in project parameters, including schedule and budget, as plans continue to be refined; 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; the impact of COVID-19, including, changes to the Company's supply chain; product shortages; delivery and shipping issues; closures and/or failure of plant, equipment or processes to operate as anticipated; employees and contractors become infected with COVID-19; lost work hours; labour force shortages; fluctuations in metal and acid prices, toll rates and foreign exchange rates; limitation 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-government organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; cyber attacks and other cybersecurity risks; as well as those risk factors discussed or referred to in any other documents (including without limitation the Company's most recent Annual Information Form) 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. The reader has been cautioned that the foregoing list is not exhaustive of all factors 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 speak only as of the date hereof. Unless required by securities laws, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

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