

Dundee Precious Metals Announces Acquisition of Osino

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TORONTO, Dec. 18, 2023 - [Dundee Precious Metals Inc.](#) (TSX:DPM) ("DPM") and Osino Resources Corp. ("Osino") (TSXV: OSI) (FSE: RSR1) (OTCQX: OSIIF) are pleased to announce that they have entered into a definitive agreement (the "Arrangement Agreement") whereby DPM will acquire all of the issued and outstanding common shares of Osino pursuant to a plan of arrangement (the "Transaction"). The Transaction adds Osino's high-quality, long-life Twin Hills open pit gold project as well as an extensive exploration portfolio in Namibia to DPM's existing portfolio of assets.

As a result of the Transaction, DPM will acquire a 100% interest¹ in Osino's advanced stage, multi-million ounce Twin Hills gold project ("Twin Hills") located in Namibia, a mining-friendly jurisdiction where DPM has successfully operated since 2010. A June 2023 feasibility study ("FS") completed by Osino outlined an open-pit project with a 13-year mine life and average annual production of 175,000 ounces of gold over the first five years, with first production targeted in the second half of 2026.²

Pursuant to the terms of the Arrangement Agreement, DPM will acquire all of the issued and outstanding common shares of Osino ("Osino Shares") for a consideration consisting of C\$0.775 in cash per Osino Share and 0.0801 of a DPM common share per Osino Share (the "Consideration"). The Consideration implies a value of C\$1.55³ per Osino Share and a total equity value of C\$287 million on a fully-diluted in-the-money basis. This Consideration represents a premium of 37.2% and 44.3% based on the closing price and 30-day volume weighted average price ("VWAP") of Osino Shares as of December 15, 2023, on the TSX Venture Exchange, respectively.

Upon completion of the Transaction, DPM will issue 13,766,364 shares to Osino shareholders and existing Osino shareholders will own approximately 7% of the combined company.

Strategic Rationale & Benefits for DPM's Shareholders

- Adds a near-term producing asset in a mining friendly jurisdiction:
 - Twin Hills is a multi-million-ounce gold project with 2.15 million ounces of Proven and Probable Reserves, which was discovered by Osino in 2019 and fast-tracked to the pre-construction stage within four years.²
 - Estimated gold production of 175,000 ounces per year over the first 5 years, and 162,000 ounces per year over the 13-year mine life, as outlined in the Twin Hills FS.²
 - Project is substantially permitted, with a 20-year mining licence already granted, subject to certain conditions, with only site-level permits still outstanding.
 - Front-end engineering and design is well-advanced, with all surface rights acquired for mining and related infrastructure.
 - Located in Namibia, a mining friendly jurisdiction with established infrastructure, a skilled labour force, and access to renewable power.
 - DPM has been operating the Tsumeb smelter in Namibia since 2010 and has established strong relationships with the government and local communities in-country.

- Further positions DPM as a leading intermediate gold producer with exceptional assets and growth profile:
 - Enhances DPM's asset portfolio, which includes its high-margin production profile of 258,000 ounces of gold per annum from the Chelopech and Ada Tepe mines in Bulgaria.⁴
 - Growth pipeline will now be supported by two new high-quality gold discoveries, including Osino's Twin Hills project in Namibia with targeted production commencing in 2026, as well as DPM's high-grade ?oka Rakita deposit in Serbia, which has an Inferred Mineral Resource of 1.78 million ounces of gold and where DPM recently initiated a Preliminary Economic Assessment.
 - Longer-term optionality and upside potential with DPM's Loma Larga development project and Tierras Coloradas exploration prospect in Ecuador.
 - Further strengthens DPM's Mineral Reserve and Resource base, increasing Proven & Probable Reserves by 43% to approximately 7.2 million gold ounces, and adds 2.9 million ounces of Measured and Indicated Resources and 0.25 Moz. of gold in Inferred Resources.²
- Compelling exploration upside in Namibia's highly prospective Damara Gold Belt and Karibib Gold District:
 - Significant exploration land package and large portfolio of targets, prospects and new discoveries assembled by Osino.
 - Potential to continue trend of grade improvement at Twin Hills through infill drilling and further extensions along strike and at depth.
 - The Ondundu deposit, located 130 km northwest of Twin Hills, has an existing Inferred Mineral Resource of 0.9 million gold ounces.⁵
 - New highly prospective Eureka gold discovery, with recent intercepts including 47 metres of 5.92 g/t of gold, located 35 km northeast of Ondundu.⁶
 - 8,000 km² regional package of licences with multiple drill-ready gold targets for further exploration in Namibia's prospective Damara sedimentary mineral belt.
- Leverages DPM's balance sheet strength and free cash flow generation to internally fund development and maintain attractive dividend:
 - Strong financial position, including cash balance of approximately US\$563 million⁷, an undrawn US\$150 million revolving credit facility, and no debt.
 - Robust cash provided from operating activities and free cash flow generation of US\$247 million and US\$213 million over the last twelve months, respectively.⁸
 - Financial capacity to fund development of Twin Hills and other growth initiatives from existing cash balances and future operating cash flows, while sustaining quarterly dividend.
- Complements DPM's core strengths and unique capabilities to unlock value:
 - Osino's strong and established sustainability ethos and focus on responsible project development provides a strong foundation for the project's social licence.
 - Leverages DPM's in-house expertise and proven strengths in Namibia in community engagement, project development, and leadership in ESG.

Strategic Rationale and Benefits to Osino Shareholders

- Premium of approximately 44.3% based on Osino's 30-day VWAP on the TSXV, with half of consideration payable in cash and the other half payable in DPM shares, allowing for both liquidity and participation in future upside.
- Continued exposure to Twin Hills' future production and portfolio exploration upside, with lower risk from a dilution, financing, and single asset development perspective.
- Exposure to DPM's diversified portfolio of low-cost operations and strong growth pipeline.
- Experienced DPM management team with demonstrated track record of success in developing and operating projects in Namibia and Europe, focused on fast-tracking the development of the Twin Hills project.
- Leverages DPM's strong balance sheet with US\$563 million in cash on hand, no debt, and robust cash flow generation to fund the development of Twin Hills and unlock additional value through exploration.
- Immediate yield by way of participation in DPM's current dividend.
- Enhanced institutional investor following, trading liquidity and capital markets profile.

CEO Commentary

David Rae, President and Chief Executive Officer of Dundee Precious Metals, made the following comments in relation to the Osino acquisition:

"Twin Hills represents a unique opportunity to add a high-quality development asset in an excellent mining

jurisdiction to our portfolio. The project provides a foundation for our future production profile with production targeted for 2026, as well as significant exploration upside.

"This transaction also allows us to leverage our strong local relationships in Namibia, which we have built over many years, and continue our focus on growing our portfolio of gold assets. With Twin Hills and ?oka Rakita, DPM will have an extremely attractive growth pipeline and the financial capacity to fund it internally through our existing cash balance and free cash flow.

"The Osino team have done an excellent job in discovering and progressing Twin Hills to this point. We are excited to advance the project and build on their efforts to unlock further value for all of our stakeholders."

Heye Daun, President and Chief Executive Officer of Osino Resources, stated:

"On behalf of Osino shareholders, I am very pleased to be delivering the Twin Hills gold project to DPM. DPM is a highly credible and well-financed builder and operator of gold mines with the technical skills and financial resources to progress the project through construction and into production.

"We are very proud to have attracted a company of DPM's calibre, thereby securing the future development of Twin Hills, which we believe has the potential to become Namibia's third and largest gold mine.

"Since 2019, the Osino team has made great strides in discovering and advancing Twin Hills, and de-risking the project from a technical and permitting perspective. We believe that handing over the project to DPM at this critical juncture is in the best interest of our shareholders and local stakeholders. Our well-established and highly credible Namibian exploration and technical team will continue to contribute meaningfully as DPM takes the project to the next level."

Next Steps

DPM intends to advance all remaining engineering activities for Twins Hills to reach a construction decision by the third quarter 2024. Over this period, DPM will pursue opportunities to refine and optimize the mining, construction and execution aspects of the project, given DPM's experience in the development and operation of its existing portfolio. In parallel, DPM will also be reviewing the construction timeline, which is currently targeting first production in the second half of 2026.

Transaction Summary

The proposed Transaction will be completed pursuant to a court approved plan of arrangement under the Business Corporations Act (British Columbia). The Transaction will be subject to the approval of Osino security holders, being: (i) 66 2/3% of the votes cast by shareholders, (ii) 66 2/3% of the votes cast by holders of incentive securities voting as a single class with shareholders; and (iii) a simple majority of shareholders excluding votes held by related parties under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*, at a special meeting of Osino securityholders expected to be held in March 2024.

The directors and senior officers of Osino have entered into voting support agreements, pursuant to which, subject to the terms and conditions set forth therein, they will vote their securities held, as applicable, in favour of the Transaction.

In addition to securityholder and court approvals, the Transaction is subject to applicable regulatory approvals (including approvals of the Toronto Stock Exchange and TSXV and applicable approvals under the *Namibia Competition Act*) and the satisfaction of certain other closing conditions customary for a transaction of this nature. The Arrangement Agreement includes customary deal protections, including fiduciary-out provisions, non-solicitation covenants, and the right to match any superior proposals. Additionally, a termination fee payable in an amount of C\$10 million is payable to DPM by Osino in certain circumstances if the Transaction is not completed.

Pursuant to the Arrangement Agreement, all outstanding Osino stock options, restricted share units and deferred share units, which remain outstanding at the effective time of the Transaction, will be deemed to be exercised or settled, for their in-the-money value net of withholding taxes, as applicable, under the arrangement for Osino Shares, which will be exchanged for the Consideration and outstanding Osino warrants will be adjusted in accordance with their terms.

Subject to certain conditions, including the parties obtaining the requisite regulatory approvals, the Transaction is expected to close in H1 2024, subject to timing of the approvals under the Namibia Competition Act. Upon closing of the Transaction, the Osino Shares are expected to be concurrently delisted.

Full details of the Transaction will be included in the meeting materials which are expected to be mailed to the securityholders of by early February 2024.

Osino Board of Directors' and Special Committee Recommendations

The Arrangement Agreement has been unanimously approved by the Board of Directors of DPM.

The Board of Directors of Osino (the "Osino Board") appointed a special committee of independent directors (the "Special Committee") to consider and make a recommendation to the Osino Board with respect to the Transaction. After consultation with its financial and legal advisors, and on the unanimous recommendation of the Special Committee, the Osino Board unanimously determined that the Transaction is in the best interests of Osino and approved the Arrangement Agreement. Accordingly, the Osino Board and the Special Committee recommend that Osino shareholders vote in favour of the Transaction.

The Osino Board and the Special Committee received fairness opinions from each of BMO Capital Markets and Eight Capital, which state that as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by Osino shareholders, pursuant to the Transaction, is fair from a financial point of view to the Osino shareholders. Eight Capital was retained on a fixed-fee basis.

Concurrent Private Placement

In connection with the Transaction, DPM has agreed to purchase an aggregate of \$10 million in common shares of Osino, in two equal tranches, at a price of C\$1.13 per share pursuant to a concurrent private placement (the "Concurrent Private Placement") to provide Osino with funding for project activities, including engineering, drilling and other corporate purposes in accordance with its budget, as agreed with DPM pursuant to the Arrangement Agreement. Assuming the closing of both tranches of the Concurrent Private Placement, DPM will own approximately 7% of the issued and outstanding common shares of Osino prior to the closing of the Transaction.

The first tranche of the Concurrent Private Placement is expected to close on or before January 9, 2024, and is subject to TSXV and other customary regulatory approvals. The Osino Shares issued to DPM pursuant to the Concurrent Private Placement will be subject to a statutory four-month holding period in accordance with applicable securities regulations. No finder's fees will be payable in connection with the Concurrent Private Placement.

Advisors and Counsel

CIBC Capital Markets is acting as exclusive financial advisor to DPM and its Board of Directors. Cassels Brock & Blackwell LLP is acting as DPM's legal advisor.

BMO Capital Markets and Treadstone Resource Partners are acting as financial advisors to Osino and its Board of Directors and Eight Capital is acting as financial advisor to its Special Committee. Stikeman Elliott LLP is acting as Osino's legal advisor.

Conference Call and Webcast

DPM will host a conference call and webcast on Monday, December 18, 2023, at 9 a.m. Eastern Standard Time for members of the investment community to discuss the Transaction. To participate via conference, register at the link below to receive the dial-in information as well as a personalized PIN code to access the call.

The link to register and to access the webcast are as follows:

Conference call date and time	Monday, December 18, 2023 9 a.m. EST
Call registration	https://register.vevent.com/register/BI5062648a2193429ea390547cd5b224fd
Webcast link	https://edge.media-server.com/mmc/p/8esxy35a
Replay	Archive will be available on www.dundeeprecious.com

Osino will host a conference call and webcast on Monday, December 18, 2023 at 11 a.m. Eastern (8 a.m. Pacific) time for members of the investment community to discuss the Transaction.

The link to access the webcast are as follows:

Conference call date and time	Monday, December 18, 2023 11 a.m. EST / 8 a.m. PST
Webcast link	https://us06web.zoom.us/webinar/register/WN_ijjL1hS0S2SoTsG9otpolQ
Replay	Archive will be available on www.osinoresources.com

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, Serbia and Ecuador. DPM'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 DPM 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 aligned 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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About Osino Resources Corp.

[Osino Resources Corp.](#) is a Canadian gold exploration and development company focused on the fast-tracked development of our wholly owned, Twin Hills Gold Project in central Namibia. Since its grassroots discovery in August 2019, Osino has completed more than 225,000 metres of drilling and has completed a suite of specialist technical studies culminating in the recently published Twin Hills FS. The FS describes a technically simple and economically robust open-pit gold operation with a 13-year mine life and average annual gold production of over 169koz per annum. Osino has an exploration package of

approximately 8,000km² located within Namibia's prospective Damara sedimentary mineral belt, mostly in proximity to and along strike of the producing Navachab and Otjikoto Gold Mines.

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Technical and Regulatory Information

Osino's Mineral Reserve and Mineral Resource Estimate for the Twin Hills Project is detailed below:

Mineral Reserves

Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz.)
Proven	0.87	1.19	0.03
Probable	63.64	1.03	2.12
Proven & Probable	64.51	1.04	2.15

Mineral Resources

Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (Moz.)
Measured	0.7	1.48	0.03
Indicated	83.6	1.08	2.91
Measured & Indicated	84.3	1.08	2.94
Inferred	7.0	1.10	0.25

The Mineral Reserves are effective as May 31, 2023, with an economic cut-off grade of 0.45 g/t. The Mineral Resource estimate has an effective date of March 15, 2023, with a cut-off grade of 0.3 g/t and has been reported inclusive of Mineral Reserves. For more information with respect to the FS and the associated Mineral Reserve and Resource estimate, including key assumptions, parameters and risks related thereto, see the technical report entitled "Definitive Feasibility Study of the Twin Hills Gold Project, Namibia" with an effective date of June 12, 2023, prepared by Lycopodium Minerals Canada Ltd., and filed by Osino under its profile on SEDAR+ at www.sedarplus.ca.

For more information with respect to the Mineral Resource estimates of DPM, including key assumptions, parameters and risks related thereto, see the annual information form of DPM for the year ended December 31, 2022, filed by DPM under its profile on SEDAR+ at www.sedarplus.ca.

Technical and scientific information in this press release has been reviewed on behalf of DPM by Ross Overall, B.Sc. (Applied Geology), Director, Corporate Technical Services of DPM, who is a Qualified Person ("QP") as defined under NI 43-101, and who is not independent of DPM.

David Underwood, BSc. (Hons) is Vice President Exploration of [Osino Resources Corp.](http://www.osinoresources.com) and has reviewed and approved the scientific and technical information in this news release and is a registered Professional Natural Scientist with the South African Council for Natural Scientific Professions (Pr. Sci. Nat. No.400323/11) and a Qualified Person for the purposes of NI 43-101.

To the best of DPM's and Osino's knowledge, information, and belief there is no new material scientific or technical information that would make the disclosure of the FS and the associated Mineral Reserve and Resource estimate inaccurate or misleading.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

Neither the TSX Venture Exchange nor its Regulatory Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward Looking Information

This news release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation, including statements regarding the plans, intentions, beliefs and current expectations of DPM and Osino with respect to future business activities and operating performance. All statements in this news release that address events or developments that DPM and Osino expect to occur in the future are forward-looking statements. Forward-looking statements are statements that are not historical facts and are often identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur, and include information outlined under Transaction Rationale and other sections, including information regarding: (i) expectations regarding whether the proposed Transaction will be consummated, including whether conditions to the consummation of the Transaction will be satisfied, or the timing for completing the Transaction and receiving the required regulatory and court approvals, (ii) the anticipated timing of the meeting of Osino securityholders and the mailing of the meeting materials in respect of the meeting; (iii) expectations regarding the potential benefits and synergies of the Transaction, diversification and the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays, (iv) the results of the FS, including without limitation, expected gold production, mine life and costs, (v) expectations regarding additional mineral resources and future production, (vi) expectations regarding financial strength, cash generation, trading liquidity, and capital markets profile, (vii) expectations regarding future exploration, development, and growth potential for DPM's and Osino's operations, (viii) benefits of capital program and dividend program of DPM, (x) ability to fund the development of the Twin Hills Project, and (xi) expectations for other economic, business, and/or competitive factors.

Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond DPM's and Osino's control. These risks include, without limitation, the ability of the parties to complete the Transaction; the timing of any completion and the terms and conditions upon which the Transaction is completed; ability to satisfy or waive all conditions to closing the Transaction as set out in the Agreement; securityholders approving the Transaction; the ability of the consolidated entity to realize the benefits anticipated from the Transaction and the timing to realize such benefits; unanticipated changes in market price of DPM Shares; changes to the applicable Party's current and future business plans and the strategic alternatives available thereto; growth prospects and outlook of DPM's business; regulatory determinations and delays; any impacts of COVID-19 on the business of the consolidated; stock market conditions generally; pricing for precious metals; and general economic and political conditions in Canada, Europe and other jurisdictions where the applicable Party conducts business. These forward-looking statements are also qualified in their entirety by cautionary statements and risk factor disclosure contained in filings made by DPM and Osino with the Canadian securities regulators, including DPM's and Osino's respective annual information form, DPM's financial statements and related MD&A for their most recently completed financial year ended December 31, 2022 and its interim financial statements and related MD&A for the three and nine months ended September 30, 2023, and Osino's financial statements and related MD&A for the financial year ended December 31, 2023 and its interim financial statements and related MD&A for the three and nine months ended September 30, 2023, all filed with the securities regulatory authorities in certain provinces of Canada and available under each of DPM's and Osino's respective profile on SEDAR+. The risk factors are not exhaustive of the factors that may affect DPM's and Osino's forward-looking statements.

DPM's and Osino's forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management of DPM and Osino at such time. DPM and Osino do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as

required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, and actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Accordingly, undue reliance should not be placed on forward-looking statements.

¹ Conditions of the Twin Hills mining licence includes making available a 5% carried interest to certain disadvantaged Namibian groups.

² For more information, refer to the technical report titled "Definitive Feasibility Study of the Twin Hills Gold Project, Namibia", effective June 12, 2023, and filed on SEDAR+ at www.sedarplus.ca, and the section of this news release titled "Technical and Regulatory Information".

³ Based on the 5-day volume-weighted average trading price of DPM shares on the TSX for the period ended December 15, 2023.

⁴ Reflects the annual average of DPM's outlook for 2024 and 2025. Details of DPM's 2023 guidance and three-year outlook can be found in the Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2023, available on the Company's website at www.dundeeprecious.com and on SEDAR+ at www.sedarplus.ca.

⁵ For more information, refer to the technical report "Ondundu Gold Project, Namibia", effective October 7, 2022, and SEDAR+ at www.sedarplus.ca, and the section of this news release titled "Technical and Regulatory Information".

⁶ Source: Osino news release dated November 14, 2022, available on SEDAR+ at www.sedarplus.ca.

⁷ Unless otherwise noted, references to DPM's cash balance are as at September 30, 2023 and is prior to cash consideration to be paid as part of the transaction.

⁸ Free cash flow is a non-GAAP measure that has no standardized meaning 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" sections commencing on page 36 of DPM's MD&A for the period ended September 30, 2023, and commencing on page 43 of DPM's MD&A for the year ended December 31, 2022, including reconciliations to IFRS measures, available on SEDAR+ at www.sedarplus.ca.

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