

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

[Dundee Precious Metals Inc.](#) ("DPM" or the "Company") (TSX:DPM) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers, led by RBC Capital Markets, which have agreed to purchase, on a bought deal basis, 15,840,000 common shares (the "Shares") of the Company at a price of C\$3.00 per Share, for aggregate gross proceeds of C\$47,520,000 (the "Offering").

The Underwriters will also have the option, exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 2,376,000 Shares. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the Offering will be C\$54,648,000.

Concurrent with the Offering, the Company intends undertaking a non-brokered private placement ("Non-brokered Private Placement") of 840,000 Shares of the Company at a price of C\$3.00 per Share for additional gross proceeds of C\$2,520,000. The Non-brokered Private Placement will be sold to Dundee Corp.

The Company plans to use the net proceeds from the Offering and the Non-brokered Private Placement to reduce drawdowns under its revolver credit facility, support advancing its growth initiatives and for general corporate purposes.

The Shares will be offered by way of a short form prospectus to be filed in all of the provinces of Canada, other than Quebec, pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended and to buyers in the United Kingdom on a private placement basis.

The Offering and Non-brokered Private Placement is scheduled to close on or about July 11, 2016 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

FORWARD-LOOKING STATEMENTS

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company's most recent annual information form under the heading "Risk Factors" which has been filed electronically by means of the Canadian Securities Administrators' website located at www.sedar.com. The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

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