

(All amounts are US Dollars unless otherwise stated)

TORONTO, ONTARIO--(Marketwired - Sep 28, 2016) - Dundee Precious Metals Inc. (TSX:DPM) ("DPM" or "the Company") is pleased to announce that it has successfully amended the \$80 million Tranche C component of its revolving credit facility ("RCF") to align with the projected construction and commissioning schedule of the Krumovgrad gold project, and entered into a \$50 million prepaid forward gold transaction (the "Prepaid Forward Gold Sale").

"This transaction locks in an attractive gold price on a portion of our future production and further enhances our financial strength and flexibility to advance our growth initiatives, including the construction of the low cost Krumovgrad gold mine located in southern Bulgaria," said Rick Howes, President and CEO. "An early works program is currently underway at Krumovgrad to support commencement of construction in October, consistent with the project schedule to commence operations in the fourth quarter of 2018."

Amendment to Tranche C of the RCF

On September 27, 2016, the Company received approval from its lenders to amend the term and amortization of an \$80 million tranche, referred to as Tranche C, under its \$275 million RCF to align with the projected construction and commissioning schedule of the Krumovgrad gold project, the main construction permit for which was received on August 9, 2016.

Prepaid Forward Gold Sale

On September 28, 2016, the Company executed a Prepaid Forward Gold Sale whereby it sold approximately 9% of its forecast 2019 and 2020 production in exchange for an upfront cash pre-payment of \$50 million (the "Prepaid Amount"). The transaction provides for the forward sale of approximately 18,000 and 28,000 ounces in 2019 and 2020, respectively, on specified monthly delivery dates commencing in May 2019 at an average forward price of \$1,367 per ounce. The transaction was undertaken with BNP Paribas, who led the transaction, Canadian Imperial Bank of Commerce, Unicredit Bulbank AD and Royal Bank of Canada each of whom participate in the Company's RCF. Proceeds from the transaction will be recognized initially as deferred revenue and thereafter as revenue when physical deliveries are made under the Prepaid Forward Gold Sales arrangement.

About Dundee Precious Metals

[Dundee Precious Metals Inc.](#) is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. The Company's principal operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold and exploration properties located in Bulgaria, Serbia, and northern Canada, including the Krumovgrad gold project, and its 10.7% interest in Sabina Gold & Silver Corp.

Cautionary Note Regarding Forward Looking Statements

This press release contains "forward looking statements" that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the timing and amount of estimated future production and output, life of mine, costs of production, cash costs and other cash measures, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing and possible outcome of pending litigation. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "outlook", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements are based on the opinions and estimates of management as of the date such statements are made and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations and economic studies; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; fluctuations in metal prices; unanticipated title disputes; claims or litigation; limitation on insurance coverage; cyber-attacks; as well as those risk factors discussed or referred to in the Company's MD&A under the heading "Risks and Uncertainties" and under the heading "Cautionary Note Regarding Forward Looking Statements" which include further details on material assumptions used to develop such forward looking statements

and material risk factors that could cause actual results to differ materially from forward looking statements, and other documents (including without limitation the Company's 2015 AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at www.sedar.com. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

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