



DUNDEE PRECIOUS METALS CREATES LEADING TECHNOLOGY PROVIDER THROUGH THE COMBINATION OF ITS TERRATIVE DIGITAL SOLUTIONS DIVISION WITH MINERP

Toronto, July 31, 2017 – Dundee Precious Metals Inc. (TSX: DPM) (“DPM” or the “Company”) is pleased to announce that it has entered into a definitive agreement (the “Agreement”) with MineRP Holdings Proprietary Limited (“MineRP”), a provider of integrated mining technical solutions, whereby DPM will combine its proprietary wireless underground communications technology, managed within DPM’s Terrative Digital Solutions division (“Terrative”), with MineRP, and acquire a majority interest in MineRP. The combination will create a leading technology provider well positioned to further capture the rapidly growing demand in the mining industry for digital innovation.

MineRP, a private company founded in 1997 and headquartered in South Africa, is an independent software vendor (“ISV”) for the mining industry. Its unique platform improves productivity in planning and operations by integrating various technical and financial applications in the industry. Since 2011, DPM has also established itself as a leader in digital innovation across its asset base, particularly at Chelopech where it developed wireless underground communications technology which is held within Terrative.

Strategic Highlights

- Facilitates faster deployment of Terrative technology to support its full growth and value potential outside of DPM;
- Combines leading edge complementary technologies that can be sold to existing and future clients in the mining sector as well as other industries;
- Further establishes DPM at forefront of digital innovation by unlocking the full potential for further operational benefits at its existing sites;
- Positions DPM to remain focused on its core mining operations with MineRP management remaining as arms length management of the combined company; and
- Provides a unique opportunity for DPM shareholders to participate in the growth in value of this exciting company.

“MineRP provides a powerful solution that integrates the technical and financial software applications within the mining industry,” said Rick Howes President and CEO of DPM. “Over the last several years we have also seen increasing demand for Terrative’s digital technology as the industry embraces digital innovation. We are excited by the strength of the combined company and the opportunity to significantly grow this business outside of DPM”.

Transaction Overview

Under the terms of the Agreement, DPM will transfer Terrative into a new Canadian subsidiary of DPM (“Newco”) and provide initial funding of US\$20 million, the proceeds of which will be used to acquire an initial 78% interest in the common shares of Newco, repay existing MineRP indebtedness, and provide MineRP with working capital. DPM has also agreed to provide Newco or its subsidiaries with up to US\$5 million of additional financing, if required, to support its working capital and growth initiatives. The balance of the common shares in Newco will be held by an entity owned by MineRP management and employees. Newco will in turn own 100% of MineRP and Terrative.

In addition, up to 10% of the fully-diluted common shares of Newco will be reserved for incentive compensation arrangements, with up to half being allocated to certain officers of DPM who will serve as directors/officers of Newco and half being reserved for issuance to MineRP employees. As a result, assuming the issuance of all common shares reserved under the foregoing incentive arrangements, DPM will hold a 70% fully-diluted interest in the common shares of Newco.

Following the transaction, DPM's financial position will remain strong with ample cash resources, including approximately US\$250 million under its committed revolving credit facility, to support completing the construction of the Krumovgrad Gold Project, which remains on track for first production in the fourth quarter of 2018.

The transaction is subject to the satisfaction of customary conditions for a transaction of this nature, including obtaining all regulatory approvals and any applicable South African Currency and Exchanges Act and Competition Act approvals. In addition, the parties will enter into an agreed upon shareholder's agreement governing the rights and obligations of the shareholders of Newco following completion of the transaction. Closing of the transaction shall occur on the earlier of September 29 and the date which is 10 days following the satisfaction of all conditions to closing, unless otherwise agreed by the parties.

The Company will hold a conference call on Monday, July 31, 2017 at 9:00 a.m. (E.S.T.) to further discuss the transaction. To participate in the conference call, use the following dial-in numbers or join the webcast using the link below:

North American Toll Free: 1-844-402-0878

International Dial-In Number: 1-478-219-0512

Webcast URL: <http://edge.media-server.com/m/p/9wiic6cd>

About MineRP

Established in 1997 as a division of Anglo American Gold in South Africa, MineRP is a privately held ISV to the global mining industry that connects the science of mining with the business of mining. It improves productivity in planning and operations by amalgamating spatial mine technical information to support technical integration and cross-discipline collaboration. MineRP's spatial big data platform provides seamless integration with commercial enterprise resource planning ("ERP") solutions and provides the information base required for advanced analytics and optimization.

MineRP's client base includes many major global mining companies. During the financial year ended June 30, 2016, MineRP generated revenue of ZAR 158 million (approximately US\$11 million) and in the financial year ended 2017 estimates revenue of ZAR 182 million (approximately US\$14 million).

About Terrative Digital Solutions

Established in 2016, Terrative is a division of DPM which owns and sells proven, proprietary underground technology solutions to customers within the mining sector.

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 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, Armenia and Canada, including the Krumovgrad gold project, which started construction in the fourth quarter of 2016 and is expected to commence production in the fourth quarter of 2018, and its 10.5% interest in Sabina Gold & Silver Corp.

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, without limitation, uncertainties with respect to obtaining required South African regulatory approvals, the inherent risks involved in successfully integrating MineRP's business with Terrative and DPM's overall business, the uncertainties with respect to realizing the projected synergies with MineRP, risks relating to operating a business reliant on the ownership and protection of key intellectual property, risks of unavailability of human capital and financial resources to grow the business, increased exposure to business risks related to cyber security 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.

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