



DUNDEE PRECIOUS METALS ANNOUNCES OPTION AGREEMENT WITH KHALKOS FOR THE MALARTIC GOLD PROPERTY, QUEBEC

Toronto, July 4, 2017 – Dundee Precious Metals Inc. (TSX: DPM) (“DPM” or the “Company”) is pleased to announce that it has entered into an option agreement with Khalkos Exploration Inc. to earn up to a 71% interest in their Malartic gold property located in the Archean Abitibi greenstone belt in the Malartic mining camp in Quebec, as set out on the map included as Figure 1. The transaction has been approved by the TSX Venture Exchange and all consents have been received.

The Malartic property consists of 91 contiguous claims covering 35 square kilometers of prospective Abitibi geology. The full length of the property is transected by several regional shear zones, including the Parfouru and La Pause faults, which run subparallel to the prolific Cadillac Larder Lake fault zone. Within the property several quartz carbonate vein gold occurrences are hosted by these regional shear zones and related fracture systems. In addition, the presence of upper felsic volcanic stratigraphy of the Blake River Group on the property indicates the potential for gold-rich VMS lenses and related sulphide stockworks similar to deposits in the Doyon–Bousquet-LaRonde gold camp located 10-15 kilometers west of the property.

Over the past 70 years only a few parts of the property were systematically explored and drill tested due to the numerous claims and smaller claim blocks held by different owners. The successful consolidation of these claims by Khalkos allows for a systematic exploration approach that will integrate geology with new geochemical and geophysical datasets to develop drill targets on a wider scale.

Under the terms of the option agreement, DPM can earn an initial 51% interest in Malartic in exchange for certain cash payments totalling Cdn\$412,500, the issuance of an aggregate of 70,000 common shares of the Company and making expenditures on the property aggregating Cdn\$2,500,000 within three (3) years of the effective date of the option agreement. Thereafter, DPM will have a further option to increase its interest to 71% by incurring an additional Cdn\$3,500,000 in expenditures on the property within three (3) years. During the option period, DPM will be the operator of the project.

“We are very pleased to be partnering with Khalkos to advance the very exciting Malartic property in Quebec, a province with a strong heritage in exploration and mining. This initiative is in line with our corporate strategy to build a diversified pipeline of assets”, commented Rick Howes, President and CEO of DPM.

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 continuing 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, which started construction in the fourth quarter of 2016 and is expected to commence production in the fourth quarter of 2018, and its 10.7% 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 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.

For more information, please contact

Dundee Precious Metals Inc.

Rick Howes

President & Chief Executive Officer

(416) 365-2836

[**rhowes@dundeeprecious.com**](mailto:rhowes@dundeeprecious.com)

or

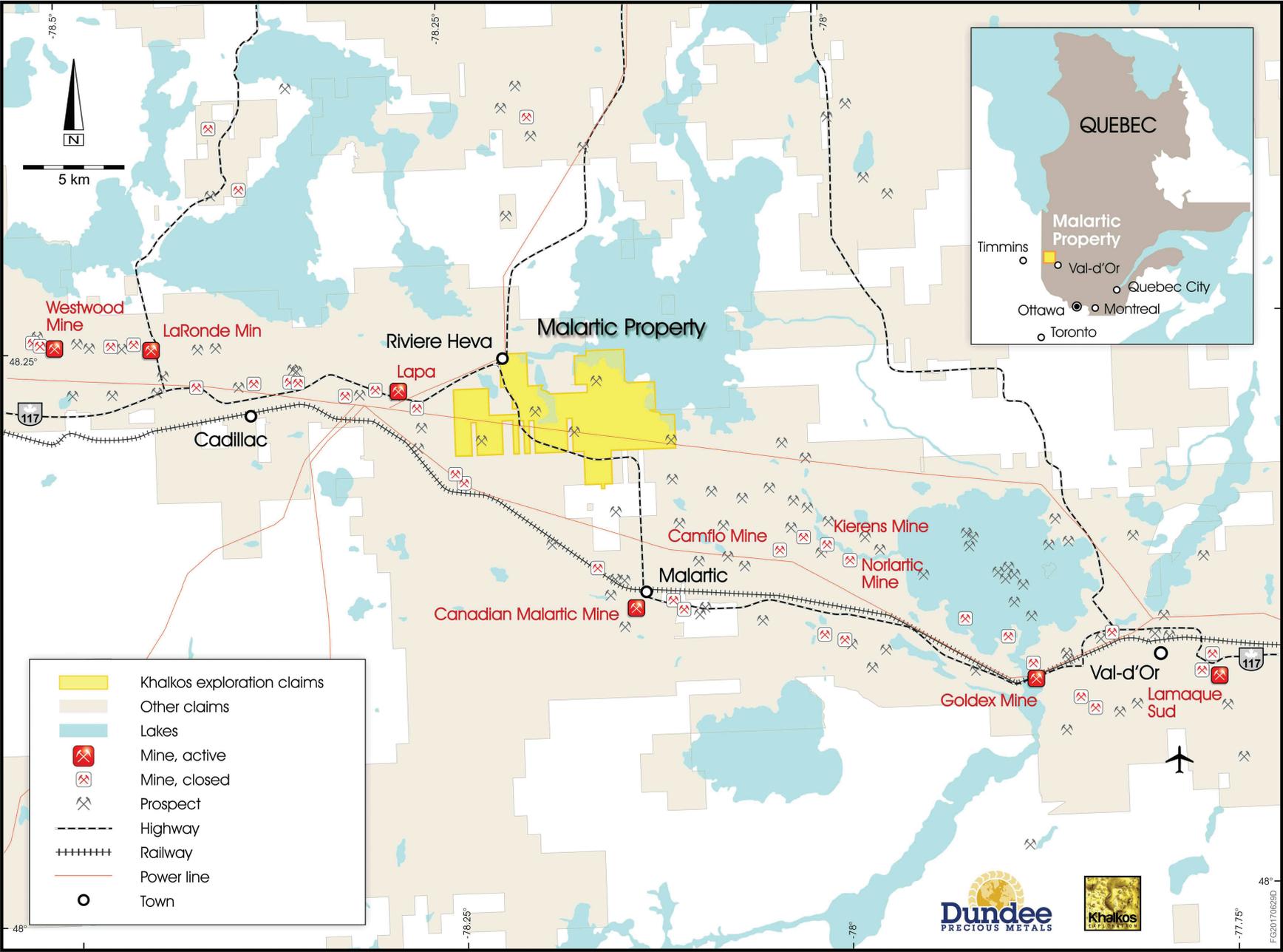
Dundee Precious Metals Inc.

Lori Beak

Senior Vice President, Governance & Corporate Secretary

(416) 365-5165

[**lbeak@dundeeprecious.com**](mailto:lbeak@dundeeprecious.com)



- Khalkos exploration claims
- Other claims
- Lakes
- X Mine, active
- X Mine, closed
- Prospect
- Highway
- Railway
- Power line
- Town



48°
-77.75°
EGS0170626D