



# MANAGEMENT'S DISCUSSION AND ANALYSIS

of Consolidated Financial Condition and Results of Operations

*for the Three Months Ended March 31, 2022*

*(All monetary figures are expressed in U.S. dollars unless otherwise stated)*

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The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Dundee Precious Metals Inc. ("DPM" and, together with its consolidated subsidiaries, collectively referred to as the "Company") for the three months ended March 31, 2022. This MD&A should be read in conjunction with DPM's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022 prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional Company information, including the Company's most recent annual information form ("AIF") and other continuous disclosure documents, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com). To the extent applicable, updated information contained in this MD&A supersedes older information contained in previously filed continuous disclosure documents. Capitalized terms used in this MD&A that have not been defined have the same meanings attributed to them as in DPM's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2022. Information contained on the Company's website is not incorporated by reference herein and does not form part of this MD&A.

This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as non-GAAP financial measures or ratios. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP financial measures and ratios, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

The Company uses the following non-GAAP financial measures and ratios in this MD&A:

- mine cash cost
- cash cost per tonne of ore processed
- mine cash cost of sales
- cash cost per ounce of gold sold
- all-in sustaining cost
- all-in sustaining cost per ounce of gold sold
- smelter cash cost
- cash cost per tonne of complex concentrate smelted
- adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”)
- adjusted net earnings
- adjusted basic earnings per share
- cash provided from operating activities, before changes in working capital
- free cash flow
- average realized metal prices

For a detailed description of each of the non-GAAP financial measures and ratios used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS, please refer to the “Non-GAAP Financial Measures” section commencing on page 39 of this MD&A.

The technical and scientific information in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) of the Canadian Securities Administrators and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) – Definition Standards adopted by CIM Council on May 10, 2014 (the “CIM Definition Standards”) for Mineral Resources and Mineral Reserves, and has been reviewed and approved by Ross Overall, B.Sc. (Applied Geology), Corporate Mineral Resource Manager of DPM, who is a Qualified Person (“QP”) as defined under NI 43-101, and who is not independent of the Company.

This MD&A has been prepared as at May 4, 2022.

## OVERVIEW

### Our Business

DPM is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Its common shares (symbol: DPM) are traded on the Toronto Stock Exchange (“TSX”).

The Company’s purpose is to unlock resources and generate value to thrive and grow together. As illustrated in the graphic below, this overall purpose is supported by a foundation of core values, which guide how the Company conducts its business and informs a set of complementary strategic pillars and objectives relating to Environmental Social Governance (“ESG”), innovation, optimizing our existing portfolio, and growth. The Company’s resources are allocated in-line with its strategy to ensure that DPM delivers value for all of its stakeholders.



### **Continuing Operations:**

As at March 31, 2022, DPM's principal subsidiaries include:

- 100% of Dundee Precious Metals Chelopech EAD ("Chelopech"), which owns and operates a gold, copper and silver mine located east of Sofia, Bulgaria;
- 100% of Dundee Precious Metals Krumovgrad EAD ("Ada Tepe"), which owns and operates a gold mine located in south eastern Bulgaria, near the town of Krumovgrad; and
- 92% of Dundee Precious Metals Tsumeb (Proprietary) Limited ("Tsumeb"), which owns and operates a custom smelter located in Tsumeb, Namibia.

As at March 31, 2022, DPM holds interests, directly or indirectly, in a number of exploration and development properties located in Ecuador, Serbia and Canada including:

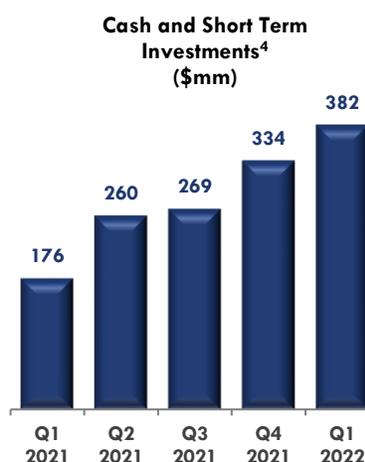
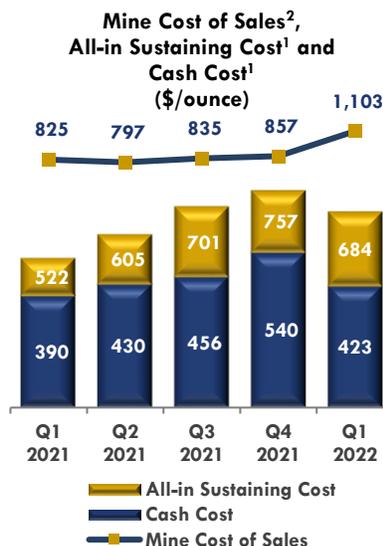
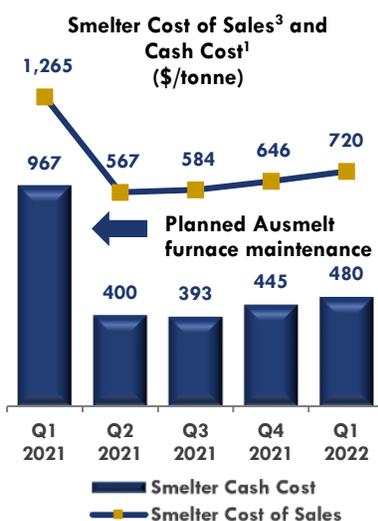
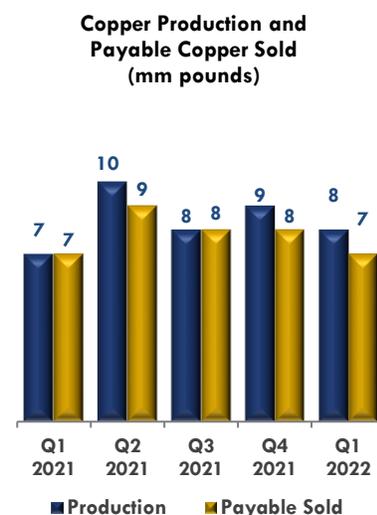
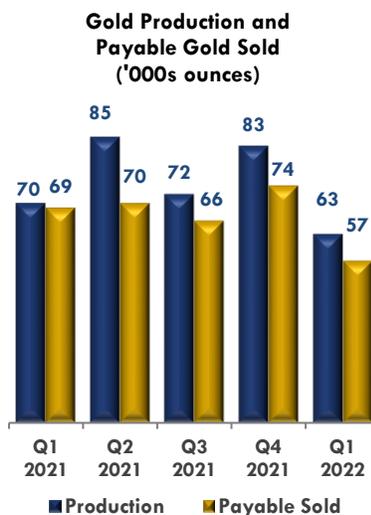
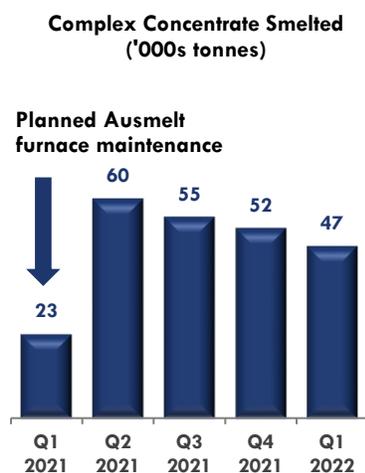
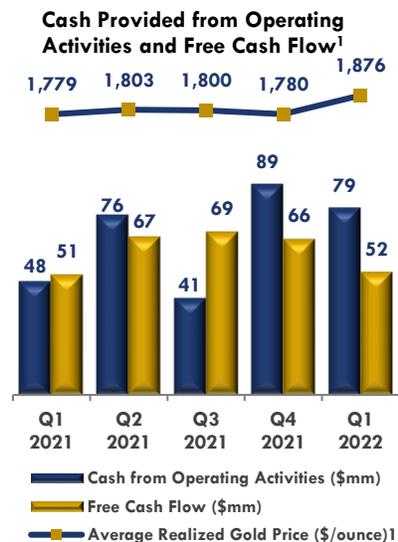
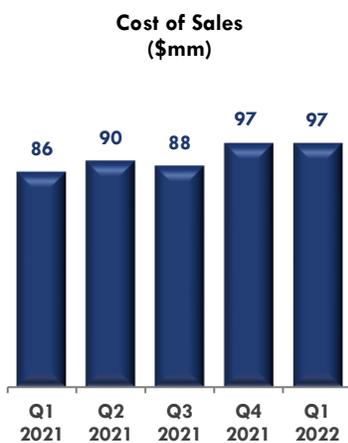
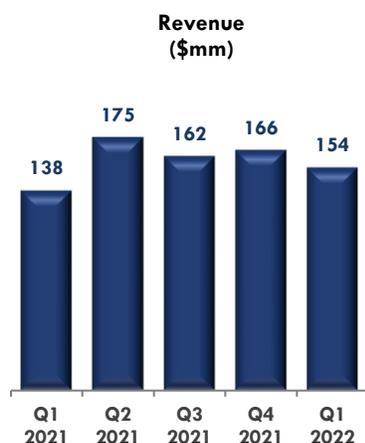
- 100% of DPM Ecuador S.A. ("DPM Ecuador"), which is focused on the exploration and development of the Loma Larga gold project located in Ecuador;
- 100% of DPM Avala d.o.o., which is focused on the exploration and development of the Timok gold project in Serbia; and
- 6.7% of Sabina Gold and Silver Corp. ("Sabina"), which is focused on the development of the Back River project in southwestern Nunavut, Canada.

### **Discontinued Operations:**

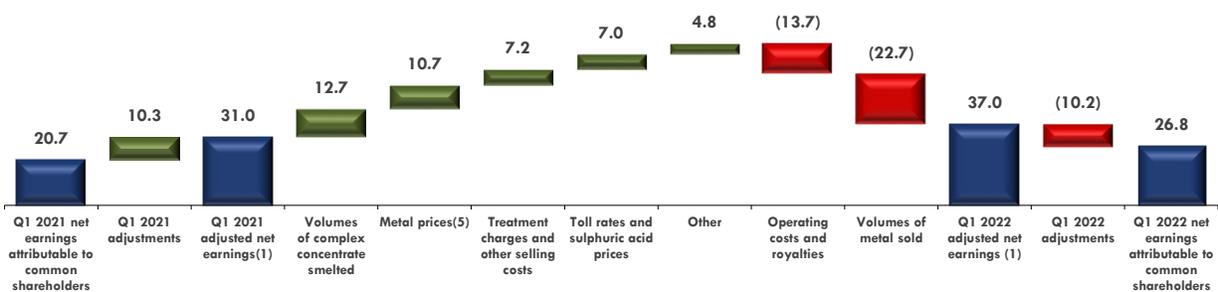
On May 3, 2021, DPM sold its 73.7% ownership interest in MineRP Holdings Inc. ("MineRP"), which owns MineRP Holdings (Proprietary) Limited, an independent mining software vendor with operations in Canada, South Africa, Australia and Chile ("MineRP Disposition"). As a result of the MineRP Disposition, DPM no longer owns any shares of MineRP and the operating results and cash flows of MineRP have been presented as discontinued operations in the condensed interim consolidated statements of earnings (loss) and cash flows for the three months ended March 31, 2021.

All operational and financial information contained in this MD&A are related to continuing operations, unless otherwise stated.

## Overview – Operational and Financial Highlights



## Net Earnings Attributable to Common Shareholders from Continuing Operations (\$mm)



- 1) Free cash flow; average realized metal prices; cash cost per tonne of complex concentrate smelted; all-in sustaining cost per ounce of gold sold; cash cost per ounce of gold sold; and adjusted net earnings are non-GAAP financial measures or ratios. Refer to the "Non-GAAP Financial Measures" section commencing on page 39 of this MD&A for more information, including reconciliations to IFRS measures.
- 2) Cost of sales per ounce of gold sold represents cost of sales for Chelopech and Ada Tepe divided by payable gold in concentrate sold. This measure is before by-product credits while all-in sustaining cost and cash cost per ounce of gold sold are net of by-product credits.
- 3) Cost of sales per tonne of complex concentrate smelted represents cost of sales for Tsumeb divided by tonnes of complex concentrate smelted. This measure is before by-product credits while cash cost per tonne of complex concentrate smelted is net of by-product credits.
- 4) Net cash and short-term investments represent cash and short-term investments less total debt at the end of each reporting period. The Company had no debt at the end of all reporting periods presented above.
- 5) Includes net gains and losses on commodity swap contracts recognized in net earnings.

### Conflict in Ukraine

On February 24, 2022, Russia launched an invasion of Ukraine which, as of the date hereof, is still ongoing. Given the role each country plays around global energy and agricultural trade, the international community's imposition of a variety of sanctions on Russia, and the withdrawal of foreign products and services to Russia, this invasion is putting further strains on the global supply chain and adding additional pricing pressure above and beyond what previously was attributable to the coronavirus ("COVID-19") pandemic.

The Company's Chelopech and Ada Tepe mines are located in Eastern Europe in Bulgaria. Bulgaria does not share a border with either Russia or Ukraine and is part of the North Atlantic Treaty Organization and the European Union. The main sources of Bulgaria's electric energy are nuclear and coal facilities, which together comprise approximately 80% of Bulgaria's total energy generation. Although Russia has recently announced that it is halting natural gas deliveries to Bulgaria, approximately 5% of Bulgaria's total energy supply is generated from natural gas and DPM does not anticipate any disruption of power supply to its mines as a result. Furthermore, the Company does not source any supplies from Russia or Russian companies. As a result, the impact of the conflict in Ukraine on the Company has been limited to increased costs for energy, fuel and other direct materials. Further escalation of the conflict, including an outbreak of and/or expansion of hostilities into other countries or regions within Europe could have a material adverse effect on the Company's operations due to, among other factors, disruption in the Company's supply chain, increased input costs, and increased risk (or perception of increased risk) in the profile of the Company's operations in Eastern Europe. The Company continues to monitor and will proactively manage the situation, although there is no assurance that the Company's operations will not be adversely affected by current geopolitical tensions.

For additional details, refer to the news release entitled "Dundee Precious Metals's Bulgarian Operations Unaffected by Reduced Natural Gas Supply to Bulgaria" dated April 27, 2022, which has been posted on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### Response to COVID-19

In March 2020, the World Health Organization classified the COVID-19 epidemic as a worldwide pandemic and governments across the globe undertook extensive measures to combat the spread of this virus. To date, as a result of the proactive actions being taken within the regions in which we operate and by personnel at each of our sites, the Company has not experienced any material disruptions to its operations as a result of COVID-19 and all operations are currently operating at full capacity.

The Company continues to closely assess and monitor the COVID-19 situation in the jurisdictions in which it operates. The Company is continuing with a number of measures to mitigate the associated risks,

including procedures and contingency plans that were established at each operating location, which are directed at safeguarding employees, managing potential supply chain disruptions and maintaining production at each of its operations. These precautionary steps include, but are not limited to, the use of personal protective equipment, workplace and social distancing practices, remote and rotational working options, health hygiene protocols, elimination of non-essential business travel and site access, widespread workforce education on COVID-19 and the benefits of getting vaccinated as well as the support for vaccination programs in the Company's areas of operations.

Management of the situation is being overseen by an experienced cross-functional team that includes members of senior management and leaders at each of the Company's operations. DPM continues to engage with local communities and authorities in Bulgaria, Namibia, Serbia and Ecuador as they respond to the challenges of the pandemic. To date, the Company has contributed approximately \$1.2 million to support numerous COVID-19 related initiatives to benefit local communities. This financial support has primarily focused on local hospitals to provide additional medical facilities, supplies, transportation and protective equipment.

The Company has experienced several positive cases of COVID-19 within its workforce. Positive cases are being effectively managed with testing, contact tracing and isolation measures and, to date, the vast majority of employees have recovered with the remaining employees isolating offsite in accordance with the Company's procedures. Given the management protocols in effect, the impact on production has been minimal. Multiple COVID-19 variants have emerged and are circulating globally. These variants spread more easily and quickly than the original virus resulting in a surge in the number of cases, including in regions in which the Company operates.

Certain vaccines have received regulatory approval in the countries in which the Company operates, and the respective governments are progressing vaccination of their populations although vaccination rates remain low in some jurisdictions. The timing and speed of vaccination in each jurisdiction is uncertain at this time and depends on several factors including supply of the vaccines and increasing the levels of vaccine acceptance.

At present, there do not appear to be any imminent COVID-19 related circumstances that are expected to disrupt the Company's operations, however, given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's operating and financial results. There is no assurance that the pandemic will not have a material adverse impact on the future results of the Company.

#### *Summary of significant operational and financial highlights*

In the first quarter of 2022, the Company achieved solid operating performance at Chelopech and Ada Tepe. Relative to the first quarter of 2021, Chelopech production was higher due primarily to improved recoveries, while production at Ada Tepe was lower as a result of mining in lower grade zones, as planned. Based on first quarter operating results and higher average quarterly metals production expected over the balance of the year, Chelopech and Ada Tepe remain on track to achieve their 2022 production guidance. At Tsumeb, performance was higher than the first quarter of 2021 due primarily to the timing of the planned Ausmelt furnace maintenance shutdowns and below expectations for the quarter as a result of maintenance to the off-gas system and reduced baghouse capacity. Additional maintenance to both systems is expected to take place during the Ausmelt furnace maintenance scheduled for the second quarter. As a result of these maintenance and capacity issues, the smelter is expected to be at the low end of its 2022 production guidance.

In the first quarter of 2022, the Company reported net earnings attributable to common shareholders from continuing operations of \$26.8 million compared to \$20.7 million in the corresponding period in 2021. This increase was due primarily to higher realized gold and copper prices, higher toll rates, sulphuric acid prices and throughput at Tsumeb, and lower treatment charges at Chelopech, partially offset by lower volumes of metal sold and higher operating costs, as well as Tsumeb restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter.

Available liquidity, including cash of \$382.0 million, as well as DPM's \$150.0 million available capacity under its long-term revolving credit facility ("RCF"), was \$532.0 million as at March 31, 2022.

## REVIEW OF FINANCIAL AND OPERATIONAL CONSOLIDATED RESULTS

The following tables summarize the Company's selected financial and operational highlights:

*\$ thousands, unless otherwise indicated*

Ended March 31,	Three Months	
	2022	2021
<b>Financial Highlights</b>		
Revenue	153,801	138,030
Cost of sales	97,283	85,643
Depreciation and amortization	24,254	24,178
General and administrative expenses	8,531	3,865
Corporate social responsibility expenses	754	479
Exploration and evaluation expenses	3,282	4,630
Finance costs	1,363	1,403
Other expense	8,698	6,733
Earnings before income taxes	33,890	35,277
Income tax expense	7,065	14,563
Net earnings attributable to common shareholders from continuing operations	26,825	20,719
Net earnings attributable to common shareholders <sup>(1)</sup>	26,825	20,062
Basic earnings per share from continuing operations	0.14	0.11
Basic earnings per share <sup>(1)</sup>	0.14	0.11
Adjusted EBITDA <sup>(2)</sup>	69,475	66,165
Adjusted net earnings	37,042	31,022
Adjusted basic earnings per share <sup>(2)</sup>	0.19	0.17
Cash provided from operating activities	78,539	47,591
Free cash flow	52,378	51,007
Dividend distributions	7,631	5,459
Share repurchases	8,899	-
Capital expenditures incurred:		
Growth <sup>(3)</sup>	6,148	1,591
Sustaining <sup>(4)</sup>	8,832	17,440
Total capital expenditures	14,980	19,031
<b>Operational Highlights</b>		
Metals contained in concentrate produced:		
Gold (ounces)	62,915	70,258
Copper ('000s pounds)	7,693	7,174
Payable metals in concentrate sold:		
Gold (ounces)	57,381	68,567
Copper ('000s pounds)	6,541	7,279
Cost of sales per ounce of gold sold	1,103	825
Cash cost per ounce of gold sold	423	390
All-in sustaining cost per ounce of gold sold	684	522
Complex concentrate smelted ( <i>mt</i> )	47,243	23,009
Cost of sales per tonne of complex concentrate smelted	720	1,265
Cash cost per tonne of complex concentrate smelted	480	967

As at,	March 31, 2022	December 31, 2021
<b>Financial Position and Available Liquidity</b>		
Cash	381,997	334,377
Investments at fair value	50,362	47,983
Total assets	1,196,014	1,168,410
Total equity	1,024,117	1,004,413
Number of common shares outstanding ('000s)	190,778	191,441
Share price (Cdn\$ per share)	7.46	7.82
Available liquidity <sup>(5)</sup>	531,997	484,377

- 1) *These measures include discontinued operations.*
- 2) *Adjusted EBITDA and adjusted basic earnings per share are non-GAAP financial measures or ratios. Refer to the "Non-GAAP Financial Measures" section commencing on page 39 of this MD&A for more information, including reconciliations to IFRS measures.*
- 3) *Growth capital expenditures are generally defined as capital expenditures that expand existing capacity, increase life of assets and/or increase future earnings. This measure is used by management and investors to assess the extent of discretionary capital spending being undertaken by the Company each period.*
- 4) *Sustaining capital expenditures are generally defined as expenditures that support the ongoing operation of the asset or business without any associated increase in capacity, life of assets or future earnings. This measure is used by management and investors to assess the extent of non-discretionary capital spending being incurred by the Company each period.*
- 5) *Available liquidity is defined as cash and short-term investments plus the available capacity under DPM's Revolving Credit Facility ("RCF") at the end of each reporting period.*

### *Commodity prices and foreign exchange rates*

Commodity prices are one of the principal determinants of the Company's results of operations and financial condition. In addition, as an entity reporting in U.S. dollars with operations in several countries, fluctuations in foreign exchange rates between the U.S. dollar and the Bulgarian lev, which is pegged to the Euro, the Namibian dollar, which is pegged to the South African rand ("ZAR") on a 1:1 basis, and the Canadian dollar ("Cdn\$") can also impact the Company's results of operations and financial condition.

The following table summarizes the average trading price for gold and copper based on the London Bullion Market Association ("LBMA") for gold and the London Metal Exchange ("LME") for copper (Grade A) for the three months ended March 31, 2022 and 2021 and highlights the overall year over year change in commodity prices.

<b>Metal Prices (Market Average) Ended March 31,</b>	<b>Three Months</b>		
	<b>2022</b>	<b>2021</b>	<b>Change</b>
LBMA gold (\$/ounce)	<b>1,874</b>	1,800	<b>4%</b>
LME settlement copper (\$/pound)	<b>4.53</b>	3.85	<b>18%</b>

The average realized gold price for the first quarter of 2022 of \$1,876 per ounce was 5% higher than the corresponding period in 2021. The average realized copper price for the first quarter of 2022 of \$4.58 per pound was 22% higher than the corresponding period in 2021. These increases reflect year over year market movements.

The following table sets out the average foreign exchange rates for the principal currencies impacting the Company and highlights the overall year over year strengthening (weakening) of the U.S. dollar relative to these currencies.

<b>Foreign Exchange Rates (Market Average) Ended March 31,</b>	<b>Three Months</b>		
	<b>2022</b>	<b>2021</b>	<b>Change</b>
US\$/Cdn\$	<b>1.2663</b>	1.2666	<b>(0)%</b>
Euro/US\$	<b>1.1221</b>	1.2057	<b>7%</b>
US\$/ZAR	<b>15.2312</b>	14.9471	<b>2%</b>

As at March 31, 2022, approximately 83% Namibian dollar operating expenses were hedged with option contracts providing a weighted average floor price of 15.13 and a weighted average ceiling price of 17.05.

### *Metals production*

Gold contained in concentrate produced in the first quarter of 2022 decreased by 10% to 62,915 ounces relative to the corresponding period in 2021 due primarily to lower gold grades at Ada Tepe in line with the production plan, partially offset by improved gold recoveries at Chelopech.

Copper production in the first quarter of 2022 increased by 7% to 7.7 million pounds relative to the corresponding period in 2021 due primarily to higher copper recoveries.

### *Metals sold*

Payable gold in concentrate sold in the first quarter of 2022 of 57,381 ounces was 16% lower than the corresponding period in 2021 consistent with lower gold production. Payable copper in concentrate sold in the first quarter of 2022 of 6.5 million pounds was 10% lower than the corresponding period in 2021 due primarily to timing of deliveries, partially offset by higher copper production.

### *Complex concentrate smelted*

Complex concentrate smelted at Tsumeb during the first quarter of 2022 of 47,243 tonnes was higher than the corresponding period in 2021 due primarily to the Ausmelt furnace maintenance shutdown in 2021 and below expectations for the quarter as a result of maintenance to the off-gas system as well as reduced baghouse capacity.

### *Revenue*

Revenue in the first quarter of 2022 of \$153.8 million was \$15.8 million higher than the corresponding period in 2021 due primarily to higher volumes of complex concentrate smelted at Tsumeb, lower treatment charges at Chelopech, higher realized gold and copper prices, and higher toll rates and sulphuric acid prices at Tsumeb, partially offset by lower volumes of metal sold.

### *Cost of sales*

Cost of sales in the first quarter of 2022 of \$97.3 million was \$11.7 million higher than the corresponding period in 2021 due primarily to higher local currency operating expenses reflecting higher prices for electricity and direct materials in Bulgaria and higher volumes of complex concentrate smelted at Tsumeb.

### *All-in sustaining cost per ounce of gold*

All-in sustaining cost per ounce of gold sold in the first quarter of 2022 of \$684 was 31% higher than the corresponding period in 2021 due primarily to higher local currency operating expenses in Bulgaria, lower volumes of gold sold and higher cash outlays for sustaining capital expenditures, partially offset by higher by-product credits reflecting higher realized copper prices.

### *Cash cost per tonne of complex concentrate smelted*

Cash cost per tonne of complex concentrate smelted in the first quarter of 2022 of \$480 was \$487 lower than the corresponding period in 2021 due primarily to the furnace maintenance shutdown that took place in the first quarter of 2021.

### *General and administrative expenses*

General and administrative expenses in the first quarter of 2022 were \$8.5 million compared to \$3.9 million in the corresponding period in 2021 due primarily to higher share-based compensation as a result of changes in DPM's share price.

### *Exploration and evaluation expenses*

Exploration and evaluation expenses in the first quarter of 2022 were \$3.3 million compared to \$4.6 million in the corresponding period in 2021 due primarily to the timing of drilling activities.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section of this MD&A.

### *Finance costs*

Finance costs are comprised of interest and other deemed financing costs in respect of the Company's debt facilities, lease obligations and rehabilitation provisions.

Finance costs in the first quarter of 2022 of \$1.4 million were comparable to the corresponding period in 2021.

### Other expense

The following table summarizes the items making up other expense:

\$ thousands Ended March 31,	Three Months	
	2022	2021
Net losses on Sabina special warrants <sup>(1)</sup>	388	5,399
Tsumeb restructuring costs <sup>(2)</sup>	9,829	-
Bulgarian government subsidy for electricity	(4,153)	-
Net foreign exchange losses <sup>(3)</sup>	2,674	865
Interest income	(249)	(92)
Other expense	209	561
Total other expense	8,698	6,733

1) Refer to the "Financial Instruments" section of this MD&A for more details.

2) Represents costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter.

3) Primarily related to the revaluation of foreign denominated monetary assets and liabilities.

### Income tax expense

The effective tax rate of the Company can vary significantly from one period to the next based on a number of factors. For the three months ended March 31, 2022 and 2021, the Company's effective tax rate was impacted primarily by the Company's overall earnings, mix of foreign earnings or losses, which are subject to lower tax rates in certain jurisdictions, and changes in unrecognized tax benefits relating to corporate operating, exploration and evaluation costs, as well as unrealized gains or losses on the Company's publicly traded securities recognized in other comprehensive income (loss).

\$ thousands, unless otherwise indicated Ended March 31,	Three Months	
	2022	2021
Earnings before income taxes	33,890	35,277
Combined Canadian federal and provincial statutory income tax rates	26.5%	26.5%
Expected income tax expense	8,981	9,348
Lower rates on foreign earnings	(5,531)	(6,045)
Changes in unrecognized tax benefits	2,723	8,752
Non-deductible portion of capital losses	667	2,176
Non-deductible share-based compensation expense	82	66
Other, net	143	266
Income tax expense	7,065	14,563
Effective income tax rates	20.8%	41.3%

In December 2020, the Namibian Ministry of Finance announced that tax incentives under the Export Processing Zones ("EPZ") Act would no longer be granted, effective December 31, 2020, and that companies with EPZ status, such as Tsumeb, would continue to benefit from these incentives up to December 31, 2025. The Ministry also announced that the EPZ regime will be replaced by a new regime known as the Sustainable Special Economic Zone ("SSEZ"). In September 2021, the Namibian Ministry of Industrialisation and Trade issued a draft document entitled "National Policy on Sustainable Special Economic Zones" for public consultation prior to moving forward to finalize this new policy.

### Net earnings attributable to common shareholders from continuing operations

Net earnings attributable to common shareholders from continuing operations in the first quarter of 2022 were \$26.8 million (\$0.14 per share) compared to \$20.7 million (\$0.11 per share) in the corresponding period in 2021 due primarily to higher realized gold and copper prices, higher toll rates, sulphuric acid prices and throughput at Tsumeb and lower treatment charges at Chelopech, partially offset by lower volumes of metal sold and higher operating costs, as well as Tsumeb restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter.

### Adjusted net earnings (loss)

Adjusted net earnings in the first quarter of 2022 were \$37.0 million (\$0.19 per share) compared to \$31.0 million (\$0.17 per share) in the corresponding period in 2021. This increase was due primarily to the same

factors affecting net earnings attributable to common shareholders from continuing operations, with the exception of the adjusting items detailed below.

Adjusted net earnings in the first quarter of 2022 excluded Tsumeb restructuring costs of \$9.8 million (2021 – \$nil), unrealized losses on Sabina special warrants of \$0.4 million (2021 – \$5.4 million) and a deferred income tax adjustment not related to current period earnings of \$nil (2021 – \$4.9 million), all of which are not reflective of the Company’s underlying operating performance. For more details on these adjustments, refer to the “Non-GAAP Financial Measures” section commencing on page 39 of this MD&A.

The following table summarizes adjusted net earnings (loss) by segment:

<i>\$ thousands</i> <b>Ended March 31,</b>	<b>Three Months</b>	
	<b>2022</b>	2021
Chelopech	<b>42,315</b>	32,949
Ada Tepe	<b>11,495</b>	27,574
Tsumeb	<b>(5,312)</b>	(20,456)
Corporate & Other	<b>(11,456)</b>	(9,045)
<b>Total adjusted net earnings</b>	<b>37,042</b>	31,022

#### *Adjusted EBITDA*

Adjusted EBITDA in the first quarter of 2022 was \$69.5 million compared to \$66.2 million in the corresponding period in 2021 reflecting the same factors that affected adjusted net earnings, except for interest, income tax, depreciation and amortization, which are excluded from adjusted EBITDA.

The following table summarizes adjusted EBITDA by segment:

<i>\$ thousands</i> <b>Ended March 31,</b>	<b>Three Months</b>	
	<b>2022</b>	2021
Chelopech	<b>53,328</b>	42,948
Ada Tepe	<b>27,300</b>	47,452
Tsumeb	<b>(327)</b>	(15,863)
Corporate & Other	<b>(10,826)</b>	(8,372)
<b>Total adjusted EBITDA</b>	<b>69,475</b>	66,165

In the adjusted net earnings (loss) and adjusted EBITDA tables above, the “Corporate & Other” segment includes corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

For a more detailed discussion of Chelopech, Ada Tepe, Tsumeb and Corporate & Other results, refer to the “Review of Operating Results by Segment” section of this MD&A.

#### *Cash provided from operating activities*

Cash provided from operating activities in the first quarter of 2022 of \$78.5 million was \$30.9 million higher than the corresponding period in 2021 due primarily to the timing of deliveries and subsequent receipt of cash.

For a detailed discussion on the factors affecting cash provided from operating activities, refer to the “Liquidity and Capital Resources” section of this MD&A.

#### *Free cash flow*

Free cash flow in the first quarter of 2022 of \$52.4 million was comparable to the corresponding period in 2021.

#### *Capital expenditures*

Capital expenditures incurred during the first quarter of 2022 were \$15.0 million compared to \$19.0 million in the corresponding period in 2021.

Sustaining capital expenditures incurred during the first quarter of 2022 were \$8.8 million compared to \$17.4 million in the corresponding period in 2021. This decrease was due primarily to the timing of the Ausmelt furnace maintenance shutdown at Tsumeb which occurred in the first quarter of 2021, with the next shutdown scheduled to occur in the second quarter of 2022. Growth capital expenditures incurred during the first quarter of 2022 were \$6.2 million compared to \$1.6 million in the corresponding period in 2021 due primarily to capitalized costs related to the development of the Loma Larga and Timok gold projects.

### THREE-YEAR OUTLOOK

DPM continues to focus on increasing the profitability of its business by optimizing existing operating assets, which are expected to maintain high levels of gold production as highlighted in the 2022 to 2024 outlook and supplemental detailed 2022 guidance below.

#### 2022 to 2024 Outlook

The outlook is based on historical performance and experience at DPM's operations and is consistent with the production schedules outlined in the technical report for Chelopech entitled "NI 43-101 Technical Report - Mineral Resource and Reserve Update, Chelopech Mine, Chelopech, Bulgaria" dated March 31, 2022 (the "Chelopech Technical Report"), and the technical report for Ada Tepe entitled "NI 43-101 Technical Report – Mineral Reserve and Mineral Resource Update for the Ada Tepe Mine, Krumovgrad, Bulgaria" dated November 23, 2020 (the "Ada Tepe Technical Report"). For 2023 and 2024, all production and cost estimates do not yet incorporate operating performance improvements in respect of mine and smelter throughput and potential improvements to mine grades and recoveries. The Chelopech Technical Report and the Ada Tepe Technical Report have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are posted on the Company's website ([www.dundeeprecious.com](http://www.dundeeprecious.com)). The following outlook is forward looking and based on certain estimates and assumptions which involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" and "Risks and Uncertainties" sections later in this MD&A for further information.

The three-year outlook previously issued in DPM's MD&A for the three and twelve months ended December 31, 2021 remains unchanged, except for the 2023 and 2024 outlook in respect of all-in sustaining cost per ounce of gold sold, which was lowered and is now expected to be \$590 to \$700 for 2023 and \$690 to \$800 for 2024, down from \$630 to \$760 and \$720 to \$860, respectively, as previously issued in February 2022, reflecting expected grades in concentrate produced and volumes of gold-copper concentrate delivered to third party smelters outlined in the most recently issued Chelopech Technical Report.

The Company's three-year outlook is set out in the following table:

<i>\$ millions, Unless otherwise indicated</i>	<b>2022 Guidance</b>	<b>2023 Outlook</b>	<b>2024 Outlook</b>
Gold contained in concentrate produced ('000s ounces) <sup>(1),(2)</sup>			
Chelopech	169 – 191	150 – 170	161 – 182
Ada Tepe	81 – 99	115 – 140	69 – 83
Total	250 – 290	265 – 310	230 – 265
Copper contained in concentrate produced (million pounds)			
Chelopech	32 – 37	32 – 39	30 – 35
All-in sustaining cost per ounce of gold sold <sup>(3),(4)</sup>	750 – 890	590 – 700	690 – 800
Complex concentrate smelted ('000s tonnes)	210 – 240	210 – 240	220 – 250
Cash cost per tonne of complex concentrate smelted <sup>(3)</sup>	380 – 460	350 – 450	340 – 440
Sustaining capital expenditures <sup>(3)</sup>			
Chelopech	24 – 27	20 – 22	16 – 17
Ada Tepe	11 – 13	9 – 10	9 – 10
Tsumeb	15 – 18	15 – 18	15 – 18
Corporate	7 – 8	2 – 4	2 – 4
Consolidated	57 – 66	46 – 54	42 – 49

1) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces for 2022, and 50,000 to 57,000 ounces in each of 2023 and 2024.

2) Metals contained in concentrate produced are prior to deductions associated with smelter terms.

- 3) All costs and capital expenditures are based on, where applicable, a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.00, a copper price of \$4.25 per pound, and an average sulphuric acid price of \$105 per tonne in 2022, \$95 per tonne in 2023 and \$75 per tonne in 2024, and have not been adjusted for inflation in 2023 and 2024.
- 4) Previous outlook in respect of all-in sustaining cost per ounce of gold sold was \$630 to \$760 and \$690 to \$850, respectively, for 2023 and 2024.

The Company's detailed guidance for 2022 is set out in the following table:

<i>\$ millions, unless otherwise indicated</i>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Tsumeb</b>	<b>Consolidated Guidance</b>
Ore processed ('000s tonnes)	2,090 – 2,200	810 – 900	-	2,900 – 3,100
Cash cost per tonne of ore processed <sup>(1)</sup>	48 – 53	54 – 60	-	-
Metals contained in concentrate produced <sup>(2),(3)</sup>				
Gold ('000s ounces)	169 – 191	81 – 99	-	250 – 290
Copper (million pounds)	32 – 37	-	-	32 – 37
Payable metals in concentrate sold <sup>(2)</sup>				
Gold ('000s ounces)	140 – 160	80 – 95	-	220 – 255
Copper (million pounds)	28 – 32	-	-	28 – 32
All-in sustaining cost per ounce of gold sold <sup>(4)</sup>	740 – 900	770 – 880	-	750 – 890
Complex concentrate smelted ('000s tonnes)	-	-	210 – 240	210 – 240
Cash cost per tonne of complex concentrate smelted <sup>(4)</sup>	-	-	380 – 460	380 – 460
Corporate general and administrative expenses <sup>(5)</sup>	-	-	-	26 – 30
Exploration expenses <sup>(4)</sup>	-	-	-	16 – 19
Sustaining capital expenditures <sup>(4),(6)</sup>	24 – 27	11 – 13	15 – 18	57 – 66
Growth capital expenditures <sup>(4),(7)</sup>	2 – 4	-	1 – 2	31 – 49

- 1) Cash cost per tonne of ore processed is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures" section commencing on page 39 of this MD&A for more information, including reconciliations to IFRS measures.
- 2) Gold produced includes gold in pyrite concentrate produced of 48,000 to 54,000 ounces and payable gold sold includes payable gold in pyrite concentrate sold of 31,000 to 36,000 ounces.
- 3) Metals contained in concentrate produced are prior to deductions associated with smelter terms.
- 4) Based on a Euro/US\$ exchange rate of 1.16, a US\$/ZAR exchange rate of 15.00, a copper price of \$4.25 per pound and an average sulphuric acid price of \$105 per tonne, where applicable.
- 5) Excludes mark-to-market adjustments on share-based compensation.
- 6) Consolidated sustaining capital expenditures include \$7 million to \$8 million related to corporate new office lease and digital initiatives.
- 7) Consolidated growth capital expenditures include estimated costs related to the technical and permitting work for the Loma Larga gold project of \$21 million to \$31 million and estimated costs related to the feasibility study ("FS") for the Timok gold project of \$8 million to \$12 million (as detailed below).

The foregoing three-year outlook and supplemental detailed 2022 guidance are not expected to occur evenly throughout the year. The estimated metals contained in concentrate produced, payable metals in concentrate sold and volumes of complex concentrate smelted are expected to vary from quarter to quarter depending on the areas being mined, the timing of concentrate deliveries and planned outages, including furnace maintenance shutdowns at Tsumeb. The rate of capital expenditures is also expected to vary from quarter to quarter based on the schedule for, and execution of, each capital project.

Additional detail on the Company's three-year outlook is set out below:

### *Chelopech*

Gold contained in concentrate produced is expected to be between 169,000 and 191,000 ounces in 2022, between 150,000 and 170,000 ounces in 2023, and between 161,000 and 182,000 ounces in 2024. Copper contained in concentrate produced is expected to be between 32 and 37 million pounds in 2022, between 32 and 39 million pounds in 2023, and between 30 and 35 million pounds in 2024. In each case, this outlook is consistent with the production schedules and expected grades outlined in the most recently issued technical report.

Cash cost per tonne of ore processed is expected to be between \$48 and \$53 in 2022 primarily reflecting elevated prices for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$24 million and \$27 million, including approximately \$6 million for the next phase of work to continue the upgrade of Chelopech's tailings management facility, a portion of which represents 2021 capital deferred to 2022. Growth capital expenditures related to resource development drilling and margin improvement projects are expected to be

between \$2 million and \$4 million in 2022. Sustaining capital expenditures are expected to trend lower in 2023, ranging between \$20 million and \$22 million, including approximately \$4 million to complete the upgrade of the tailings management facility. In 2024, sustaining capital expenditures are expected to decline further to between \$16 million and \$17 million.

#### *Ada Tepe*

Gold contained in concentrate produced in 2022 is expected to be between 81,000 and 99,000 ounces, between 115,000 and 140,000 ounces in 2023, and between 69,000 and 83,000 ounces in 2024, which will be reviewed and updated, if necessary, following the completion of the assessment of the accelerated grade control drilling program in the third quarter of 2022.

Cash cost per tonne of ore processed is expected to be between \$54 and \$60 in 2022 primarily reflecting elevated prices for electricity and direct materials.

Sustaining capital expenditures in 2022 are expected to be between \$11 million and \$13 million, including approximately \$7 million related to Ada Tepe's integrated waste management facility. Sustaining capital expenditures are expected to decline to between \$9 million and \$10 million in 2023 and remain at this level in 2024.

#### *Tsumeb*

Guidance in respect of complex concentrate to be smelted in 2022 is between 210,000 and 240,000 tonnes reflecting a scheduled Ausmelt furnace maintenance shutdown in the second quarter. As a result of maintenance and capacity issues in the off-gas system, the smelter is expected to achieve the lower end of its 2022 guidance. Complex concentrate smelted is expected to be between 210,000 and 240,000 tonnes in 2023 and between 220,000 and 250,000 tonnes in 2024, reflecting a scheduled Ausmelt furnace maintenance shutdown at the end of 2023 and no shutdown in 2024 based on an expected 18-month operating cycle. Over 80% of concentrate feed is currently contracted through to the end of 2023, with the remaining feed in 2022 and 2023 and additional feed thereafter expected to be contracted in the normal course.

Cash cost per tonne of complex concentrate smelted is expected to range between \$380 and \$460 in 2022, between \$350 and \$450 in 2023, and between \$340 and \$440 in 2024, reflecting the impact of increased throughput. In addition, the Company is currently engaged in a comprehensive initiative directed at optimizing the cost structure of the Tsumeb smelter to enhance its ability to compete for additional third-party supply of complex concentrate and improve overall business profitability.

Sustaining capital expenditures are expected to be between \$15 million and \$18 million for each of 2022, 2023 and 2024.

#### *Loma Larga gold project*

The Company continued with the work directed at optimizing the FS completed by INV Minerale Ecuador S.A. ("INV"), renamed DPM Ecuador Inc., prior to the acquisition by DPM, and progressed with several trade-off studies aiming to further improve the project, based on DPM's expertise and experience. In April 2022, the Company received technical approval of the Environmental Impact Assessment ("EIA") study that was submitted by INV to the Ministry of Environment, Water and Ecological Transition ("MAATE"). The MAATE is now appointing facilitators to carry out the Citizen Participation Process. DPM and its EIA consultant will support the Citizen Participation Process, assess all comments received, and make necessary updates to the EIA in order to facilitate the MAATE providing its final approval of the EIA and issuing the environmental licence for the project, which is expected to be in the third quarter of 2022.

The cost associated with these activities in 2022 is expected to be between \$21 million and \$31 million and is included in growth capital expenditures.

### *Timok gold project*

The Company is progressing FS work in respect of the Timok gold project which is expected to cost between \$8 million and \$12 million in 2022 and is included in growth capital expenditures.

### *Exploration and evaluation expenditures*

Expenditures related to exploration in 2022 are expected to be between \$16 million and \$19 million and will be directed primarily toward a 75,000 metre brownfield drilling program on mine concessions and exploration licences at, or around, the Chelopech and Ada Tepe mines in Bulgaria and the Timok project in Serbia.

At Chelopech, exploration efforts will concentrate on near mine exploration drilling related to the Sveta Petka commercial discovery application, with 50,000 metres of drilling planned in 2022.

At Ada Tepe, where 20,000 metres of drilling is planned, almost half of which is dedicated to near-mine target delineation and drilling within the mining concession and the surrounding Krumovitza exploration licence. The rest of the budget will be allocated to scout and target delineation drilling on the other regional licences in the Krumovgrad district, with a focus on the Chiriite exploration licence, where several new vein targets were identified in 2021.

At Timok, studies to progress the Potaj Čuka-Tisnica exploration licence to a mining concession are underway, with exploration activities focusing on the nearby Umka exploration licence as well as other early-stage licences in Serbia.

At Loma Larga, all geological data will be integrated and reviewed to develop a drilling program focused on extending the existing mineral resources, which are open in all directions. The Tierras Coloradas concessions will be transferred to an advanced exploration phase, and a 2,000 metre scout drilling program will be completed in 2022.

### *Conflict in Ukraine*

To date, other than increased costs for energy, fuel and direct materials, the Company's operations have been unaffected by the conflict in Ukraine. With Bulgaria being a net exporter of power, Chelopech and Ada Tepe are not reliant on Russia for their power needs. DPM also does not source any supplies from Russia or Russian companies. The Company continues to monitor and proactively manage this evolving situation. The Company's 2022 guidance and outlook for 2023 and 2024 are predicated on the conflict in Ukraine having no material impact on DPM's production and costs.

### *COVID-19*

To date, with the proactive measures taken by each of the Company's operations, the COVID-19 pandemic has had minimal impact on DPM's production. DPM is closely monitoring the COVID-19 situation and has put measures in place to safeguard the health of its workforce and support the continuity of its operations. Given the highly uncertain and evolving nature of this situation, the Company is not able to reliably estimate the likelihood, timing, duration, severity and scope of this pandemic and the potential impact it could have on the Company's future operating and financial results. As a result, the three-year outlook provided is predicated on the COVID-19 pandemic continuing to be effectively managed with minimal impact on DPM's operations.

For additional details on the conflict in Ukraine and COVID-19, including the related risks faced by the Company, refer to the "Overview – Operational and Financial Highlights" section of this MD&A.

## REVIEW OF OPERATING RESULTS BY SEGMENT

### Chelovech – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated

Ended March 31,	Three Months	
	2022	2021
<b>Financial Highlights</b>		
Revenue <sup>(1)</sup>	83,597	71,705
Cost of sales <sup>(2)</sup>	37,291	32,864
Earnings before income taxes	47,224	36,805
Adjusted EBITDA	53,328	42,948
Net earnings/Adjusted net earnings	42,315	32,949
Capital expenditures incurred:		
Growth	1,182	698
Sustaining	1,973	3,594
Total capital expenditures	3,155	4,292
<b>Operational Highlights</b>		
Ore mined (mt)	534,599	541,399
Ore processed (mt)	540,892	543,602
Gold recoveries:		
Gold-copper concentrate (%)	61.5	43.9
Pyrite concentrate (%)	22.3	23.8
Head grade / recoveries:		
Gold (g/mt) / combined recoveries (%)	2.85 / 83.9	3.12 / 67.7
Copper (%) / %	0.76 / 85.3	0.76 / 78.7
Gold-copper concentrate produced (mt)	36,092	22,115
Pyrite concentrate produced (mt)	59,137	54,890
Metals contained in concentrate produced:		
Gold in gold-copper concentrate (ounces)	30,456	23,935
Gold in pyrite concentrate (ounces)	11,044	12,944
Total gold production	41,500	36,879
Copper (pounds)	7,693,165	7,173,626
Cost of sales per tonne of ore processed	68.94	60.46
Cash cost per tonne of ore processed	48.07	41.64
Gold-copper concentrate delivered (mt)	37,447	25,290
Pyrite concentrate delivered (mt)	59,022	64,321
Payable metals in concentrate sold:		
Gold in gold-copper concentrate (ounces) <sup>(3)</sup>	28,522	26,150
Gold in pyrite concentrate (ounces) <sup>(3)</sup>	7,791	9,384
Total payable gold in concentrate sold	36,313	35,534
Copper (pounds)	6,541,471	7,278,625
Cost of sales per ounce of gold sold	1,027	925
Cash cost per ounce of gold sold	345	463
All-in sustaining cost per ounce of gold sold	563	589
Cost of sales per tonne of gold-copper concentrate sold <sup>(4)</sup>	996	1,299

1) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales. Net favourable final settlements of \$1.1 million (2021 – net unfavourable final settlements of \$2.5 million) were recognized in the first quarter of 2022. Deductions during the first quarter of 2022 were \$14.4 million (2021 – \$17.8 million).

2) Cost of sales includes depreciation of \$5.9 million (2021 – \$6.0 million) in the first quarter of 2022.

3) Represents payable metals in gold-copper and pyrite concentrate sold based on provisional invoices.

4) Represents cost of sales for Chelovech, divided by gold-copper concentrate delivered.

## **Review of Chelopech Results**

### *Concentrate and metals production*

Gold-copper concentrate produced during the first quarter of 2022 of 36,092 tonnes was 63% higher than the corresponding period in 2021 due primarily to producing a low copper grade concentrate for deliveries to third party smelters, combined with improved recovery performance. The improved copper and gold recoveries are mostly attributed to the higher concentrate mass recovery to achieve the lower concentrate grade specification.

Pyrite concentrate produced during the first quarter of 2022 of 59,137 tonnes was 8% higher than the corresponding period in 2021 due primarily to higher gold recoveries, partially offset by lower gold grades.

In the first quarter of 2022, gold contained in gold-copper and pyrite concentrate produced was 41,500 ounces compared to 36,879 ounces in the corresponding period in 2021.

Relative to the first quarter of 2021, gold contained in gold-copper concentrate produced in the first quarter of 2022 increased by 27% to 30,456 ounces due primarily to higher gold recoveries, partially offset by lower gold grades. Gold contained in pyrite concentrate produced decreased by 15% to 11,044 ounces due primarily to lower gold grades and recoveries.

Copper production of 7.7 million pounds in the first quarter of 2022 was 7% higher than the corresponding period in 2021 due primarily to higher copper recoveries.

### *Concentrate deliveries and metals sold*

Deliveries of gold-copper concentrate in the first quarter of 2022 of 37,447 tonnes were 48% higher than the corresponding period in 2021 due primarily to higher gold-copper concentrate production and the timing of shipments.

Deliveries of pyrite concentrate in the first quarter of 2022 of 59,022 tonnes were 8% lower than the corresponding period in 2021 due primarily to the timing of 2021 shipments.

In the first quarter of 2022, payable gold in gold-copper concentrate sold increased by 9% to 28,522 ounces and payable copper decreased by 10% to 6.5 million pounds, respectively, relative to the corresponding period in 2021. The increase in payable gold was due primarily to higher gold production, partially offset by timing of deliveries, and the decrease in payable copper was due primarily to timing of deliveries, partially offset by higher production. Payable gold in pyrite concentrate sold in the first quarter of 2022 of 7,791 ounces was 17% lower than the corresponding period in 2021 due primarily to the timing of 2021 shipments and lower production.

### *Inventory*

Gold-copper concentrate inventory totalled 1,501 tonnes as at March 31, 2022, down from 2,856 tonnes as at December 31, 2021 due primarily to the timing of deliveries. Pyrite concentrate inventory totalled 13,416 tonnes as at March 31, 2022, slightly up from 13,301 tonnes as at December 31, 2021 due primarily to the timing of deliveries.

### *Cost of sales*

Cost of sales during the first quarter of 2022 of \$37.3 million was \$4.4 million higher than the corresponding period in 2021 due primarily to higher local currency operating expenses related to higher prices for electricity and direct materials, partially offset by a stronger U.S. dollar relative to the Euro.

### *Cash cost measures*

Cash cost per tonne of ore processed in the first quarter of 2022 of \$48.07 was 15% higher than the corresponding period in 2021 due primarily to higher local currency operating expenses related to higher prices for electricity and direct materials, partially offset by a stronger U.S. dollar relative to the Euro.

Cash cost per ounce of gold sold in the first quarter of 2022 of \$345 was 25% lower than the corresponding period in 2021 due primarily to lower treatment charges, as a result of a greater proportion of concentrate sales to third party smelters, higher by-product credits reflecting higher realized copper prices, and a stronger U.S. dollar relative to the Euro, partially offset by higher local currency operating expenses.

All-in sustaining cost per ounce of gold sold in the first quarter of 2022 was \$563 compared to \$589 in the corresponding period in 2021 due primarily to lower treatment charges, higher by-product credits and a stronger U.S. dollar relative to the Euro, partially offset by higher local currency operating expenses and higher allocated general and administrative expenses as a result of changes in DPM's share price.

#### *Net earnings / Adjusted net earnings*

Net earnings and adjusted net earnings in the first quarter of 2022 of \$42.3 million were \$9.4 million higher than the corresponding period in 2021 due primarily to higher realized gold and copper prices and lower treatment charges, including final cost adjustments on provisional concentrate sales, partially offset by higher local currency operating expenses.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

<i>\$ millions</i>	<b>Three Months</b>
<b>Ended March 31,</b>	
<b>Adjusted net earnings – 2021</b>	<b>32.9</b>
Higher realized metal prices	8.3
Lower treatment charges, including final settlements	6.8
Weaker Euro	1.5
Higher operating expenses <sup>(1)</sup>	(4.8)
Lower volumes of metal sold	(2.4)
<b>Adjusted net earnings – 2022</b>	<b>42.3</b>

*1) Excludes impact of depreciation and foreign exchange.*

#### *Capital expenditures*

Capital expenditures during the first quarter of 2022 of \$3.2 million were \$1.1 million lower than the corresponding period in 2021 due primarily to the timing of expenditures.

#### *Mineral Reserve and Mineral Resource update*

On March 31, 2022, the Company announced a mine life extension to 2030, an optimized LOM plan and updated Mineral Resource and Mineral Reserve estimates for the Chelopech mine.

Chelopech successfully added 3.0 Mt to Mineral Reserves, which more than offset 2021 production depletion of 2.2 Mt for a net addition of 0.8 Mt, extending the life of mine to 2030. The updated LOM plan adds approximately 286,000 ounces of gold production and 47 million pounds of copper production between 2022 and 2030, relative to the previous mine plan reflecting higher metallurgical recoveries and improved commercial terms.

Measured and Indicated Mineral Resources, exclusive of Mineral Reserves, of 1.26 million ounces of gold and 270 million pounds of copper add further potential to extend mine life, if such Mineral Resources are converted to Mineral Reserves.

See the Company's press release dated March 31, 2022 entitled "Dundee Precious Metals Announces Mine Life Extension and Update to Mineral Resource and Mineral Reserve Estimates for Chelopech" for additional information, including key assumptions and parameters relating to the foregoing Mineral Resource and Mineral Reserve Estimates, as well as the Chelopech Technical Report, which have been posted on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## Ada Tepe – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated

Ended March 31,	Three Months	
	2022	2021
<b>Financial Highlights</b>		
Revenue <sup>(1)</sup>	39,111	57,417
Cost of sales <sup>(2)</sup>	25,980	23,675
Earnings before income taxes	13,620	33,343
Adjusted EBITDA	27,300	47,452
Net earnings/Adjusted net earnings	11,495	27,574
Capital expenditures incurred:		
Growth	-	-
Sustaining	3,200	4,338
Total capital expenditures	3,200	4,338
<b>Operational Highlights</b>		
Ore mined ( <i>mt</i> )	157,856	321,464
Ore processed ( <i>mt</i> )	213,743	218,654
Head grade / recoveries in gold concentrate <sup>(3)</sup>		
Gold ( <i>g/mt</i> ) / %	3.72 / 83.2	5.71 / 83.0
Gold concentrate produced ( <i>mt</i> )	1,228	1,686
Metals contained in concentrate produced:		
Gold (ounces)	21,415	33,379
Cost of sales per tonne of ore processed	121.55	108.28
Cash cost per tonne of ore processed	53.24	43.28
Gold concentrate delivered ( <i>mt</i> )	1,225	1,723
Payable metals in concentrate sold:		
Gold ( <i>ounces</i> ) <sup>(4)</sup>	21,068	33,033
Cost of sales per ounce of gold sold	1,233	717
Cash cost per ounce of gold sold	559	311
All-in sustaining cost per ounce of gold sold	893	450

1) Revenue includes the value of payable metals sold, deductions for treatment charges, penalties, transportation and other selling costs, and final settlements to reflect any physical and cost adjustments on provisionally priced sales.

2) Cost of sales includes depreciation of \$13.6 million (2021 – \$14.0 million) in the first quarter of 2022.

3) Recoveries are after the flotation circuit but before filtration.

4) Represents payable metals in gold concentrate sold based on provisional invoices.

### Review of Ada Tepe Results

#### Gold production

Gold contained in concentrate produced in the first quarter of 2022 of 21,415 ounces was 36% lower than the corresponding period in 2021 due primarily to mining in lower gold grade zones, in line with the production plan.

#### Gold sold

Payable gold in concentrate sold in the first quarter of 2022 of 21,068 ounces was 36% lower than the corresponding period in 2021 consistent with gold production.

#### Inventory

Gold concentrate inventory totalled 32 tonnes as at March 31, 2022, up from 29 tonnes as at December 31, 2021.

#### Cost of sales

Cost of sales during the first quarter of 2022 of \$26.0 million was \$2.3 million higher than the corresponding period in 2021 due primarily to higher local currency operating expenses reflecting higher prices for

electricity and direct materials, partially offset by lower royalties as a result of mining in lower gold grade zones.

#### *Cash cost measures*

Cash cost per tonne of ore processed in the first quarter of 2022 of \$53.24 was 23% higher than the corresponding period in 2021 due primarily to higher local currency operating expenses, partially offset by lower royalties.

Cash cost per ounce of gold sold in the first quarter of 2022 of \$559 was \$248 higher than the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by lower royalties.

All-in sustaining cost per ounce of gold sold in the first quarter of 2022 was \$893 compared to \$450 in the corresponding period in 2021 due primarily to lower volumes of gold sold, higher local currency operating expenses and higher cash outlays for sustaining capital, partially offset by lower royalties.

#### *Net earnings / Adjusted net earnings*

Net earnings and adjusted net earnings in the first quarter of 2022 were \$11.5 million compared to \$27.6 million in the corresponding period in 2021 due primarily to lower volumes of gold sold and higher local currency operating expenses, partially offset by lower income taxes as a result of lower earnings, higher realized gold prices and lower royalties.

The following table summarizes the key drivers affecting the change in adjusted net earnings:

<i>\$ millions</i>	<b>Three Months</b>
<b>Ended March 31,</b>	
<b>Adjusted net earnings – 2021</b>	<b>27.6</b>
Lower volumes of gold sold	(20.3)
Higher operating expenses <sup>(1)</sup>	(6.6)
Income taxes and other	5.0
Higher realized gold prices	2.4
Lower royalties	2.1
Weaker Euro	0.9
Lower depreciation	0.4
<b>Adjusted net earnings – 2022</b>	<b>11.5</b>

<sup>1)</sup> Excludes impact of depreciation and foreign exchange.

#### *Capital expenditures*

Capital expenditures during the first quarter of 2022 of \$3.2 million were \$1.1 million lower than the corresponding period in 2021 due primarily to the timing of expenditures.

## Tsumeb – Selected Financial and Operational Highlights

\$ thousands, unless otherwise indicated

Ended March 31,	Three Months	
	2022	2021
<b>Financial Highlights</b>		
Toll revenue <sup>(1)</sup>	24,036	6,613
Sulphuric acid revenue	7,057	2,295
Total revenue	31,093	8,908
Cost of sales <sup>(2)</sup>	34,012	29,104
Loss before income taxes	(15,141)	(20,456)
Adjusted loss before interest, taxes, depreciation and amortization	(327)	(15,863)
Net loss	(15,141)	(20,456)
Adjusted net loss	(5,312)	(20,456)
Capital expenditures incurred:		
Growth	292	158
Sustaining	2,017	9,076
Total capital expenditures	2,309	9,234
<b>Operational Highlights</b>		
Complex concentrate smelted (mt):		
Chelopech	19,170	8,123
Third parties	28,073	14,886
Total complex concentrate smelted	47,243	23,009
Cost of sales per tonne of complex concentrate smelted	720	1,265
Cash cost per tonne of complex concentrate smelted	480	967
Sulphuric acid production (mt)	53,167	22,118
Sulphuric acid deliveries (mt)	61,368	38,444

1) Includes deductions for stockpile interest and favourable or unfavourable estimated metal recoveries.

2) Includes depreciation of \$4.3 million (2021 – \$3.9 million) in the first quarter of 2022.

### Review of Tsumeb Results

#### Production and sulphuric acid deliveries

Complex concentrate smelted during the first quarter of 2022 of 47,243 tonnes was 24,234 tonnes higher than the corresponding period in 2021 due primarily to the Ausmelt furnace maintenance shutdown, which occurred in the first quarter of 2021, and was below expectations for the quarter as a result of maintenance to the off-gas system as well as reduced baghouse capacity, which impacted throughput.

Sulphuric acid production during the first quarter of 2022 of 53,167 tonnes was 31,049 tonnes higher than the corresponding period in 2021 in line with complex concentrate smelted.

Sulphuric acid deliveries during the first quarter of 2022 of 61,368 tonnes were 22,924 tonnes higher than the corresponding period in 2021 reflecting an increase in production.

#### Cost of sales

Cost of sales during the first quarter of 2022 of \$34.0 million was \$4.9 million higher than the corresponding period in 2021 due primarily to higher volumes of complex concentrate smelted.

#### Cash cost per tonne of complex concentrate smelted

Cash cost per tonne of complex concentrate smelted in the first quarter of 2022 of \$480 was \$487 lower than the corresponding period in 2021 due primarily to higher volumes of complex concentrate smelted.

## Net loss

Net loss in the first quarter of 2022 was \$15.1 million compared to \$20.5 million in the corresponding period in 2021 due primarily to higher volumes of complex concentrate smelted, higher toll rates and higher sulphuric acid prices, partially offset by restructuring costs related to a comprehensive initiative directed at optimizing the cost structure of the smelter and higher local currency operating expenses.

## Adjusted net loss

Adjusted net loss in the first quarter of 2022 was \$5.3 million compared to \$20.5 million in the corresponding period in 2021 due primarily to higher volumes of complex concentrate smelted, and higher toll rates and higher sulphuric acid prices, partially offset by higher local currency operating expenses.

The following table summarizes the key drivers affecting the change in adjusted net loss:

<i>\$ millions</i>	<b>Three Months</b>
<b>Ended March 31,</b>	
<b>Adjusted net loss – 2021</b>	<b>(20.5)</b>
Higher volumes of complex concentrate smelted	11.7
Higher toll rates and sulphuric acid prices	7.0
Higher estimated metal recoveries	2.3
Higher sulphuric acid deliveries	1.0
Higher operating expenses <sup>(1)</sup>	(4.5)
Other	(1.2)
Stronger ZAR <sup>(2)</sup>	(0.7)
Higher depreciation and amortization	(0.4)
<b>Adjusted net loss – 2022</b>	<b>(5.3)</b>

1) Excludes impact of depreciation and foreign exchange.

2) Includes realized gains on foreign exchange option contracts of \$0.1 million in the first quarter of 2022 (2021 – \$1.2 million).

## Capital expenditures

Capital expenditures during the first quarter of 2022 were \$2.3 million compared to \$9.2 million in the corresponding period in 2021 due primarily to the timing of the Ausmelt furnace maintenance shutdown which occurred in the first quarter of 2021.

## REVIEW OF CORPORATE & OTHER SEGMENT RESULTS

The Corporate & Other segment results include corporate general and administrative expenses, corporate social responsibility expenses, exploration and evaluation expenses, and other income and expense items that do not pertain directly to an operating segment.

The following table summarizes the Company's selected Corporate & Other segment results:

<i>\$ thousands</i>	<b>Three Months</b>	
<b>Ended March 31,</b>	<b>2022</b>	<b>2021</b>
<b>Financial Highlights</b>		
General and administrative expenses	<b>8,531</b>	3,865
Corporate social responsibility expenses	<b>754</b>	479
Exploration and evaluation expenses	<b>1,583</b>	2,573
Finance cost	<b>351</b>	393
Other expense <sup>(1)</sup>	<b>594</b>	7,105
Loss before income taxes	<b>(11,813)</b>	(14,415)
Adjusted loss before interest, taxes, depreciation and amortization	<b>(10,826)</b>	(8,372)
Net loss attributable to common shareholders	<b>(11,844)</b>	(19,348)
Adjusted net loss	<b>(11,456)</b>	(9,045)

1) Includes net losses on Sabina special warrants of \$0.4 million in the first quarter of 2022 (2021 – \$5.4 million).

### *General and administrative expenses*

General and administrative expenses in the first quarter of 2022 were \$8.5 million compared to \$3.9 million in the corresponding period in 2021 due primarily to higher share-based compensation as a result of changes in DPM's share price.

### *Exploration and evaluation expenses*

Exploration and evaluation expenses in the first quarter of 2022 of \$1.6 million were \$1.0 million lower than the corresponding period in 2021 due primarily to the timing of drilling activities.

For a more detailed discussion on the Company's exploration activities, refer to the "Exploration" section of this MD&A.

## **LIQUIDITY AND CAPITAL RESOURCES**

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As at March 31, 2022, the Company had cash of \$382.0 million, investments valued at \$50.4 million primarily related to its 6.7% interest in Sabina, and \$150.0 million of undrawn capacity under its RCF.

The Company's liquidity is impacted by several factors which include, but are not limited to, gold, copper and sulphuric acid market prices, production levels, capital expenditures, operating cash costs, interest rates and foreign exchange rates. These factors are monitored by the Company on a regular basis.

As at March 31, 2022, the Company's cash resources and available capital under its RCF continue to provide sufficient liquidity and capital resources to meet its current operating and capital expenditure requirements, all contractual commitments, as well as a number of margin improvement and growth related expenditures. The Company may, from time to time, raise additional capital or amend its RCF to ensure it maintains its financial strength and has sufficient liquidity to support the funding requirements associated with one or more of its growth capital projects, such as the Loma Larga and Timok gold projects, and the overall needs of the business.

As part of the Company's assessment of the potential implications associated with the conflict in Ukraine and the COVID-19 pandemic, the Company assessed its financial resources as at March 31, 2022 and concluded that it has sufficient available cash resources to manage the potential impacts that could reasonably be expected to arise.

### ***Capital Allocation***

As part of its strategy, the Company adheres to a disciplined capital allocation framework that is based on three fundamental considerations – balance sheet strength, reinvestment in the business, and the return of capital to shareholders. Maintaining a strong balance sheet includes ensuring adequate liquidity, managing within prudent financial metrics, and building a strong cash position to support accretive growth. Reinvestment in the business includes investing in its operating assets to sustain and optimize performance; investing in resource development to extend the life of its mines and to identify new gold resources; further advancing existing resources towards production; as well as investing in new projects to grow beyond its existing asset base. Returning capital to shareholders includes dividends, and under certain circumstances, opportunistic share repurchases. These alternatives are not mutually exclusive and are assessed in a balanced manner with a view to maximizing total shareholder returns over the long-term.

### *Share repurchases under the Normal-Course Issuer Bid ("NCIB")*

The Company established a NCIB on March 1, 2021, which provided for the repurchase of up to 9,000,000 of its common shares through the facility of the TSX up to February 28, 2022. A new NCIB was established on March 1, 2022 extending to February 28, 2023. The maximum number of shares that can be repurchased during this period is 9,000,000 shares.

Pursuant to the NCIB, the Company will be able to purchase up to 9,000,000 common shares representing approximately 5% of the total outstanding common shares as at February 17, 2022, over a period of twelve months commencing March 1, 2022 and terminating on February 28, 2023. In accordance with TSX rules,

the Company will not acquire on any given trading day more than 182,760 common shares, representing 25% of the average daily volume of common shares for the six months ended January 31, 2022. The price that the Company will pay for common shares in open market transactions will be the market price at the time of purchase and any common shares that are purchased under the NCIB will be cancelled. The actual timing and number of common shares that may be purchased pursuant to the NCIB will be undertaken in accordance with DPM's capital allocation framework, having regard for such things as DPM's financial position, business outlook and ongoing capital requirements, as well as its share price and overall market conditions.

During the first quarter of 2022, the Company purchased a total of 1,489,100 shares, all of which were cancelled. The Company also cancelled an additional 29,600 shares that were purchased in 2021, resulting in a total of 1,518,700 shares being cancelled during the quarter. The total cost of these purchases was \$8.9 million (Cdn\$11.3 million) at an average price of \$5.98 (Cdn\$7.59) per share, \$4.5 million of which was recognized as a reduction in share capital and \$4.4 million as a reduction in contributed surplus in the condensed interim consolidated statements of changes in shareholders' equity for the three months ended March 31, 2022, and the payment for which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the three months ended March 31, 2022.

A copy of the TSX Form 12 for the NCIB can be obtained, without charge, by contacting the Company at [info@dundeeprecious.com](mailto:info@dundeeprecious.com).

#### *Declaration of dividend*

On February 17, 2022, the Company declared a quarterly dividend of \$0.04 (2021 – \$0.03) per common share payable on April 18, 2022 to shareholders of record on March 31, 2022, resulting in dividend distributions of \$7.6 million (2021 – \$5.5 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity for the three months ended March 31, 2022. As at March 31, 2022, the Company recognized a dividend payable of \$7.6 million (December 31, 2021 – \$5.7 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position. For the three months ended March 31, 2022, the Company also paid \$5.7 million (2021 – \$5.4 million) of dividends which was included in cash used in financing activities in the condensed interim consolidated statements of cash flows.

On May 4, 2022, the Company declared a dividend of \$0.04 per common share payable on July 15, 2022 to shareholders of record on June 30, 2022.

The Company's dividend has been set at a level that is considered to be sustainable based on the Company's free cash flow outlook and is expected to allow the Company to build additional balance sheet strength to support the estimated capital funding associated with Loma Larga, Timok and other growth opportunities, which represent a key element of DPM's strategy. The declaration, amount and timing of any future dividend are at the sole discretion of the Board of Directors and will be assessed based on the Company's capital allocation framework, having regard for the Company's financial position, overall market conditions, and its outlook for sustainable free cash flow, capital requirements, and other factors considered relevant by the Board of Directors.

#### **Cash Flow**

The following table summarizes the Company's cash flow activities:

<i>\$ thousands</i>	<b>Three Months</b>	
<b>Ended March 31,</b>	<b>2022</b>	<b>2021</b>
Cash provided from operating activities, before changes in working capital <sup>(1)</sup>	<b>64,271</b>	62,868
Changes in working capital	<b>14,268</b>	(15,277)
Cash provided from operating activities	<b>78,539</b>	47,591
Cash used in investing activities	<b>(17,366)</b>	(15,151)
Cash used in financing activities	<b>(13,553)</b>	(6,266)
Increase in cash	<b>47,620</b>	26,174
Cash at beginning of period	<b>334,377</b>	149,532
Cash at end of period	<b>381,997</b>	175,706

1) Cash provided from operating activities, before changes in working capital, is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures" section commencing on page 39 of this MD&A for more information, including reconciliations to IFRS measures.

The primary factors impacting period over period cash flows are summarized below.

#### *Operating activities*

Cash provided from operating activities in the first quarter of 2022 of \$78.5 million was \$30.9 million higher than the corresponding period in 2021 due primarily to the timing of deliveries and subsequent receipt of cash.

In the first quarter of 2022, cash provided from operating activities, before changes in working capital, of \$64.3 million was comparable to the corresponding period in 2021.

#### *Investing activities*

Cash used in investing activities in the first quarter of 2022 was \$17.4 million compared to \$15.2 million in the corresponding period in 2021.

The following table provides a summary of the Company's cash outlays for capital expenditures:

<i>\$ thousands</i>	<b>Three Months</b>	
<b>Ended March 31,</b>	<b>2022</b>	2021
Chelopech	<b>3,870</b>	2,812
Tsumeb	<b>2,012</b>	5,370
Ada Tepe	<b>4,346</b>	2,536
Corporate & Other	<b>6,638</b>	503
<b>Total cash capital expenditures</b>	<b>16,866</b>	11,221

Cash outlays for capital expenditures in the first quarter of 2022 of \$16.9 million were \$5.7 million higher than the corresponding period in 2021 due primarily to the timing of sustaining capital expenditures and increased cash outlays for growth capital expenditures related to the Loma Larga gold project.

#### *Financing activities*

Cash used in financing activities in the first quarter of 2022 was \$13.6 million compared to \$6.3 million in the corresponding period in 2021 due primarily to \$8.9 million of payments for shares repurchased under the NCIB in the first quarter of 2022.

#### **Financial Position**

<i>\$ thousands</i>	<b>March</b>	December	<b>Increase/</b>
<b>As at</b>	<b>31, 2022</b>	31, 2021	<b>(Decrease)</b>
Cash	<b>381,997</b>	334,377	<b>47,620</b>
Accounts receivable, inventories and other current assets	<b>166,676</b>	179,416	<b>(12,740)</b>
Investments at fair value	<b>50,362</b>	47,983	<b>2,379</b>
Non-current assets, excluding investments at fair value	<b>596,979</b>	606,634	<b>(9,655)</b>
<b>Total assets</b>	<b>1,196,014</b>	1,168,410	<b>27,604</b>
Current liabilities	<b>96,230</b>	85,799	<b>10,431</b>
Non-current liabilities	<b>75,667</b>	78,198	<b>(2,531)</b>
<b>Equity attributable to common shareholders</b>	<b>1,024,117</b>	1,004,413	<b>19,704</b>

Cash increased by \$47.6 million to \$382.0 million during the first three months of 2022 due primarily to earnings generated in the period and a favourable change in working capital, partially offset by cash outlays for capital expenditures, dividends and share repurchases. Accounts receivable, inventories and other current assets decreased by \$12.7 million to \$166.7 million due primarily to the timing of deliveries and subsequent receipt of cash. Investments at fair value increased by \$2.4 million to \$50.4 million due primarily to the increase in Sabina's share price. Non-current assets, excluding investments at fair value, decreased

by \$9.7 million to \$596.9 million due primarily to capital expenditures, partially offset by depreciation and depletion.

Current liabilities increased by \$10.4 million to \$96.2 million during the first three months of 2022 due primarily to an increase in accounts payable and accrued liabilities as a result of the timing of payments to suppliers and an increase in income tax liabilities due to the timing of tax installment payments. Non-current liabilities decreased by \$2.5 million to \$75.7 million due primarily to a decrease in finance lease obligations and defined benefit plan obligations. Equity attributable to common shareholders increased by \$19.7 million to \$1,024.1 million due primarily to net earnings generated in the period and an increase in accumulated other comprehensive income related to unrealized gains on foreign exchange option contracts and publicly traded securities, partially offset by dividends declared and shares repurchased.

### ***Contractual Obligations, Commitments and Other Contingencies***

The Company had the following minimum contractual obligations and commitments as at March 31, 2022:

<i>\$ thousands</i>	<b>up to 1 year</b>	<b>1 – 5 years</b>	<b>over 5 years</b>	<b>Total</b>
Lease obligations	5,575	12,943	1,731	<b>20,249</b>
Capital commitments	13,426	-	-	<b>13,426</b>
Purchase commitments	20,106	60	-	<b>20,166</b>
Other obligations	533	839	125	<b>1,497</b>
<b>Total contractual obligations and commitments</b>	<b>39,640</b>	<b>13,842</b>	<b>1,856</b>	<b>55,338</b>

As at March 31, 2022, Tsumeb had approximately \$67.3 million (December 31, 2021 – \$73.8 million) of recoverable third party in-process secondary materials, which it is obligated to process and return, generally in the form of blister, to IXM S.A. (“IXM”) pursuant to a tolling agreement (the “Tolling Agreement”).

In April 2021, the Company and IXM agreed to amend the existing Tolling Agreement to provide for, among other things: i) targeted declining excess secondary material balances, above which excess secondary material would be required to be purchased by the Company; ii) the elimination of all excess secondary material by March 31, 2023; iii) an increase in the defined level of normal secondary material; and iv) an extension of the Tolling Agreement by three years to December 31, 2026.

As at March 31, 2022, the value of excess secondary materials, as defined in the Tolling Agreement, was approximately \$30.6 million, which was approximately \$16.4 million above the targeted levels under the Tolling Agreement. IXM has agreed to waive the quarterly requirement to purchase secondary materials above the targeted levels as at March 31, 2022.

### ***Debt***

As at March 31, 2022, the Company’s total outstanding debt was \$nil and the Company was in compliance with all of its debt covenants.

### ***DPM RCF***

DPM has a committed RCF of \$150.0 million with a consortium of banks. In February 2021, the Company extended the RCF’s maturity date from February 2023 to February 2024. The Company’s borrowing spread above LIBOR is 2.5%, and can range between 2.5% and 3.5% depending upon the Company’s funded net debt to adjusted EBITDA (“Debt Leverage Ratio”), as defined in the RCF agreement. The RCF is secured by pledges of the Company’s investments in Ada Tepe, Chelopech and Tsumeb and by guarantees from each of these subsidiaries.

The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, (ii) a current ratio (including the addition of any unutilized credit within tranche B to current assets) of greater than 1.5:1, and (iii) a minimum net worth of \$500.0 million plus (minus) 50% of ongoing annual net earnings (loss).

As at March 31, 2022 and December 31, 2021, \$nil was drawn under the RCF.

### ***Tsumeb Overdraft Facility***

Tsumeb has a Namibian \$100.0 million (\$6.9 million) demand overdraft facility. This facility is guaranteed by DPM and bears interest at a rate equal to the Namibian Prime Lending Rate minus 0.5%. As at March 31, 2022 and December 31, 2021, \$nil was drawn from this facility.

### ***Credit Agreements and Guarantees***

In February 2021, Chelopech and Ada Tepe increased its multi-purpose credit facility from \$16.0 million to \$21.0 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2022, \$17.1 million (December 31, 2021 – \$13.9 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of concession contracts with the Bulgarian Ministry of Energy.

Chelopech and Ada Tepe also have a Euro 21.0 million (\$23.3 million) credit facility to support mine closure and rehabilitation obligations in respect of concession contracts with the Bulgarian Ministry of Energy. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2022, \$23.3 million (December 31, 2021 – \$23.8 million) had been utilized in the form of letters of guarantee.

In February 2021, Ada Tepe increased its multi-purpose credit facility from \$5.3 million to \$10.3 million. This credit facility matures on November 30, 2022 and is guaranteed by DPM. As at March 31, 2022, \$0.3 million (December 31, 2021 – \$0.2 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of concession contracts with the Bulgarian Ministry of Energy.

Advances under these facilities bear interest at a rate equal to the one month U.S. Dollar LIBOR plus 2.5%. The letters of credit and guarantee bear a fee of 0.6% based on the amounts issued.

### ***Outstanding Share Data***

DPM's common shares are traded on the TSX under the symbol DPM. As at May 4, 2022, 190,792,365 common shares were issued and outstanding.

DPM also has 2,933,353 stock options outstanding as at May 4, 2022 with exercise prices ranging from Cdn\$3.28 to Cdn\$10.99 per share (weighted average exercise price – Cdn\$5.70 per share).

### ***Other***

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. Other than the filing of a constitutional protective action (the "Action") against the MAATE by certain non-government organizations and local agencies at Loma Larga (see the "Development and Other Major Projects – Loma Larga Gold Project" section contained in this MD&A for details), there are no ongoing legal proceedings that are expected to result in a material liability or have a material adverse effect on the Company's future business, operations or financial condition.

## **FINANCIAL INSTRUMENTS**

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### ***Investments at Fair Value***

As at March 31, 2022, the Company's investments at fair value were \$50.4 million (December 31, 2021 – \$48.0 million), the vast majority of which related to the value of its investment in Sabina common shares and special warrants. Investments at fair value increased during the first three months of 2022 due primarily to an increase in Sabina's share price.

As at March 31, 2022, DPM held: (i) 31,050,566 common shares of Sabina and (ii) 5,000,000 Series B special warrants, which will be automatically exercised upon a positive production decision with respect to the Back River project or upon the occurrence of certain other events. Each of the special warrants is exercisable into one common share until 2044.

The fair value of the Sabina special warrants was based on the fair value of the Sabina common shares, which was determined based on the closing bid prices as at March 31, 2022.

For the three months ended March 31, 2022, the Company recognized unrealized losses on the Sabina special warrants of \$0.4 million (2021 – \$5.4 million) in other expense in the condensed interim consolidated statements of earnings (loss).

For the three months ended March 31, 2022, the Company recognized unrealized gains on publicly traded securities of \$2.3 million (2021 – unrealized losses of \$37.0 million) in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

### **Commodity Swap Contracts**

The Company enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average metal prices for fixed metal prices to eliminate or substantially reduce the metal price exposure associated with the time lag between the provisional and final determination of concentrate sales (“QP Hedges”).

As at March 31, 2022, the Company’s outstanding QP Hedges, all of which mature within four months from the reporting date, are summarized in the table below:

<b>Commodity hedged</b>	<b>Volume hedged</b>	<b>Weighted average fixed price of QP Hedges</b>
Payable gold	19,300 ounces	\$1,932.53/ounce
Payable copper	15,619,733 pounds	\$4.37/pound

The Company also enters into cash settled commodity swap contracts from time to time to swap future contracted monthly average prices for fixed metal prices to reduce its future metal price exposure in respect of its projected production (“Production Hedges”). As at March 31, 2022, the Company had no outstanding Production Hedges.

The Company designates the spot component of commodity swap contracts in respect of Production Hedges as cash flow hedges and the spot component of commodity swap contracts in respect of QP Hedges as fair value hedges.

The fair value gain or loss on commodity swap contracts is calculated based on the corresponding LME forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at March 31, 2022, the net fair value loss on all outstanding QP Hedges was \$5.6 million (December 31, 2021 – \$1.9 million), of which \$nil (December 31, 2021 – \$0.02 million) was included in other current assets and \$5.6 million (December 31, 2021 – \$1.9 million) in accounts payable and accrued liabilities.

For the three months ended March 31, 2022, the Company recognized, in revenue, net losses of \$6.8 million (2021 – \$1.5 million) on QP Hedges and realized gains of \$nil (2021 – \$2.9 million) on Production Hedges.

For the three months ended March 31, 2022, the Company recognized unrealized losses of \$nil (2021 – \$6.7 million) in other comprehensive income (loss) on the spot component of the outstanding commodity swap contracts in respect of Production Hedges. The Company also recognized unrealized losses of \$nil (2021 – \$0.4 million) on the forward point component of the outstanding commodity swap contracts in respect of Production Hedges in other comprehensive income (loss) as a deferred cost of hedging.

### **Foreign Exchange Option Contracts**

The Company enters into foreign exchange option contracts from time to time to reduce the foreign exchange exposure associated with projected operating expenses and capital expenditures denominated in foreign currencies.

Foreign exchange option contracts provide price protection below a specified “floor” rate and participation up to a specified “ceiling” rate. The option contracts entered are comprised of a series of call options and put options (which when combined create a price “collar”) that are structured so as to provide for a zero upfront cash cost.

As at March 31, 2022, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected Namibian dollar denominated operating expenses, which is linked to the ZAR, as summarized in the table below:

<b>Year of projected operating expenses</b>	<b>Amount hedged in ZAR</b>	<b>Call options sold weighted average ceiling rate US\$/ZAR</b>	<b>Put options purchased weighted average floor rate US\$/ZAR</b>
Balance of 2022	1,092,630,000	17.05	15.13

As at March 31, 2022, approximately 83% of the Company's projected Namibian dollar operating expenses for the balance of 2022 have been hedged.

The Company designates the intrinsic value of foreign exchange option contracts as cash flow hedges. The time value component of foreign exchange option contracts is treated as a separate cost of hedging.

The fair value gain or loss on these outstanding contracts was calculated based on foreign exchange forward rates quoted in the market. As at March 31, 2022, the net fair value gain on all outstanding foreign exchange option contracts was \$2.8 million (December 31, 2021 – net fair value loss of \$1.5 million), of which \$2.8 million (December 31, 2021 – \$nil) was included in other current assets and \$nil (December 31, 2021 – \$1.5 million) was in accounts payable and accrued liabilities.

The Company recognized realized gains of \$0.1 million (2021 – \$1.2 million) for the three months ended March 31, 2022 in cost of sales on the spot component of settled contracts.

For the three months ended March 31, 2022, the Company recognized unrealized gains of \$0.8 million (2021 – unrealized losses of \$1.8 million) in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized unrealized gains of \$3.5 million (2021 – unrealized losses of \$0.02 million) on the time value component of the outstanding foreign exchange option contracts in other comprehensive income (loss) as a deferred cost of hedging.

The Company is also exposed to credit and liquidity risks in the event of non-performance by counterparties in connection with its commodity swap contracts and foreign exchange option contracts. These risks, which are monitored on a regular basis, are mitigated, in part, by entering into transactions with financially sound counterparties and, where possible, ensuring contracts are governed by legally enforceable master agreements.

## **EXPLORATION**

### ***Chelopech Mine***

In first quarter of 2022, a total of 12,419 metres of resource development diamond drilling was completed within the Chelopech mine, of which 9,743 metres were extensional drilling, which was designed to explore for new mineralization along modelled trends.

Extensional diamond drilling in Chelopech mine was concentrated on testing the Target North area, located in the northwestern section of the deposit. Furthermore, drilling targeted a zone of Quartz-Barite-Gold-Sulphide ("QBGS") mineralization located to the south of Block 700, the upper levels of Block 25 and lower levels of Blocks 144, 145, 148 and 149. A review of the extensional drilling program is discussed below.

#### ***Block 10***

During fourth quarter of 2021, underground drilling explored the area to the north of Block 10. Drilling assay results were received and EXT10\_505\_08 returned positive results. The first interval, from 290 metres, extended the high-grade domain contour of Block 10 ore body by approximately 15 metres down-dip.

## *Block 25*

The area NE Block 25 is poorly explored, and structural and geologic models indicate that un-tested mineralization may be present in this area. During the quarter, a drilling program from level 480 commenced aiming to test upper parts of Block 25 and the gap between Blocks 19 and 25 near to the boundary between pre-mineral dacitic volcanics and post mineral sandstone units. Assays are pending from the program however mineralization was observed in three out of seven drill holes. The program will continue into the next quarter.

## *Block 19*

Extensional drilling from Block 19 on level 405 was completed during the quarter, to test this area for extensions to Block 19 and concurrently Block 147. Block 147 is a steeply-dipping, tabular body of structurally controlled high sulphidation stockwork mineralization that varies in width from five metres to fifteen metres. The ore body has been well covered by 20 metres by 20 metres grade control drilling whilst the boundaries are defined on a looser, 40 metres by 40 metres drilling grid.

From this program drill hole EXT144\_405\_02 delineated a narrow but high-grade mineralized structure, beginning from 60 metres and located on the margin of Block 19. The drill hole azimuth was sub-parallel to the aforementioned structure and further infill drilling will be required to determine the exact geometry of this new extension.

Additionally, from 35 metres depth, drill hole EXT144\_405\_03 extended the western boundary of Block 19 by approximately 15 metres down-dip whilst the tail-end of the drill hole extended Block 147 by approximately 25 metres up-plunge. Significant intersects are presented in the table below. Other results received from this phase of drilling were below the reporting criteria.

## *QBGS zone*

Whilst drill testing the south flank of the Chelopech deposit during 2021, a new zone of mineralization was encountered located approximately 200 metres south of Block 700. This zone is characterized by structurally controlled QBGS mineralization hosted within a halo of pervasive sericitic alteration.

During first quarter of 2022, a total of 2,568 metres of underground drilling was undertaken toward this target, designed to determine its potential shape and size. Drilling is ongoing and multiple assays are pending.

## *Blocks 144, 145, 148 and 149*

Blocks 144, 145, 148 and 149 are in the western area of the Chelopech mine and can be described as complex, tabular mineralized zones of Gold-Copper stockwork with highly variable levels of geologic and grade continuity.

As part of sustained efforts to improve the geologic confidence in these areas, the purpose of extensional drilling initiated during the quarter was to define the lower boundary of these Blocks between the elevations of 105 mRL and -40 mRL. To date, two holes from this program returned significant intersections, presented in the table below within drill holes EXT149\_90\_02 (Block 144) and EXT149\_90\_03 (Block 149). Stockwork style Pyrite-Tennantite mineralization was observed in a further two drill holes but assays are pending. Follow up drilling from this location is scheduled to continue in the second quarter of 2022.

## **Outlook**

In the second quarter of 2022, the Mineral Resource development strategy for Chelopech will be focused on:

- Drilling to test the boundaries of Blocks 144, 148 and 149;
- Resource development drilling of Block 8;
- Continued extensional drilling on level 480, aiming to test the gap between Blocks 25 and 19, near to the boundary between pre-mineral dacitic volcanic and post mineral sandstone units; and
- Drilling toward exploration Targets 114, 184 and 185.

**Significant intercepts (gold equivalent (“AuEq”) cut-off grade of 2.5 g/t) received from extensional drilling activities during the first quarter of 2022:**

Hole ID	East	North	RL	AZ	DIP	From	To	True Width (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EXT10_505_08	6415	29632	502	14.3	-5.6	289.5	317.0	27.0	2.72	1.76	2.21	0.57
EXT144_405_01	No significant intersection											
EXT144_405_02	5749	29547	476	345.5	-13.3	60.0	75.0	4.0	4.81	1.37	16.78	2.05
EXT144_405_02	5749	29547	476	345.5	-13.3	81.0	93.0	4.0	2.78	0.73	13.29	1.23
EXT144_405_03	5749	29547	477	4.6	9.6	34.5	51.0	15.0	7.18	2.53	58.04	2.77
EXT144_405_03	5749	29547	477	4.6	9.6	391.5	402.0	7.0	3.09	1.77	8.43	0.78
EXT144_405_06	No significant intersection											
EXT149_90_02	5577	29864	103	126.7	-0.6	115.5	135.0	19.5	2.66	1.98	3.02	0.40
EXT149_90_03	5575	29862	104	181.0	-6.0	49.5	66.0	16.0	5.12	3.84	4.51	0.76
EXT149_90_04	No significant intersection											
EXT149_90_05	No significant intersection											

- 1) Significant intercepts are located within the Chelopech mine concession and proximal to the mine workings.
- 2) AuEq calculation is based on the following formula:  $Au\ g/t + 1.68 \times Cu\ \%$ , based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and long-term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.
- 3) Significant intercepts are reported using a minimum downhole width of 10 metres with a maximum internal dilution of 4.5 metres at a 2.5 g/t AuEq cut-off.
- 4) All holes are drilled with NQ diamond core.
- 5) Coordinates are in mine-grid.
- 6) No factors of material effect have hindered the accuracy and reliability of the data presented above.
- 7) No upper cuts applied.

**Sampling, Analysis, Quality Assurance and Quality Control (“QAQC”) and Data Verification of Chelopech Mine Drill Core**

All drill cores are sampled in intervals up to a maximum of three metres, with 1.5 metre sample intervals being the common length within mineralized zones. The dimensions of the mineralized zones far exceed the standard sample length. All holes are drilled with NQ diamond core. NQ core is cut by diamond saw, where one half of the core sample is submitted for assaying and the remaining half is retained in steel core trays. All drill cores are photographed prior to cutting and/or sampling.

Following DPM exploration standard procedures and internationally accredited standards, a full suite of certified reference materials, blanks and field duplicates are submitted to the laboratory with each batch of samples. The overall quality control sample insertion rate is approximately 5% for reference materials, 2% for blanks, and 5% for field duplicates.

Sample tickets are entered into the bags with a numbering system, which reconciles sample and assayed results in the acQuire database. The average core recovery within the modelled Mineral Resource constraints is 99.6% and the various phases of drill data show no issues with regards to recoveries. No relationship was evident between core recoveries and the copper assay data, or the gold assay data. The weight of a core sample varies between three and seven kilograms.

Diamond drill core is prepared and assayed at the SGS Minerals (“SGS”) managed laboratory at Chelopech in Bulgaria, which is independent of the Company. Samples are routinely assayed for copper, gold, silver, sulphur and arsenic. Gold analyses are done using a 25-gram fire assay and atomic absorption spectrometry (“AAS”) finish. Assay values over 20 ppm gold are re-analyzed using gravimetric finish. Copper, silver and arsenic analyses are completed using a two-acid digestion and AAS finish. Samples returning over 100 ppm for silver and 3% for copper are re-analyzed using high-grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company’s QP has verified that all results reported in this disclosure have passed QAQC protocols, including review of the performance of certified reference materials, blanks and field duplicates. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

## Chelopech Brownfield Exploration

During the first quarter of 2022, a total of 7,409 metres of diamond drilling was completed in nine finished and six ongoing holes.

At the Sharlo Dere prospect in the mine concession, located approximately 500 metres northeast of the most eastern ore bodies of the Chelopech mine, a total of 3,492 metres were drilled in five completed holes and one progressing hole. The Sharlo Dere area plays a key role in DPM's exploration strategy since this area has potential for discovering mineralization in close proximity to existing mine infrastructure and unlocking additional upside at Krasta further along strike towards NE. The aim of this drilling is to confirm historical intercepts reported in the past, to outline the minable high-grade zones and extend the high-sulphidation type epithermal copper-gold mineralization potential toward the north and at deeper levels. New significant intervals were returned during the first quarter of 2022 from drill holes EX\_SD\_14, EX\_SD\_19, EX\_SD\_25 and EX\_SD\_26 and are reported in the table below.

At the West shaft prospect area two drill holes with a total of 1,452 metres were completed, with the aim to test epithermal mineralization potential at the west margin of mine concession towards the Sveta Petka exploration licence. Complete assay results for these holes are still pending, but preliminary data suggests that drilling has intersected narrow low-grade gold-copper mineralized zones in the upper parts of the drill hole.

Drill testing continued at the Petrovden porphyry prospect, located immediately north of the Chelopech Mine in the footwall of the Petrovden fault, which separates the porphyry and high sulphidation type mineralization domains. A total of 2,101 metres have been completed as part of three surface drill holes (including directional drilling segments in EX\_VD\_08, \_09 and \_09a holes) and two underground drill holes (EX\_PPO\_320\_01 and \_02). The porphyry-type mineralization is locally overprinted by discrete base metal bearing veins with associated phyllic alteration selvages that locally are enhancing assay grades.

Towards the end of the first quarter of 2022, all the required drilling permits to commence exploration work for a one-year extension of the Sveta Petka exploration licence have been received which allowed the start of an intensive Mineral Resource delineation drilling campaign required for the further assessment and application for a Commercial Discovery in early 2023. This drill program consists of a minimum of 50,000 metres drilling committed for the remaining part of the year at West Shaft, Wedge and Krasta prospects within the Sveta Petka exploration licence. Additionally, exploration drill programs will continue during the second quarter of 2022 at the Sharlo Dere and Petrovden prospects within the mine concession and in the Brevene exploration licence area, respectively.

### Significant intercepts from brownfield exploration drilling in the first quarter of 2022 at the Sharlo Dere high sulphidation Au-Cu prospect:

HOLE ID	EAST	NORTH	RL	AZ	DIP	From	To	Length (m)	AuEq (g/t)	Au (g/t)	Ag (g/t)	Cu (%)
EX_SD_14	7093	30712	789	305	-45	412	423.1	11.1	3.26	1.47	64.75	1.38
EX_SD_14						440	445	5	2.6	1.81	3.03	0.49
EX_SD_19	6885	30601	864	6	-47	427	432	5	3.97	2.48	1.45	0.89
EX_SD_25	7090	30711	789	250	-63	422	434	12	2.61	1.65	3.15	0.57
EX_SD_25						469	485	16	3.32	2.07	7.23	0.74
EX_SD_26	7090.1	30712	788	230	-70	293	326	33	3.20	2.11	9.10	0.65
EX_SD_26						376	406	30	5.49	3.30	10.30	1.30

- 1) AuEq calculation is based on the following formula:  $Au\ g/t + 1.68 \times Cu\ \%$ , based on a gold price of \$1,600 per ounce and a copper price of \$4.00 per pound and long-term average metallurgical recoveries of 89% for gold and 87% for copper from the Chelopech mine.
- 2) Significant intercepts are reported using a minimum downhole width of 5 metres, a maximum dilution of 5 metres at a 2.5 g/t AuEq cut-off. No upper cuts applied.
- 3) Coordinates are in Chelopech mine-grid.
- 4) True widths not reported at this stage, as additional data is required to define the 3D geometry of the high-grade mineralization.

**Significant intercepts from brownfield exploration drilling in the first quarter of 2022 at the Petrovden porphyry Cu-Au-Mo prospect:**

HOLE ID	EAST	NORTH	RL	AZ	DIP	From	To	Length (m)	AuEq (g/t)	Au (g/t)	Cu (%)	Mo (g/t)	Ag (g/t)	Re (g/t)
EX_VD_07	5339	30957	854	150	-60	2,101	2,138	37	0.52	0.25	0.09	152.1	7.45	0.29
EX_VD_08	5662	31001	844	142	-60	528	615	87	0.52	0.33	0.10	21.87	0.98	0.06
EX_VD_08						1,483	1635	152	0.58	0.21	0.18	77.0	4.43	0.16
<b>including:</b>						<b>1,585</b>	<b>1,595</b>	<b>10</b>	<b>2.65</b>	<b>1.92</b>	<b>0.41</b>	<b>42.48</b>	<b>12.19</b>	<b>0.07</b>
<b>including:</b>						<b>1,602</b>	<b>1,621</b>	<b>19</b>	<b>0.96</b>	<b>0.12</b>	<b>0.32</b>	<b>365.2</b>	<b>4.78</b>	<b>0.81</b>
EX_PPO_320_01	6100	30003	321	7.5	-45	438	640	202	0.51	0.10	0.22	40.10	1.50	0.10
<b>including:</b>						<b>503</b>	<b>513</b>	<b>10</b>	<b>0.83</b>	<b>0.14</b>	<b>0.39</b>	<b>37.60</b>	<b>1.22</b>	<b>0.08</b>
EX_PPO_320_01	6100	30003	321	7.5	-45	743	793	65	0.51	0.08	0.19	13.34	40.80	0.28

- 1) AuEq calculation is based on the following formula:  $Au\ g/t + 1.71 \times Cu\ \% + 0.00078 \times Mo\ (g/t)$ , based on a gold price of \$1,600 per ounce, a copper price of \$4.00 per pound and a molybdenum price of \$40 per kilogram. Theoretical average recoveries of 90% have been assumed for Au, Cu and Mo, which is considered appropriate based on review of other porphyry operations. No metallurgical tests have been performed and the assumed recoveries are likely to change.
- 2) Significant intercepts at 0.5 cut-offs are reported at a 30 metres minimum length and 15 metres internal dilution, while including intercepts that are reported at 0.7 cut-off and 10 metres minimum length and 5 metres internal dilution. No upper cuts applied.
- 3) Coordinates are in Chelopech mine-grid.
- 4) True widths not reported at this stage, as additional data is required to define the plunge of the mineralization.

### **Ada Tepe Grade Control Drilling**

In first quarter of 2022, a reverse circulation drilling program was completed as part of all grade control drilling within the life of mine pit volume. During this period, a total of 7,368 metres were completed and all assays have been received. Preparations for an updated Mineral Resources and Mineral Reserve estimate for Ada Tepe have commenced, which is scheduled to be completed in the second half of 2022.

### **Ada Tepe Brownfield Exploration**

During the first quarter of 2022, the geological activities at the Krumovgrad exploration camp have been focused on extensive target delineation campaigns that encompassed the Ada Tepe mine concession and the Elhovo and Chiirite exploration licences. This included systematic geological mapping, rock sampling, trenching and 3D modelling.

### Khan Krum Concession Area

The collaborative work with the technical services team of the Ada Tepe mine, within the Khan Krum mine concession area continued during the first quarter of 2022. After analyses of structural, geophysical and geochemical data, a series of conceptual feeder structures and extensions to mineralization at Ada Tepe were proposed for drill testing. In total, 18 drill holes for a total of 5,120 metres are planned to be executed in the second quarter of 2022. Eight of them are designed to drill test possible feeder structures below the Ada Tepe deposit and the remaining 10 will test the continuation of a narrow high-grade zone that may have an extension in the NNW part of the deposit.

### Chiirite EL

The first phase of drilling of 11 scout holes commenced in early April at the Golden Creek prospect, a newly discovered target located several hundred metres to the west of the Chatal Kaya prospect and exposed at surface as zones of hydrothermal breccias and quartz-sulfide veining.

## ***Ecuador Exploration***

A drilling program has been started to support various studies complementary to the refinement of the Loma Larga feasibility study. The drilling program will consist of 15,800 metres of hydrogeological, geotechnical, metallurgical, condemnation and extension drilling. A total of 658 metres of condemnation drilling has been completed during the first quarter of 2022. On February 24, 2022, DPM announced a pause in drilling activities, as a result of the filing of the Action against MAATE by certain non-government organizations and local agencies. The court ordered the suspension of the environmental permit required for current exploration and technical drilling pending the hearing of the Action. After resolution of certain preliminary matters, the Company is waiting to be notified of the scheduling for the recommencement of the hearing.

A 450-kilometre line HD Magnetic helicopter-borne survey was completed in January 2022 on Tierras Coloradas. The planning of a 2,000-metre drilling program and the change in status of the project from early to advanced stage are in progress.

## ***Timok Gold Project Brownfield Exploration***

During the first quarter of 2022, a total of 731 metres were drilled at the Umka project, testing the potential for manto/skarn mineralization. The drilling confirmed presence of target lithologies on the west flank of Umka, but only narrow intervals of gold mineralization associated with weak to moderate altered skarns, were observed.

The plan for the second quarter of 2022 is to conduct additional geophysics at the Umka project to allow a better definition of the potential targets and commence regional field activities on several other early-stage licences.

## ***Sampling, Analysis and QAQC of Brownfield Exploration Core and Channel Samples***

Most exploration diamond drill holes are collared with PQ size, continued with HQ, and are sometimes finished with NQ. Triple tube core barrels are used whenever possible to improve recovery. All drill core is cut lengthwise into two halves using a diamond saw; one half is sampled for assaying and the other half is retained in core trays. All drill core is sampled in intervals ranging up to three metres, however, the common length for sample intervals within mineralized zones is one metre. Weights of drill core samples range from three to eight kilograms, depending on the size of core, rock type, and recovery. A numbered tag is placed into each sample bag, and the samples are grouped into batches for laboratory submissions.

Core and channel samples from exploration programs at Chelopech, Ada Tepe and the Timok gold project are shipped to the Company's own exploration laboratory in Bor, Serbia, which is managed by SGS.

Quality control samples, comprising certified reference materials, blanks and field duplicates, are inserted into each batch of samples and locations for crushed duplicates are specified. All drill core and quality control samples are tabulated on sample submission forms that specify sample preparation procedures and codes for analytical methods. For internal quality control, the laboratory includes its own quality control samples comprising certified reference materials, blanks and pulp duplicates. All QAQC monitoring data are reviewed and signed off by an independent QAQC geologist. Chain of custody records are maintained from sample shipments to the laboratory until analyses are completed and remaining sample materials are returned to the Company. The chain of custody is transferred from the Company to SGS at the laboratory door.

Drill core samples submitted to the laboratory are dried at 105°C for a minimum of 12 hours, and then jaw crushed to about 80% passing 4 millimetres. Sample preparation duplicates are created by riffle splitting crushed samples on a 1 in 20 basis. Larger samples are riffle split prior to pulverizing, whereas smaller samples are pulverized entirely. Pulverizing specifications are 90% passing 75 microns. Gold analyses are done using a conventional 50-gram fire assay and AAS finish. Multi-element analyses for 49 elements, including Ag, Cu, Mo, As, Bi, Pb, Sb, and Zn, are done using a four-acid digestion and an ICP-MS finish. Samples returning over 10 ppm for Ag and 1% for Cu, Pb and Zn are re-analyzed using high-grade methods with AAS finish. Sulphur is analyzed using an Eltra Analyzer equipped with an induction furnace.

The Company's QP has verified that all results reported in this disclosure have passed QAQC protocols, including review of the performance of certified reference materials, blanks and field duplicates. Further verification of results included comparison of assay data with geology, alteration and mineralization logging data.

## **DEVELOPMENT AND OTHER MAJOR PROJECTS**

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### ***Loma Larga Gold Project***

In the third quarter of 2021, DPM completed the acquisition of the high-quality, advanced stage Loma Larga gold project in Ecuador. The project adds approximately 2.2 million ounces of gold, 88 million pounds of copper and 13 million ounces of silver in Mineral Reserves. The current 12-year life of mine plan outlines an annual mine production average of approximately 200,000 gold ounces in concentrate in the first five years. Life of mine production is estimated to be approximately 170,000 gold ounces per year, at an attractive all-in sustaining cost per ounce of gold sold, which continues to support DPM's peer-leading cost profile.

Located in the Azuay province of Ecuador, the project has similar geology, mining method and processing flow sheet to our Chelopez underground mine. Loma Larga is expected to produce a pyrite gold concentrate that can be sold to various copper and gold smelting operations, as well as a small quantity of complex concentrate, which DPM could process at its Tsumeb smelter.

For more information, including key assumptions, risks and parameters relating to the FS, refer to the Technical Report entitled "NI 43-101 Feasibility Study Technical Report, Loma Larga Project, Azuay Province, Ecuador" dated April 8, 2020 and re-issued by DPM on November 29, 2021, which has been posted on the Company's website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Following closing of the acquisition, the Company completed integration activities and intensified its stakeholder engagement work, while advancing the permitting process. DPM mobilized its Enterprise Project Management Office to provide support for the initial integration phase and has implemented its well-established project development methodology.

A 15,800-metre drill program, which is planned to optimize specific aspects of the previous FS and will consist of metallurgical, geotechnical, hydrogeological and condemnation drilling, was started and temporarily paused during the quarter as a result of the filing of the Action against MAATE by certain non-government organizations and local agencies as discussed below. A total of 658 metres of condemnation drilling has been completed during the first quarter of 2022. The design of a metallurgical test program was completed and several trade-off studies have been progressed, while finalizing the scope and the schedule for the FS optimization work. DPM is targeting completion of a revised FS in 2022.

In April, the Company received technical approval of the EIA that was submitted by INV to the MAATE in 2021. The MAATE is now appointing facilitators to carry out the Citizen Participation Process. DPM and its EIA consultant will support the Citizen Participation Process, assess all comments received, and make necessary updates to the EIA in order to facilitate the MAATE providing its final approval of the EIA and issuing the environmental licence for the project, which is expected to be in the third quarter of 2022.

As the permitting process progresses, DPM's team is proactively working with stakeholders to obtain the project's social licence to operate. Government interaction with the mining industry has improved significantly since the change in government in Ecuador in May 2021 and DPM maintains a constructive relationship with the government. This relationship was strengthened by the meeting between DPM's delegations, including our CEO, David Rae, and President Lasso and a number of his cabinet Ministers in March 2022. The Company intensified its interactions with local stakeholders, including local authorities. Presentations were organized to provide more visibility to certain aspects of that project which are of high societal interest. Central government representatives also participated in some of the presentations and conversations.

The Company is also progressing discussions that are expected to result in the execution of an investor protection agreement with the government of Ecuador prior to making any significant capital commitments.

On February 21, 2022, DPM paused drilling activities as a result of the filing of the Action with the Constitutional Judge of the Judicial Labor Unit of Cuenca (the “Court”). The Court ordered the suspension of the environmental permit required for current exploration and technical drilling pending the hearing of the Action. The Company expects the hearing of the Action to be scheduled shortly. The Action alleges that, in granting the environmental permits, the MAATE violated certain rights relating to prior consultation and protection of water and nature and also seeks the annulment of DPM’s mining concessions for the Loma Larga gold project. DPM Ecuador has been added to the Action as a third-party intervenor and is working closely with the MAATE as well as other government ministries and local stakeholders that support the Loma Larga gold project in defending the Action. DPM believes the Action is without merit and that its concessions are legally valid and protected under the Ecuadorian law.

### ***Timok Gold Project***

The Timok gold project is a sediment hosted gold deposit located in the central-eastern region of the Republic of Serbia.

On February 23, 2021, DPM announced the results of the prefeasibility study (“PFS”) for the Timok gold project which focused on the development of the oxide and transitional portions of the Mineral Resource. The PFS was based on the updated Mineral Resource Estimate, dated May 29, 2020, which considered primarily oxide and transitional material types.

The PFS included the following highlights:

- Initial capital estimated to be \$211 million;
- 547,000 gold ounces recovered over an eight-year mine life, with annual gold production estimated to average approximately 80,000 ounces per annum in years 1 to 6, and approximately 70,000 ounces per annum over the life of mine; and
- After-tax NPV<sup>5%</sup> of \$135 million and internal rate of return of 21% assuming a gold price of \$1,500 per ounce.

Based on the positive results of the PFS, the Company proceeded with the FS engineering in June 2021, which is focused on the oxide portion of the deposit. The FS is scheduled for completion in the second quarter of 2022.

The three-year retention of mineral rights for the project was received during the third quarter of 2021. Other permitting activities associated with the spatial planning continued during the third quarter of 2021 with the objective of securing the mining rights for the project. The terms of reference for the spatial plan were released during the fourth quarter of 2021 for public review.

The Company plans to integrate the Čoka Rakita exploration permitting into the overall permitting schedule in order to allow for drilling and further optimization of the project. The exploration permits are expected in the second half of 2022 at which point the broader permitting process will continue as planned.

For additional details, including key assumptions, risks and parameters relating to the PFS, refer to the news release entitled “Dundee Precious Metals Announces Positive Pre-Feasibility Study and Encouraging New Exploration Results for the Timok Gold Project in Serbia” dated February 23, 2021 and the Technical Report entitled “NI 43-101 Technical Report, Timok Project, Pre-Feasibility Study, Žagubica, Serbia” effective March 30, 2021, which have been posted on the Company’s website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Tsumeb Rotary Holding Furnace***

The Company continues to assess opportunities to further optimize the inherent value of the Tsumeb smelter operation. An assessment was completed in respect of the installation of a rotary holding furnace. The estimated upfront cost is expected to range between \$47 million and \$55 million, up from the prior estimate of \$39 million due primarily to a change in scope and updated cost estimates. This furnace is expected to provide surge capacity between the Ausmelt furnace and the converters, increase smelter recoveries as well as potentially bring in additional third party feed and increase the proportion of third party volumes. These opportunities have the potential to generate additional value, with the rotary furnace installation being a potentially high return project that would debottleneck and increase the annual

throughput of complex concentrate by over 50% up to 370,000 tonnes and, in turn, generate significant incremental margins, given the fixed cost nature of the facility. As a result, the Company continues to monitor and pursue potential opportunities to secure additional long-term supply of complex concentrate on acceptable terms that would support this expansion.

Until such supply is secured, DPM will seek to process additional volumes of third party complex concentrates at Tsumeb, in lieu of Chelopech concentrate, when third party concentrates are available on acceptable terms and the Company can, in turn, capitalize on market demand for the Chelopech concentrate. While this has the potential to generate a net overall value for the Company, this would be realized through lower treatment charges and higher margins at Chelopech, offset partially by lower revenue at Tsumeb. This could, in turn, result in the proposed expansion of the smelter being further delayed and possibly deferred indefinitely if an acceptable long term contract cannot be secured to support the expansion.

On December 13, 2019, the Government of Namibia issued an Environmental Clearance Certificate to Tsumeb, approving its proposed expansion to 370,000 tonnes per year, which remains valid until December 2022 with an option to renew.

## OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

## SELECTED QUARTERLY INFORMATION

Selected financial results for the last eight quarters, which have been prepared in accordance with IFRS, are shown in the table below:

\$ millions except per share amounts	2022	2021				2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	<b>153.8</b>	166.4	162.3	174.7	138.0	151.8	156.0	154.0
Net earnings	<b>26.8</b>	51.5	50.4	88.1	19.8	50.1	53.3	49.0
Net earnings (loss) attributable to:								
• Continuing operations	<b>26.8</b>	52.1	50.4	67.5	20.7	50.2	55.2	48.0
• Discontinued operations	-	(0.6)	-	20.7	(0.7)	0.1	(1.5)	0.8
• Non-controlling interests	-	-	-	(0.1)	(0.2)	(0.2)	(0.4)	0.2
Net earnings (loss) per share:	<b>0.14</b>	0.27	0.27	0.48	0.11	0.28	0.30	0.27
• Continuing operations	<b>0.14</b>	0.27	0.27	0.37	0.11	0.28	0.31	0.27
• Discontinued operations	-	-	-	0.11	-	-	(0.01)	-
Net earnings (loss) diluted per share:	<b>0.14</b>	0.27	0.26	0.48	0.11	0.27	0.29	0.27
• Continuing operations	<b>0.14</b>	0.27	0.26	0.37	0.11	0.27	0.30	0.27
• Discontinued operations	-	-	-	0.11	-	-	(0.01)	-
Adjusted net earnings	<b>37.0</b>	51.4	52.5	67.1	31.0	44.0	51.6	44.1
Adjusted basic earnings per share	<b>0.19</b>	0.27	0.28	0.37	0.17	0.24	0.28	0.25

The variations in the Company's quarterly results were driven largely by fluctuations in gold and copper grades and recoveries, volumes of complex concentrate smelted, gold, copper and sulphuric acid prices, foreign exchange rates, smelter toll rates, smelter metal recoveries, depreciation, gains and losses related to Sabina special warrants, gains and losses on commodity swap contracts related to hedging the Company's metal price exposures, realized gains or losses on foreign exchange option contracts related to hedging the Company's foreign denominated operating expenditures, the MineRP Disposition, restructuring costs and impairment charges.

The following table summarizes the quarterly average realized prices for gold and copper and highlights the quarter over quarter variability:

<b>Average Realized Metal Prices</b>	<b>2022</b>	<b>2021</b>				<b>2020</b>		
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
Gold (\$/ounce)	<b>1,876</b>	1,780	1,800	1,803	1,779	1,816	1,835	1,649
Copper (\$/pound)	<b>4.58</b>	3.77	3.72	3.99	3.76	3.26	2.88	2.36

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the amounts of assets, liabilities and contingent liabilities on the date of the consolidated financial statements and the amounts of revenues and expenses during the periods reported. Estimates and assumptions are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The significant areas of estimation and uncertainty considered by management in preparing the condensed interim consolidated financial statements for the three months ended March 31, 2022 are the same as those described in the Company's MD&A for the year ended December 31, 2021.

## **NON-GAAP FINANCIAL MEASURES**

Certain financial measures referred to in this MD&A are not measures recognized under IFRS and are referred to as non-GAAP financial measures or ratios. These measures have no standardized meanings under IFRS and may not be comparable to similar measures presented by other companies. The definitions established and calculations performed by DPM are based on management's reasonable judgment and are consistently applied. These measures are used by management and investors to assist with assessing the Company's performance, including its ability to generate sufficient cash flow to meet its return objectives and support its investing activities and debt service obligations. In addition, the Human Capital and Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP financial measures and ratios, together with other financial measures calculated in accordance with IFRS, are considered to be important factors that assist investors in assessing the Company's performance.

### **Non-GAAP Cash Cost and All-in Sustaining Cost Measures**

Mine cash cost; smelter cash cost; mine cash cost of sales; and all-in sustaining cost are non-GAAP financial measures. Cash cost per tonne of ore processed; cash cost per ounce of gold sold; all-in sustaining cost per ounce of gold sold; and cash cost per tonne of complex concentrate smelted are non-GAAP ratios. These measures capture the important components of the Company's production and related costs. Management and investors utilize these metrics as an important tool to monitor cost performance at the Company's operations. In addition, the Human Capital and Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance.

The following tables provide a reconciliation of the Company's cash cost per tonne of ore processed and cash cost per tonne of complex concentrate smelted to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i>				
<b>For the three months ended March 31, 2022</b>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Tsumeb</b>	<b>Total</b>
Ore processed (mt)	540,892	213,743	-	
Complex concentrate smelted (mt)	-	-	47,243	
Cost of sales	37,291	25,980	34,012	97,283
Add/(deduct):				
Depreciation and amortization	(5,936)	(13,580)	(4,285)	
Other non-cash expenses <sup>(1)</sup>	(243)	-	-	
Bulgarian government subsidy for electricity <sup>(2)</sup>	(3,098)	(1,055)	-	
Change in concentrate inventory	(2,016)	35	-	
Sulphuric acid revenue <sup>(3)</sup>	-	-	(7,057)	
Mine cash cost / Smelter cash cost <sup>(4)</sup>	25,998	11,380	22,670	
Cost of sales per tonne of ore processed <sup>(5)</sup>	68.94	121.55	-	
Cash cost per tonne of ore processed <sup>(5)</sup>	48.07	53.24	-	
Cost of sales per tonne of complex concentrate smelted <sup>(6)</sup>	-	-	720	
Cash cost per tonne of complex concentrate smelted <sup>(6)</sup>	-	-	480	

<i>\$ thousands, unless otherwise indicated</i>				
<b>For the three months ended March 31, 2021</b>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Tsumeb</b>	<b>Total</b>
Ore processed (mt)	543,602	218,654	-	
Complex concentrate smelted (mt)	-	-	23,009	
Cost of sales	32,864	23,675	29,104	85,643
Add/(deduct):				
Depreciation and amortization	(5,969)	(14,020)	(3,898)	
Other non-cash expenses <sup>(1)</sup>	-	-	(652)	
Change in concentrate inventory	(4,258)	(192)	-	
Sulphuric acid revenue <sup>(3)</sup>	-	-	(2,295)	
Mine cash cost / Smelter cash cost <sup>(4)</sup>	22,637	9,463	22,259	
Cost of sales per tonne of ore processed <sup>(5)</sup>	60.46	108.28	-	
Cash cost per tonne of ore processed <sup>(5)</sup>	41.64	43.28	-	
Cost of sales per tonne of complex concentrate smelted <sup>(6)</sup>	-	-	1,265	
Cash cost per tonne of complex concentrate smelted <sup>(6)</sup>	-	-	967	

1) Relates to slow moving inventory provision included in cost of sales in the condensed interim consolidated statements of earnings (loss).

2) Included in other expense in the condensed interim consolidated statements of earnings (loss).

3) Represents a by-product credit for Tsumeb.

4) Cash costs are reported in U.S. dollars, although the majority of costs incurred are denominated in non-U.S. dollars, and consist of all production related expenses including mining, processing, services, royalties and general and administrative.

5) Represents cost of sales and mine cash cost, respectively, divided by tonnes of ore processed.

6) Represents cost of sales and smelter cash cost, respectively, divided by tonnes of complex concentrate smelted.

The following table provides, for the periods indicated, a reconciliation of the Company's cash cost per ounce of gold sold and all-in sustaining cost per ounce of gold sold to its cost of sales:

<i>\$ thousands, unless otherwise indicated</i>			
<b>For the three months ended March 31, 2022</b>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Total</b>
Cost of sales	37,291	25,980	63,271
Add/(deduct):			
Depreciation and amortization	(5,936)	(13,580)	(19,516)
Treatment charges, transportation and other related selling costs <sup>(1)</sup>	15,506	638	16,144
Other non-cash expenses <sup>(2)</sup>	(243)	-	(243)
Bulgarian government subsidy for electricity <sup>(3)</sup>	(3,098)	(1,055)	(4,153)
By-product credits <sup>(4)</sup>	(31,008)	(200)	(31,208)
Mine cash cost of sales	12,512	11,783	24,295
Rehabilitation related accretion expenses <sup>(5)</sup>	84	38	122
General and administrative expenses <sup>(6)</sup>	4,928	2,306	7,234
Cash outlays for sustaining capital <sup>(7)</sup>	2,689	4,346	7,035
Cash outlays for leases <sup>(7)</sup>	241	332	573
All-in sustaining cost	20,454	18,805	39,259
Payable gold in concentrate sold (ounces) <sup>(8)</sup>	36,313	21,068	57,381
Cost of sales per ounce of gold sold <sup>(9)</sup>	1,027	1,233	1,103
Cash cost per ounce of gold sold <sup>(9)</sup>	345	559	423
All-in sustaining cost per ounce of gold sold	563	893	684

<i>\$ thousands, unless otherwise indicated</i>			
<b>For the three months ended March 31, 2021</b>	<b>Chelopech</b>	<b>Ada Tepe</b>	<b>Total</b>
Cost of sales	32,864	23,675	56,539
Add/(deduct):			
Depreciation and amortization	(5,969)	(14,020)	(19,989)
Treatment charges, transportation and other related selling costs <sup>(1)</sup>	17,817	880	18,697
By-product credits <sup>(4)</sup>	(28,255)	(258)	(28,513)
Mine cash cost of sales	16,457	10,277	26,734
Rehabilitation related accretion expenses <sup>(5)</sup>	51	31	82
General and administrative expenses <sup>(6)</sup>	2,103	1,684	3,787
Cash outlays for sustaining capital <sup>(7)</sup>	2,115	2,467	4,582
Cash outlays for leases <sup>(7)</sup>	207	397	604
All-in sustaining cost	20,933	14,856	35,789
Payable gold in concentrate sold (ounces) <sup>(8)</sup>	35,534	33,033	68,567
Cost of sales per ounce of gold sold <sup>(9)</sup>	925	717	825
Cash cost per ounce of gold sold <sup>(9)</sup>	463	311	390
All-in sustaining cost per ounce of gold sold	589	450	522

1) Represents revenue deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

2) Represents slow moving inventory provision included in cost of sales in the condensed interim consolidated statements of earnings (loss).

3) Included in other expense in the condensed interim consolidated statements of earnings (loss).

4) Represents copper and silver revenue.

5) Included in finance cost in the condensed interim consolidated statements of earnings (loss).

6) Represents an allocated portion of DPM's general and administrative expenses, including share-based compensation, based on Chelopech's and Ada Tepe's proportion of total revenue.

7) Included in cash flow used in investing activities and financing activities, respectively, in the condensed interim consolidated statements of cash flows.

8) Includes payable gold in pyrite concentrate sold in the first quarter of 2022 of 7,791 ounces (2021 – 9,384 ounces).

9) Represents cost of sales and mine cash cost of sales, respectively, divided by payable gold in concentrate sold.

## Adjusted net earnings and adjusted basic earnings per share

Adjusted net earnings is a non-GAAP financial measure and adjusted basic earnings per share is a non-GAAP ratio used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings are defined as net earnings attributable to common shareholders, adjusted to exclude specific items that are significant, but not reflective of the underlying operations of the Company, including:

- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value;
- significant tax adjustments not related to current period earnings; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted net earnings to net earnings attributable to common shareholders from continuing operations:

<i>\$ thousands, except per share amounts</i>	<b>Three Months</b>	
	<b>2022</b>	<b>2021</b>
<b>Ended March 31,</b>		
Net earnings attributable to common shareholders from continuing operations	<b>26,825</b>	20,719
Add/(deduct):		
Net losses related to Sabina special warrants, net of income taxes of \$nil for all periods	<b>388</b>	5,399
Tsumeb restructuring costs	<b>9,829</b>	-
Deferred tax expense adjustments not related to current period earnings <sup>(1)</sup>	-	4,904
<b>Adjusted net earnings</b>	<b>37,042</b>	<b>31,022</b>
Basic earnings per share	<b>0.14</b>	0.11
<b>Adjusted basic earnings per share</b>	<b>0.19</b>	<b>0.17</b>

1) Represents changes in unrecognized tax benefits included in net earnings related to unrealized gains (losses) on publicly traded securities, which, together with the related deferred income tax expense (recovery), were recognized in other comprehensive income (loss).

## Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure used by management and investors to measure the underlying operating performance of the Company's operating segments. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods. In addition, the Human Capital and Compensation Committee of the Board of Directors uses adjusted EBITDA, together with other measures, to set incentive compensation goals and assess performance.

Adjusted EBITDA excludes the following from earnings before income taxes:

- depreciation and amortization;
- interest income;
- finance cost;
- impairment charges or reversals thereof;
- unrealized and realized gains or losses related to investments carried at fair value; and
- non-recurring or unusual income or expenses that are either not related to the Company's operating segments or unlikely to occur on a regular basis.

The following table provides a reconciliation of adjusted EBITDA to earnings before income taxes:

<i>\$ thousands</i> <b>Ended March 31,</b>	<b>Three Months</b>	
	<b>2022</b>	<b>2021</b>
Earnings before income taxes	<b>33,890</b>	35,277
Add/(deduct):		
Depreciation and amortization	<b>24,254</b>	24,178
Tsumeb restructuring costs	<b>9,829</b>	-
Finance cost	<b>1,363</b>	1,403
Interest income	<b>(249)</b>	(92)
Net losses related to Sabina special warrants	<b>388</b>	5,399
<b>Adjusted EBITDA</b>	<b>69,475</b>	66,165

### **Cash provided from operating activities, before changes in working capital**

Cash provided from operating activities, before changes in working capital, is a non-GAAP financial measure defined as cash provided from operating activities excluding changes in working capital as set out in the Company's consolidated statements of cash flows. This measure is used by the Company and investors to measure the cash flow generated by the Company's operating segments prior to any changes in working capital, which at times can distort performance.

### **Free cash flow**

Free cash flow is a non-GAAP financial measure defined as cash provided from operating activities, before changes in working capital, less cash outlays for sustaining capital, mandatory principal repayments and interest payments related to debt and leases. This measure is used by the Company and investors to measure the cash flow available to fund growth capital expenditures, dividends and share repurchases.

The following table provides a reconciliation of cash provided from operating activities, before changes in working capital and free cash flow to cash provided from operating activities:

<i>\$ thousands</i> <b>Ended March 31,</b>	<b>Three Months</b>	
	<b>2022</b>	<b>2021</b>
Cash provided from operating activities	<b>78,539</b>	47,591
Add:		
Changes in working capital	<b>(14,268)</b>	15,277
Cash provided from operating activities, before changes in working capital	<b>64,271</b>	62,868
Cash outlays for sustaining capital	<b>(10,397)</b>	(10,222)
Principal repayments related to leases	<b>(1,131)</b>	(1,057)
Interest paid	<b>(365)</b>	(582)
<b>Free cash flow</b>	<b>52,378</b>	51,007

### **Average realized metal prices**

Average realized gold and copper prices are non-GAAP ratios used by management and investors to highlight the price actually realized by the Company relative to the average market price, which can differ due to the timing of sales, hedging and other factors.

Average realized gold and copper prices represent the average per unit price recognized in the Company's consolidated statements of earnings (loss) prior to any deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

The following table provides a reconciliation of the Company's average realized gold and copper prices to its revenue:

<i>\$ thousands, unless otherwise indicated</i> <b>Ended March 31,</b>	<b>Three Months</b>	
	<b>2022</b>	<b>2021</b>
Total revenue from continuing operations	<b>153,801</b>	138,030
Add/(deduct):		
Tsumeb revenue	<b>(31,093)</b>	(8,908)
Treatment charges and other deductions <sup>(1)</sup>	<b>16,144</b>	21,389
Silver revenue	<b>(1,234)</b>	(1,123)
Revenue from gold and copper	<b>137,618</b>	149,388
Revenue from gold	<b>107,645</b>	121,998
Payable gold in concentrate sold ( <i>ounces</i> )	<b>57,381</b>	68,567
Average realized gold price per ounce	<b>1,876</b>	1,779
Revenue from copper	<b>29,973</b>	27,390
Payable copper in concentrate sold ( <i>'000s pounds</i> )	<b>6,541</b>	7,279
Average realized copper price per pound	<b>4.58</b>	3.76

1) Represents revenue deductions for treatment charges, refining charges, penalties, freight and final settlements to adjust for any differences relative to the provisional invoice.

## **RISKS AND UNCERTAINTIES**

The operating results and financial condition of the Company are subject to a number of inherent risks and uncertainties associated with its business activities, which include the acquisition, exploration, development, financing, construction, commissioning and operation of its mine, mill and concentrate processing facilities. The operating results and financial condition are also subject to numerous external factors, which include economic, social, geopolitical, including military conflicts, environmental, regulatory, health, legal, tax and market risks impacting, among other things, precious metals and copper prices, sulphuric acid prices, toll rates, foreign exchange rates, inflation, the availability and cost of capital to fund the capital requirements of the business and the supply chain related to the business. Each of these risks could have a material adverse impact on the Company's future business, results of operations and financial condition, and could cause actual results to differ materially from those described in any Forward Looking Statements of this MD&A. The Company endeavors to manage these risks and uncertainties in a balanced manner with a view to mitigating risk while maximizing total shareholder returns. The Company continually strives to identify and to effectively manage the risks of each of its business units. This includes developing appropriate risk management strategies, policies, processes and systems. There can be no assurance that the Company has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful.

A comprehensive discussion of the risks faced by the Company can be found in the Company's 2021 Annual MD&A and AIF.

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company's management, under the supervision of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), has designed disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), based on the Internal Control – Integrated Framework (2013) developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

DC&P are designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO during the reporting period and the information required to be disclosed by the Company in its reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. Due to the inherent limitations associated with

any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.

The Company's management, under the supervision of the CEO and the CFO, has evaluated its DC&P and ICFR and concluded that, as at March 31, 2022, they have been designed effectively to provide reasonable assurance regarding required disclosures, the reliability of financial reporting and the preparation of financial statements for external purposes.

NI 52-109 also requires Canadian public companies to disclose any change in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to the ICFR in the first quarter of 2022.

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

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Certain statements and other information included in this MD&A and our other disclosure documents constitute "forward looking information" or "forward looking statements" within the meaning of applicable securities legislation, which we refer to collectively hereinafter as "Forward Looking Statements".

Forward Looking Statements are statements that are not historical facts and are generally, but not always, identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "guidance", "outlook", "intends", "anticipates", "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, or the negative of any of these terms or similar expressions. The Forward Looking Statements in this MD&A relate to, among other things: expected cash flows; the price of gold, copper, silver and sulphuric acid; toll rates, metals exposure and stockpile interest deductions at Tsumeb; Tsumeb's ability to continue to benefit from the EPZ and expected new SSEZ regime in Namibia; the estimation of Mineral Reserves and Mineral Resources and the realization of such mineral estimates; estimated capital costs, all-in sustaining costs, operating costs and other financial metrics, including those set out in the outlook and guidance provided by the Company; currency fluctuations; the impact of any impairment charges; the processing of Chelopech concentrate; timing of further optimization work at Tsumeb; potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; DPM's strategy, plans, targets and goals in respect of environmental, social and governance issues, including climate change, greenhouse gas emissions reduction targets, tailings management facilities and human rights initiatives; results of economic studies, including the Timok PFS and the Loma Larga FS; expected milestones; success of exploration activities; the timing of the completion and results of a FS for the Timok gold project; expectations with respect to the potential to incorporate additional existing Mineral Resources into the Timok mine plan by processing the sulphide portion of the ore body; development of the Loma Larga gold project, including expected production, successful negotiations of an investment protection agreement and exploitation agreement and granting of environmental and construction permits in a timely manner; success of permitting activities; permitting timelines; success of investments, including potential acquisitions; requirements for additional capital; measures the Company is undertaking in response to the COVID-19 outbreak, including its impacts on the Company's global supply chains, the level of and duration of reductions or curtailments in operating levels at any of the Company's operations or in its exploration and development activities; government regulation of mining and smelting operations; environmental risks; reclamation expenses; potential or anticipated outcome of title disputes or claims; benefits of digital initiatives; the timing and amount of dividends; the timing and number of common shares of the Company that may be purchased pursuant to the NCIB; and timing and possible outcome of pending litigation or legal proceedings, if any.

Forward Looking Statements are based on certain key assumptions and the opinions and estimates of management and QP (in the case of technical and scientific information), 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. In addition to factors already discussed in this document, such factors include, among others: fluctuations in metal and sulphuric acid prices, toll rates and foreign exchange rates; continuation or escalation of the conflict in Ukraine; risks relating to the Company's business generally and the impact of global pandemics, including COVID-19, resulting in changes to the Company's supply chain, product shortages, delivery and shipping issues, closure and/or failure of plant, equipment or processes to operate as anticipated, employees and

contractors becoming infected, low vaccination rates, lost work hours and labour force shortages; regulatory changes, including changes impacting the complex concentrate market; inability of Tsumeb to secure complex copper concentrate on terms that are economic; possible variations in ore grade and recovery rates; inherent uncertainties in respect of conclusions of economic evaluations and economic studies, including the Timok PFS and the Loma Larga FS; uncertainties with respect to timing of the Timok FS; changes in project parameters, including schedule and budget, as plans continue to be refined; uncertainties with respect to realizing the anticipated benefits from the acquisition of INV Metals Inc. and the development of the Loma Larga gold project; uncertainties with respect to actual results of current exploration activities; uncertainties and risks inherent to developing and commissioning new mines into production, which may be subject to unforeseen delays; 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; limitations on insurance coverage; 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; actual results of current and planned reclamation activities; opposition by social and non-governmental organizations to mining projects and smelting operations; unanticipated title disputes; claims or litigation; failure to achieve certain cost savings or the potential benefits of any upgrades and/or expansion, including the potential rotary holding furnace installation at the Tsumeb smelter; increased costs and physical risks, including extreme weather events and resource shortages, related to climate change; cyber-attacks and other cybersecurity risks; there being no assurance that the Company will purchase additional common shares of the Company under the NCIB; risks related to the implementation, cost and realization of benefits from digital initiatives; uncertainties with respect to realizing the targeted MineRP earn-outs as well as those risk factors discussed or referred to in any other documents (including without limitation the Company's most recent 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](http://www.sedar.com). This list is not exhaustive of the factors that may affect any of the Company's Forward Looking Statements.

The Forward Looking Statements are based on what the Company's management considers to be reasonable assumptions, beliefs, expectations and opinions based on the information currently available to it. Without limitation to the foregoing, the following section outlines certain specific Forward Looking Statements contained in the "Three-Year Outlook" section of this MD&A, unless otherwise noted, and provides certain material assumptions used to develop such Forward Looking Statements and material risk factors that could cause actual results to differ materially from the Forward Looking Statements (which are provided without limitation to the additional general risk factors discussed herein):

*Ore processed:* assumes Chelopech and Ada Tepe mines perform at planned levels. Subject to a number of risks, the more significant of which is failure of plant, equipment or processes to operate as anticipated.

*Cash cost per tonne of ore processed:* assumes Chelopech and Ada Tepe ore mined/milled are in line with the guidance provided; foreign exchange rates remain at or around current levels; and operating expenses at Chelopech and Ada Tepe are at planned levels. Subject to a number of risks, the more significant of which are: lower than anticipated ore mined/milled; a weaker U.S. dollar relative to the Euro; and unexpected increases in labour and other operating costs.

*Metals contained in concentrate produced:* assumes grades and recoveries are consistent with current estimates of Mineral Resources and Mineral Reserves and DPM's current expectations; and ore mined/milled is consistent with guidance. Subject to a number of risks, the more significant of which are: lower than anticipated ore grades, recovery rates and ore mined/milled.

*All-in sustaining costs:* assumes that metals contained in concentrate produced and cash cost per tonne of ore processed at Chelopech and Ada Tepe are each in line with the guidance provided; copper and silver prices remain at or around current levels; the timing, destination and commercial terms in respect of concentrate deliveries are consistent with DPM's current expectations; payable metals in concentrate sold are consistent with the guidance provided, and general and administrative expenses, sustaining capital expenditures and leases are consistent with the guidance provided. Subject to a number of risks, the more significant of which are: lower than anticipated metals contained in concentrate produced, concentrate deliveries and metal prices; a higher than anticipated cash cost per tonne of ore processed; and higher than anticipated sustaining capital expenditures, leases and general and administrative expenses.

*Complex concentrate smelted at Tsumeb:* assumes no significant disruption in equipment availability, planned maintenance activities or concentrate supply. Subject to a number of risks, the more significant of which are: unanticipated operational issues; delays in maintenance activities; lower than anticipated equipment availability; and disruptions to or changes in the supply of complex concentrate, including changes in the proportion of third party and Chelopech feed.

*Cash cost per tonne of complex concentrate smelted:* assumes complex concentrate smelted is consistent with the guidance provided; no delays in planned maintenance activities; sulphuric acid prices are at or around current levels; sulphuric acid production and operating expenses are at planned levels; and foreign exchange rates remain at or around current levels. Subject to a number of risks, the more significant of which are: complex concentrate smelted and sulphuric acid production are lower than anticipated; sulphuric acid prices are lower than anticipated; strengthening of the ZAR relative to the U.S. dollar; and higher than anticipated operating and transportation costs due to a variety of factors, including higher than anticipated inflation, labour and other operating costs.

*Sustaining and growth capital expenditures:* assumes foreign exchange rates remain at or around current levels, and all capital projects proceed as planned and at a cost that is consistent with the budget established for each project. Subject to a number of risks, the more significant of which are: technical challenges, delays related to securing necessary permits and approvals, equipment deliveries, equipment performance, and the speed with which work is performed; availability of qualified labour; and changes in project parameters and estimated costs, including foreign exchange impacts.

*Liquidity (see comments contained in "Liquidity and Capital Resources" section):* assumes the operating and cost performance are consistent with current expectations; metal and sulphuric acid prices, and foreign exchange rates remain at or around current levels; concentrate and sulphuric acid sales agreements, and smelter toll terms are consistent with current terms and/or forecast levels; progress of capital projects is consistent with current expectations; and DPM's RCF remains in place. Subject to a number of risks, the more significant of which are: lower than anticipated metals production at Chelopech and Ada Tepe, complex concentrate throughput and sulphuric acid production at Tsumeb, concentrate deliveries and metal prices; lower than anticipated reductions in secondary material at Tsumeb; a weaker U.S. dollar relative to local operating currencies; changes in contractual sales and/or toll terms and sulphuric acid prices; changes to capital project parameters, schedule and/or costs; and the inability to draw down on DPM's RCF due to a breach or potential breach of one of its covenants.

*General:* assumes ability to carry on exploration and development activities; ability to operate in a safe, efficient and effective manner; no significant unanticipated operational or technical difficulties; maintenance of good relations with the communities surrounding Chelopech, Ada Tepe, Tsumeb and Loma Larga; and no significant events or changes relating to regulatory, environmental, health and safety matters, including that the Company does not experience any significant negative effects as a result of the COVID-19 pandemic and the conflict in Ukraine.

The reader is cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward Looking Statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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. The Company's Forward Looking Statements reflect current expectations regarding future events and are only as of the date hereof. Other than as it may be required by law, the Company undertakes no obligation to update Forward Looking Statements if circumstances or management's estimates or opinion should change. Accordingly, readers are cautioned not to place undue reliance on Forward Looking Statements.

## CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

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This MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101.

The United States Securities and Exchange Commission (“SEC”) adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the *Securities Exchange Act* of 1934, as amended. These amendments became effective February 25, 2019 (the “SEC Modernization Rules”) with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical disclosure requirements for mining issuers that were included in SEC Industry Guide 7. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM Definition Standards incorporated by reference in NI 43-101.

Readers are cautioned that while the above terms are “substantially similar” to the corresponding CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any Mineral Reserves or Mineral Resources that the Company may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

Readers are also cautioned that while the SEC will now recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, it should not be assumed that any part or all of the mineralization in these categories will ever be converted into a higher category of Mineral Resources or into Mineral Reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, readers are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” that the Company reports are or will be economically or legally mineable. Further, “inferred mineral resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, readers are also cautioned not to assume that all or any part of the “inferred mineral resources” exist. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101. For the above reasons, information contained in this MD&A containing descriptions of the Company’s mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.