

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2023 and December 31, 2022  
(unaudited, in thousands of U.S. dollars)

		September 30, 2023	December 31, 2022
<b>ASSETS</b>	<b>Notes</b>		
<b>Current Assets</b>			
Cash and cash equivalents		562,655	433,176
Accounts receivable		123,287	126,437
Inventories		44,641	45,813
Other current assets		2,725	5,495
		<b>733,308</b>	<b>610,921</b>
<b>Non-Current Assets</b>			
Investments at fair value	4(a)	5,419	40,773
Exploration and evaluation assets		142,495	126,231
Mine properties		94,603	113,520
Property, plant & equipment		220,086	237,103
Intangible assets		15,481	15,501
Deferred income tax assets		11,741	6,590
Other long-term assets		6,990	6,615
		<b>496,815</b>	<b>546,333</b>
<b>TOTAL ASSETS</b>		<b>1,230,123</b>	<b>1,157,254</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		83,155	86,529
Income tax liabilities		11,179	83
Current portion of long-term liabilities		6,578	10,273
		<b>100,912</b>	<b>96,885</b>
<b>Non-Current Liabilities</b>			
Rehabilitation provisions		43,033	45,823
Share-based compensation liabilities	6	10,420	8,122
Other long-term liabilities		10,209	13,330
		<b>63,662</b>	<b>67,275</b>
<b>TOTAL LIABILITIES</b>		<b>164,574</b>	<b>164,160</b>
<b>EQUITY</b>			
Share capital		557,801	583,027
Contributed surplus		5,414	6,436
Retained earnings		507,070	411,786
Accumulated other comprehensive loss		(4,736)	(8,155)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,065,549</b>	<b>993,094</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,230,123</b>	<b>1,157,254</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, except per share amounts)

		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
	<b>Notes</b>				
<b>Revenue</b>	12	<b>135,000</b>	128,648	<b>458,356</b>	416,932
<b>Costs and expenses</b>					
Cost of sales		<b>84,038</b>	89,764	<b>254,399</b>	266,338
General and administrative expenses	6	<b>6,839</b>	3,528	<b>26,529</b>	18,294
Corporate social responsibility expenses		<b>1,135</b>	1,226	<b>2,486</b>	2,737
Exploration and evaluation expenses		<b>14,364</b>	6,749	<b>33,101</b>	15,848
Impairment charge	3	-	85,000	-	85,000
Finance costs		<b>1,570</b>	1,932	<b>4,914</b>	4,770
Other income and expense	7	<b>(7,484)</b>	(5,899)	<b>(15,853)</b>	2,835
		<b>100,462</b>	182,300	<b>305,576</b>	395,822
<b>Earnings (loss) before income taxes</b>		<b>34,538</b>	(53,652)	<b>152,780</b>	21,110
Current income tax expense		<b>7,853</b>	3,391	<b>22,660</b>	17,408
Deferred income tax expense (recovery)		<b>(442)</b>	671	<b>(5,343)</b>	1,099
<b>Net earnings (loss)</b>		<b>27,127</b>	(57,714)	<b>135,463</b>	2,603
<b>Earnings (loss) per share</b>					
- Basic		<b>0.15</b>	(0.30)	<b>0.72</b>	0.01
- Diluted		<b>0.15</b>	(0.30)	<b>0.72</b>	0.01

The accompanying notes are an integral part of the condensed interim consolidated financial statements

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three and nine months ended September 30, 2023 and 2022

*(unaudited, in thousands of U.S. dollars)*

		Three months ended September 30,		Nine months ended September 30,	
	Notes	2023	2022	2023	2022
<b>Net earnings (loss)</b>		<b>27,127</b>	(57,714)	<b>135,463</b>	2,603
<b>Other comprehensive income (loss) items that may be reclassified subsequently to profit or loss:</b>					
<b>Foreign exchange option contracts designated as cash flow hedges</b>					
Unrealized losses, net of income tax of \$nil for all periods	4(c)	<b>(164)</b>	(2,420)	<b>(3,610)</b>	(2,127)
Deferred cost of hedging, net of income tax of \$nil for all periods	4(c)	<b>713</b>	(2,601)	<b>927</b>	(3,565)
Realized losses transferred to cost of sales, net of income tax of \$nil for all periods	4(c)	<b>1,084</b>	468	<b>2,659</b>	268
<b>Other comprehensive income (loss) items that will not be reclassified subsequently to profit or loss:</b>					
Unrealized gains (losses) on publicly traded securities, net of income tax of \$nil for all periods	4(a)	<b>(594)</b>	(3,821)	<b>21,160</b>	(14,276)
Transferred to retained earnings on derecognition of investment in Sabina	4(a)	-	-	<b>(17,717)</b>	-
		<b>1,039</b>	(8,374)	<b>3,419</b>	(19,700)
<b>Comprehensive income (loss)</b>		<b>28,166</b>	<b>(66,088)</b>	<b>138,882</b>	<b>(17,097)</b>

*The accompanying notes are an integral part of the condensed interim consolidated financial statements*

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars)

		Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
	<b>Notes</b>				
<b>OPERATING ACTIVITIES</b>					
Earnings (loss) before income taxes		34,538	(53,652)	152,780	21,110
Depreciation and amortization		23,364	27,010	66,975	78,512
Impairment charge	3	-	85,000	-	85,000
Changes in working capital	9(a)	9,463	(25,456)	(17,568)	7,921
Other items not affecting cash	9(b)	(5,757)	(4,590)	4,864	(2,785)
Proceeds from (payments for) settlement of derivative contracts		1,807	5,691	(17,053)	5,035
Interest received		7,043	1,524	17,461	2,439
Income taxes paid		(3,032)	(4,056)	(9,956)	(14,469)
<b>Cash provided from operating activities</b>		<b>67,426</b>	<b>31,471</b>	<b>197,503</b>	<b>182,763</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of publicly traded securities		-	-	(516)	(500)
Proceeds from disposal of B2Gold shares	4(a)	-	-	56,459	-
Proceeds from disposal of mine properties, property, plant and equipment and intangible assets		-	10	45	10
Expenditures on exploration and evaluation assets		(5,479)	(7,977)	(16,839)	(18,581)
Expenditures on mine properties		(1,472)	(1,383)	(4,599)	(7,895)
Expenditures on property, plant and equipment		(9,695)	(11,342)	(25,693)	(31,696)
Expenditures on intangible assets		(878)	(183)	(1,898)	(1,044)
Decrease in restricted cash		-	-	3,537	-
<b>Cash provided from (used in) investing activities</b>		<b>(17,524)</b>	<b>(20,875)</b>	<b>10,496</b>	<b>(59,706)</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from exercise of stock options		58	610	3,121	3,377
Dividends paid	10(a)	(7,659)	(7,628)	(22,846)	(21,002)
Payments for share repurchases	10(b)	(19,675)	(4,155)	(53,343)	(13,619)
Principal repayments related to leases		(1,210)	(1,139)	(3,844)	(3,413)
Interest and finance fees paid		(708)	(2,009)	(1,608)	(3,183)
<b>Cash used in financing activities</b>		<b>(29,194)</b>	<b>(14,321)</b>	<b>(78,520)</b>	<b>(37,840)</b>
Increase (decrease) in cash and cash equivalents		20,708	(3,725)	129,479	85,217
Cash and cash equivalents at beginning of period		541,947	423,319	433,176	334,377
<b>Cash and cash equivalents at end of period</b>		<b>562,655</b>	<b>419,594</b>	<b>562,655</b>	<b>419,594</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, except for number of shares)

	September 30, 2023		September 30, 2022	
	Number	Amount	Number	Amount
<i>Notes</i>				
<b>Share Capital</b>				
<b>Authorized</b>				
Unlimited common and preference shares with no par value				
<b>Issued</b>				
Fully paid common shares with one vote per share				
<b>Balance at beginning of period</b>	<b>190,000,202</b>	<b>583,027</b>	191,441,200	585,050
Shares issued on exercise of stock options	<b>1,036,336</b>	<b>3,121</b>	1,060,102	3,377
Share repurchases	<i>10(b)</i> <b>(7,758,148)</b>	<b>(29,947)</b>	(2,501,100)	(7,551)
Transferred from contributed surplus on exercise of stock options		<b>1,600</b>		2,151
<b>Balance at end of period</b>	<b>183,278,390</b>	<b>557,801</b>	190,000,202	583,027
<b>Contributed surplus</b>				
<b>Balance at beginning of period</b>		<b>6,436</b>		8,629
Share-based compensation expense		<b>710</b>		838
Transferred to share capital on exercise of stock options		<b>(1,600)</b>		(2,151)
Other changes in contributed surplus		<b>(132)</b>		(1,158)
<b>Balance at end of period</b>		<b>5,414</b>		6,158
<b>Retained earnings</b>				
<b>Balance at beginning of period</b>		<b>411,786</b>		412,394
Net earnings		<b>135,463</b>		2,603
Transferred from accumulated other comprehensive income (loss) on derecognition of investment in Sabina	<i>4(a)</i>	<b>17,717</b>		-
Dividend distributions	<i>10(a)</i>	<b>(22,367)</b>		(22,863)
Share repurchases	<i>10(b)</i>	<b>(35,529)</b>		(6,068)
<b>Balance at end of period</b>		<b>507,070</b>		386,066
<b>Accumulated other comprehensive loss</b>				
<b>Balance at beginning of period</b>		<b>(8,155)</b>		(1,660)
Other comprehensive income (loss)		<b>3,419</b>		(19,700)
<b>Balance at end of period</b>		<b>(4,736)</b>		(21,360)
<b>Total equity at end of period</b>		<b>1,065,549</b>		953,891

The accompanying notes are an integral part of the condensed interim consolidated financial statements

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

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## 1. CORPORATE INFORMATION

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Dundee Precious Metals Inc. (“DPM”) is a Canadian based international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. DPM is a publicly listed company incorporated under the federal laws of Canada. DPM has common shares traded on the Toronto Stock Exchange (“TSX”). The address of DPM’s registered office is 150 King Street West, Suite 902, P.O. Box 30, Toronto, Ontario M5H 1J9.

As at September 30, 2023, DPM’s condensed interim consolidated financial statements included DPM and its subsidiary companies (collectively, the “Company”).

DPM’s principal subsidiaries included:

- 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.

DPM held interests in a number of exploration and development properties located in Serbia and Ecuador through its subsidiaries, including:

- 100% of Crni Vrh Resources d.o.o. and DPM Avala d.o.o., which hold the Čoka Rakita project and the Timok gold project, respectively, in Serbia; and
- 100% of DPM Ecuador S.A. (“DPM Ecuador”), which is focused on the exploration and development of the Loma Larga gold project and the Tierras Coloradas exploration property in Ecuador.

## 2. BASIS OF PREPARATION

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These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, including International Accounting Standard 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all of the information required for full financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2022.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 7, 2023.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

*(unaudited, in thousands of U.S. dollars, unless otherwise indicated)*

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## 3. TSUMEB IMPAIRMENT CHARGE

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As at September 30, 2022, the Company assessed the recoverable amount of each of its Cash Generating Units ("CGUs") as a result of (i) the market capitalization of DPM's shares being less than their carrying value; and (ii) a decrease in the expected supply of suitable higher arsenic bearing concentrate for processing at the smelter over the longer term. Based on this assessment, the carrying values of all CGUs were considered recoverable, with the exception of Tsumeb.

As a result of the impairment assessment, the carrying value of Tsumeb exceeded its estimated recoverable amount resulting in an impairment charge of \$85.0 million being recognized in the condensed interim consolidated statements of earnings (loss) for the three and nine months ended September 30, 2022, of which \$84.3 million related to property, plant, and equipment and \$0.7 million related to intangible assets. This charge was primarily attributable to lower forecast toll revenue as a result of an expected reduction in higher arsenic bearing third party concentrate feed being received by the smelter commencing in 2024, concurrent with when the smelter is not expected to be processing any of Chelopech concentrate. While the processing of Chelopech concentrate at other third party smelters is expected to generate additional overall value for the Company, it will be realized through lower treatment charges and higher margins at Chelopech rather than higher tolling rates and higher margins at Tsumeb.

Tsumeb's recoverable amount of \$40.0 million as at September 30, 2022 was determined using fair value less cost of disposal ("FVLCD"), which was calculated based on projected future cash flows utilizing information available and management's estimates at the time including throughput ranging from 230,000 tonnes to 350,000 tonnes, toll rates and volumes based on historical terms received and the Company's knowledge of the complex concentrate market, lower operating costs, sustaining capital expenditures in line with current levels, and the foreign exchange rate between the U.S. dollar and the ZAR of 17.05. These projected cash flows were prepared in current dollars and discounted using a real discount rate of 10.79%, representing the estimated weighted average real cost of capital. This rate was estimated based on the Capital Asset Pricing Model where the costs of equity and debt were based on, among other things, estimated interest rates, market returns on equity, share volatility, leverage and risks specific to the mining sector and Tsumeb. Management's estimate of Tsumeb's FVLCD is classified as level 3 in the fair value hierarchy.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

## 4. FINANCIAL INSTRUMENTS

Set out below is a comparison, by category, of the carrying amounts of the Company's financial instruments that are recognized in the condensed interim consolidated statements of financial position:

	Financial instrument classification	Carrying Amount	
		September 30, 2023	December 31, 2022
<b>Financial assets</b>			
Cash and cash equivalents	Amortized cost	562,655	433,176
Accounts receivable on provisionally priced sales	Fair value through profit or loss	73,840	75,707
Other accounts receivable	Amortized cost	49,447	50,730
Restricted cash	Amortized cost	1,973	5,641
Warrants	Fair value through profit or loss	58	219
	Fair value through other comprehensive income		
Publicly traded securities (a)		5,361	40,554
Commodity swap contracts (b)	Derivatives for fair value hedges	1,566	149
Foreign exchange forward contracts	Fair value through profit or loss	-	531
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	Amortized cost	81,155	81,165
Commodity swap contracts (b)	Derivatives for fair value hedges	189	3,259
Foreign exchange option contracts (c)	Derivatives for cash flow hedges	1,811	1,787
Foreign exchange forward contracts	Fair value through profit or loss	-	318

The carrying values of all the financial assets and liabilities measured at amortized cost approximate their fair values as at September 30, 2023 and December 31, 2022.

### (a) Publicly traded securities

Publicly traded securities include a portfolio of equity investments in publicly traded mining and exploration companies.

For the three and nine months ended September 30, 2023, the Company recognized unrealized losses on these publicly traded securities of \$0.6 million (2022 – \$3.8 million) and unrealized gains of \$21.2 million (2022 – unrealized losses of \$14.3 million), respectively, in other comprehensive income (loss) that will not be reclassified subsequently to profit or loss.

On April 19, 2023, B2Gold Corp. ("B2Gold") successfully completed its previously announced acquisition of Sabina Gold and Silver Corp. ("Sabina") through the issuance of 0.3867 of a common share of B2Gold for each Sabina common share, representing a consideration of Cdn\$2.11 per Sabina share on a fully-diluted basis based on the closing price of B2Gold on the TSX as at the closing date. As a result, DPM exchanged its ownership interest in Sabina for 13,940,753 common shares of B2Gold, valued at \$56.8 million (Cdn\$76.1 million) at the date of the transaction. The Company subsequently disposed of all B2Gold common shares held for cash proceeds of \$56.5 million and transferred the accumulated fair value gains of \$17.7 million on the derecognition of Sabina common shares from accumulated other comprehensive income (loss) to retained earnings during the nine months ended September 30, 2023.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

## (b) 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 September 30, 2023, the Company's outstanding QP Hedges, all of which mature within five months from the reporting date, are summarized in the table below:

Commodity hedged	Volume hedged	Weighted average fixed price of QP Hedges
Payable gold	16,705 ounces	\$1,935.94 /ounce
Payable copper	5,621,781 pounds	\$3.74 /pound

The Company designates 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 London Metal Exchange forward copper prices and New York Commodity Exchange forward gold prices, as applicable. As at September 30, 2023, the net fair value gain on all outstanding QP Hedges was \$1.4 million (December 31, 2022 – a net fair value loss of \$3.2 million), of which \$1.6 million (December 31, 2022 – \$0.1 million) was included in other current assets and \$0.2 million (December 31, 2022 – \$3.3 million) in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2023, the Company recognized, in revenue, net gains of \$1.8 million (2022 – \$6.4 million) and net losses of \$5.2 million (2022 – net gains of \$14.3 million), respectively, on QP Hedges.

## (c) 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 are entered into to provide price protection below a specified "floor" rate and participation up to a specified "ceiling" rate. The option contracts entered into 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 September 30, 2023, the Company had outstanding foreign exchange option contracts in respect of a portion of its projected Namibian dollar ("NAD") operating expenses which are linked to the South African Rand ("ZAR") as summarized in the table below:

Year of projected operating expenses	Amount hedged in ZAR <sup>(i)</sup>	Call options sold Weighted average ceiling rate US\$/ZAR	Put options purchased Weighted average floor rate US\$/ZAR
Balance of 2023	352,893,000	17.76	15.83
2024	964,081,956	20.24	17.94

(i) The NAD is pegged to the ZAR on a 1:1 basis.

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.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

*(unaudited, in thousands of U.S. dollars, unless otherwise indicated)*

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The fair value gain or loss on these outstanding contracts was calculated based on foreign exchange forward rates quoted in the market. As at September 30, 2023, the net fair value loss on all outstanding foreign exchange option contracts was \$1.8 million (December 31, 2022 – \$1.8 million), which was included in accounts payable and accrued liabilities.

For the three and nine months ended September 30, 2023, the Company recognized unrealized losses of \$0.2 million (2022 – \$2.4 million) and \$3.6 million (2022 – \$2.1 million), respectively, in other comprehensive income (loss) on the spot component of the outstanding foreign exchange option contracts. The Company also recognized unrealized gains of \$0.7 million (2022 – unrealized losses of \$2.6 million) and \$0.9 million (2022 – unrealized losses of \$3.6 million), respectively, for the three and nine months ended September 30, 2023 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 recognized realized losses of \$1.1 million (2022 – \$0.5 million) and \$2.7 million (2022 – \$0.3 million), respectively, for the three and nine months ended September 30, 2023 in cost of sales on the spot component of settled contracts.

### **Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: based on inputs which have a significant effect on fair value that are observable, either directly or indirectly from market data; and
- Level 3: based on inputs which have a significant effect on fair value that are not observable from market data.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2023 and December 31, 2022:

	As at September 30, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Accounts receivable on provisionally priced sales	-	73,840	-	73,840
Warrants	-	-	58	58
Publicly traded securities	5,361	-	-	5,361
Commodity swap contracts	-	1,566	-	1,566
<b>Financial liabilities</b>				
Commodity swap contracts	-	189	-	189
Foreign exchange option contracts	-	1,811	-	1,811
	As at December 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Accounts receivable on provisionally priced sales	-	75,707	-	75,707
Warrants	-	-	219	219
Publicly traded securities	40,554	-	-	40,554
Commodity swap contracts	-	149	-	149
Foreign exchange forward contracts	-	531	-	531
<b>Financial liabilities</b>				
Commodity swap contracts	-	3,259	-	3,259
Foreign exchange option contracts	-	1,787	-	1,787
Foreign exchange forward contracts	-	318	-	318

During the nine months ended September 30, 2023 and the year ended December 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

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## 5. DEBT

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### (a) DPM Revolving Credit Facility

DPM has a committed revolving credit facility (the “RCF”) with a consortium of four banks that matures in July 2026, and is secured by pledges of DPM’s investments in Ada Tepe, Chelopech and the Loma Larga gold project and by guarantees from each of the subsidiaries that hold these assets. Initially, DPM is permitted to borrow up to an aggregate principal amount of \$150.0 million, which can be increased pursuant to an accordion feature that permits, subject to certain conditions, the facility to be increased to \$250.0 million. The cost of borrowing is based on the Secured Overnight Financing Rate (“SOFR”), plus a spread, which is currently 2.25%, and can range between 2.25% and 3.50% depending upon DPM’s leverage. The RCF contains financial covenants that require DPM to maintain: (i) a Debt Leverage Ratio below 3.75:1, and (ii) a minimum net worth equal to \$600 million plus (minus) 50% of ongoing net earnings (loss) plus 50% of all equity raised by DPM, in each case, after March 31, 2022, and as defined under the RCF.

As at September 30, 2023 and December 31, 2022, DPM was in compliance with all financial covenants and \$nil was drawn under the RCF.

### (b) Tsumeb overdraft facility

Tsumeb has a NAD 100.0 million (\$5.3 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 September 30, 2023 and December 31, 2022, \$nil was drawn from this facility.

### (c) Other credit agreements and guarantees

Chelopech and Ada Tepe have a \$21.0 million multi-purpose credit facility that matures on November 30, 2023 and is guaranteed by DPM. As at September 30, 2023, \$13.1 million (December 31, 2022 – \$17.3 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 (\$22.2 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, 2023 and is guaranteed by DPM. As at September 30, 2023, \$22.2 million (December 31, 2022 – \$22.5 million) had been utilized in the form of letters of guarantee.

Ada Tepe also has a \$10.3 million multi-purpose credit facility that matures on November 30, 2023 and is guaranteed by DPM. As at September 30, 2023, \$0.3 million (December 31, 2022 – \$0.2 million) had been utilized in the form of letters of credit and letters of guarantee, primarily in respect of exploration contracts with the Bulgarian Ministry of Energy.

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

All these facilities are in the process of being renewed to November 30, 2024.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

### 6. SHARED-BASED COMPENSATION PLANS

The following is a summary of the new grants under the Company's share-based compensation plans during the nine months ended September 30, 2023:

	Number of units	Fair value granted
Restricted Share Units	705,504	5,177
Performance Share Units	305,907	2,242
Deferred Share Units	137,414	910
DPM Stock Options	264,250	715
<b>Total</b>	<b>1,413,075</b>	<b>9,044</b>

As at September 30, 2023, the Company had a total share-based compensation liability of \$14.4 million (December 31, 2022 – \$16.0 million), of which the current portion of \$4.0 million (December 31, 2022 – \$7.9 million) was included in accounts payable and accrued liabilities on the condensed interim consolidated statements of financial position.

The following table summarizes the impact of the mark-to-market adjustments related to the change in DPM's share price on the Company's share-based compensation expenses for the three and nine months ended September 30, 2023:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Increase (decrease) in share-based compensation expenses due to mark-to-market adjustments	(891)	(2,811)	6,781	(3,622)

The following table summarizes total share-based compensation expenses recognized by the Company in the condensed interim consolidated statements of earnings (loss) for the three and nine months ended September 30, 2023 :

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Share-based compensation expenses recognized in:				
Cost of sales	694	253	2,853	1,207
General and administrative expenses	818	(445)	9,379	1,749
Exploration and evaluation expenses	84	-	259	-
<b>Total</b>	<b>1,596</b>	<b>(192)</b>	<b>12,491</b>	<b>2,956</b>

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

### 7. OTHER INCOME AND EXPENSE

	Three months ended		Nine months ended	
	September 30, 2023	2022	September 30, 2023	2022
Realized (gains) losses on foreign exchange forward contracts	-	1,277	4,516	(870)
Net foreign exchange gains	(1,539)	(3,153)	(3,461)	(1,307)
Net losses on Sabina special warrants	-	40	-	2,225
Tsumeb restructuring costs (a)	-	(2,056)	-	5,750
Interest income	(7,022)	(1,916)	(17,140)	(2,881)
Other, net (b)	1,077	(91)	232	(82)
	<b>(7,484)</b>	<b>(5,899)</b>	<b>(15,853)</b>	<b>2,835</b>

(a) Tsumeb restructuring costs were related to severance payments and other employee benefits related to a comprehensive cost saving initiative at Tsumeb in 2022.

(b) For the three and nine months ended September 30, 2022, the Bulgarian government subsidy for electricity of \$9.7 million and \$17.2 million, respectively, was reclassified from other income and expense to cost of sales to conform with current year presentation.

### 8. RELATED PARTY TRANSACTIONS

#### Key management remuneration

The Company's related parties include its key management. Key management includes directors, the Chief Executive Officer ("CEO"), the Executive Vice Presidents and the Senior Vice Presidents reporting directly to the CEO.

The remuneration of the key management of the Company recognized in the condensed interim consolidated statements of earnings (loss) for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three months ended		Nine months ended	
	September 30, 2023	2022	September 30, 2023	2022
Salaries, management bonuses and director fees	968	729	2,907	2,359
Other benefits	54	48	186	193
Share-based compensation	549	(848)	7,658	175
<b>Total remuneration</b>	<b>1,571</b>	<b>(71)</b>	<b>10,751</b>	<b>2,727</b>

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

### 9. SUPPLEMENTARY CASH FLOW INFORMATION

#### (a) Changes in working capital

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
(Increase) decrease in accounts receivable and other assets	10,850	(7,839)	195	38,852
(Increase) decrease in inventories	48	305	937	(728)
Decrease in accounts payable and accrued liabilities	(1,550)	(16,456)	(13,438)	(20,480)
Increase (decrease) in other liabilities	115	(1,466)	(5,262)	(9,723)
	9,463	(25,456)	(17,568)	7,921

#### (b) Other items not affecting cash

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net finance (income) cost	(5,452)	16	(12,226)	1,889
Share-based compensation expense	233	257	710	838
Net losses on Sabina special warrants	-	40	-	2,225
Realized (gains) losses on commodity swap contracts	(1,176)	(6,422)	9,679	(5,952)
Realized losses on foreign exchange option contracts	1,084	468	2,659	268
Realized (gains) losses on foreign exchange forward contracts	-	1,277	4,516	(870)
Other, net	(446)	(226)	(474)	(1,183)
	(5,757)	(4,590)	4,864	(2,785)

### 10. SUPPLEMENTARY SHAREHOLDERS' EQUITY INFORMATION

#### (a) Dividend

During the nine months ended September 30, 2023, the Company declared a quarterly dividend of \$0.04 (2022 – \$0.04) per common share to its shareholders of record resulting in dividend distributions of \$22.4 million (2022 – \$22.9 million) recognized against its retained earnings in the condensed interim consolidated statements of changes in shareholders' equity. The Company paid an aggregate of \$22.8 million (2022 – \$21.0 million) of dividends which were included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the nine months ended September 30, 2023 and recognized a dividend payable of \$7.3 million (December 31, 2022 —\$7.6 million) in accounts payable and accrued liabilities in the condensed interim consolidated statements of financial position as at September 30, 2023.

On November 7, 2023, the Company declared a dividend of \$0.04 per common share payable on January 15, 2024 to shareholders of record on December 31, 2023.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

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## (b) Share repurchases under the Normal Course Issuer Bid (“NCIB”)

The Company renewed the NCIB on March 1, 2023 extending to February 28, 2024. The maximum number of shares that can be repurchased during this period is 16,500,000 shares. The NCIB also allows the Company to implement an automatic share repurchase plan with its designated broker in order to facilitate the purchase of its shares.

During the nine months ended September 30, 2023, the Company purchased a total of 8,431,871 (2022 – 2,471,500) shares, of which 7,758,148 were cancelled as at September 30, 2023 with the remaining shares cancelled in October 2023. The total cost of these purchases was \$57.5 million (2022 – \$13.6 million) at an average price per share of \$6.82 (Cdn\$9.18) (2022 – \$5.51 (Cdn\$7.05)), of which \$25.6 million (2022 – \$7.5 million) was recognized as a reduction in share capital, and \$31.9 million (2022 – \$6.1 million) as a reduction in retained earnings in the condensed interim consolidated statements of changes in shareholders’ equity. As of September 30, 2023, the Company recognized a liability of \$4.2 million (December 31, 2022 – \$nil) for these share repurchases in the condensed interim consolidated statements of financial position. Cash payments of \$53.3 million (2022 – \$13.6 million) were included in cash used in financing activities in the condensed interim consolidated statements of cash flows for the nine months ended September 30, 2023.

As at September 30, 2023, the Company had an active automatic share repurchase plan in place under the NCIB with its designated broker which terminated on November 2, 2023, pursuant to which the Company repurchased an additional 1,306,192 shares, all of which were cancelled as at November 7, 2023. As at September 30, 2023, the Company recognized a liability of \$8.0 million for the amount repurchased under the plan, of which \$4.4 million was recognized as a reduction in share capital and \$3.6 million as a reduction in retained earnings in the condensed interim consolidated statements of changes in shareholders’ equity for the nine months ended September 30, 2023.

## 11. COMMITMENTS AND OTHER CONTINGENCIES

### (a) Commitments

The Company had the following minimum contractual commitments as at September 30, 2023:

	up to 1 year	1 - 5 years	Total
Capital commitments	18,002	-	18,002
Purchase commitments	14,591	7,755	22,346
<b>Total commitments</b>	<b>32,593</b>	<b>7,755</b>	<b>40,348</b>

#### *Tsumeb secondary materials*

As at September 30, 2023, Tsumeb had approximately \$54.3 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.

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 April 30, 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.

# NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

As at September 30, 2023, the value of excess secondary materials, as defined in the tolling agreement, was approximately \$20.3 million. The Company also had a receivable from IXM of \$22.0 million related to estimated metal exposure at Tsumeb. IXM has agreed to waive the requirement to purchase secondary material above the agreed normal levels as at September 30, 2023.

## (b) Contingencies

The Company is involved in legal proceedings, from time to time, arising in the ordinary course of its business. It is not expected that any material liability will arise from current legal proceedings or have a material adverse effect on the Company's future business, operations or financial condition.

## 12. OPERATING SEGMENT INFORMATION

Operating segments are components of an entity whose operating results are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance and for which separate financial information is available.

The Company has three reportable operating segments – Chelopech and Ada Tepe in Bulgaria and Tsumeb in Namibia. The nature of their operations, products and services are described in *note 1, Corporate Information*. These segments are organized predominantly by the products and services provided to customers and geography of the businesses. The Corporate and Other segment includes corporate, exploration and evaluation and other income and cost items that do not pertain directly to an operating segment. There are no significant inter-segment transactions that have not been eliminated on consolidation.

The following table summarizes the relevant information by segment for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30, 2023				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue (a)	59,704	62,162	13,134	-	135,000
Earnings (loss) before income taxes	22,075	34,327	(9,569)	(12,295)	34,538
<b>Other disclosures</b>					
Depreciation and amortization (b)	6,950	14,133	1,645	636	23,364
Share-based compensation expenses (c)	210	92	392	902	1,596
Capital expenditures (d)	7,495	2,228	7,410	6,053	23,186
	Three months ended September 30, 2022				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue (a)	54,773	34,524	39,351	-	128,648
Earnings (loss) before income taxes	19,101	8,394	(75,611)	(5,536)	(53,652)
<b>Other disclosures</b>					
Depreciation and amortization (b)	6,621	14,317	5,498	574	27,010
Share-based compensation expenses (c)	84	38	131	(445)	(192)
Capital expenditures (d)	7,487	2,358	2,013	7,195	19,053

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

	Nine months ended September 30, 2023				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
<b>Revenue (a)</b>	<b>196,454</b>	<b>184,298</b>	<b>77,604</b>	<b>-</b>	<b>458,356</b>
<b>Earnings (loss) before income taxes</b>	<b>82,034</b>	<b>102,302</b>	<b>5,523</b>	<b>(37,079)</b>	<b>152,780</b>
<b>Other disclosures</b>					
Depreciation and amortization (b)	20,218	41,673	3,344	1,740	66,975
Share-based compensation expenses (c)	993	445	1,415	9,638	12,491
Capital expenditures (d)	17,020	6,883	10,635	18,601	53,139
	Nine months ended September 30, 2022				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Revenue (a)	205,287	115,235	96,410	-	416,932
Earnings (loss) before income taxes	101,777	37,640	(91,784)	(26,523)	21,110
<b>Other disclosures</b>					
Depreciation and amortization (b)	18,676	42,036	16,223	1,577	78,512
Share-based compensation expenses (c)	521	238	448	1,749	2,956
Capital expenditures (d)	15,831	7,753	15,912	23,268	62,764

- (a) Revenues from Chelopech and Ada Tepe were generated from the sale of concentrate and Tsumeb's revenues were generated from processing concentrate and acid sales.
- (b) Depreciation and amortization relating to operating segments were included in cost of sales. Depreciation and amortization relating to Corporate and Other were included in general and administrative expenses, as well as exploration and evaluation expenses.
- (c) Share-based compensation expenses relating to operating segments were included in cost of sales and those relating to Corporate and Other were included in general and administrative expenses and exploration and evaluation expenses.
- (d) Capital expenditures for the three and nine months ended September 30, 2023 for Corporate and Other included \$5.3 million (2022 – \$6.1 million) and \$16.0 million (2022 – \$11.7 million), respectively, related to the Loma Larga gold project in Ecuador.

## NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2023 and 2022

(unaudited, in thousands of U.S. dollars, unless otherwise indicated)

The following table summarizes the Company's revenue recognized for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Revenue recognized at a point in time from:</b>				
Sale of concentrate	122,105	90,102	381,244	321,762
Processing concentrate	11,730	33,078	66,295	79,983
Acid sales	1,404	6,273	11,309	16,427
<b>Revenue from contracts with customers</b>	<b>135,239</b>	<b>129,453</b>	<b>458,848</b>	<b>418,172</b>
Mark-to-market price adjustments on provisionally priced sales	(2,041)	(7,188)	4,700	(15,495)
Net mark-to-market gains (losses) on QP Hedges	1,802	6,383	(5,192)	14,255
<b>Total revenue</b>	<b>135,000</b>	<b>128,648</b>	<b>458,356</b>	<b>416,932</b>

The following table summarizes total assets and total liabilities by segment as at September 30, 2023 and December 31, 2022:

	As at September 30, 2023				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
<b>Total current assets</b>	<b>165,759</b>	<b>216,813</b>	<b>43,837</b>	<b>306,899</b>	<b>733,308</b>
<b>Total non-current assets</b>	<b>163,977</b>	<b>139,248</b>	<b>30,899</b>	<b>162,691</b>	<b>496,815</b>
<b>Total assets</b>	<b>329,736</b>	<b>356,061</b>	<b>74,736</b>	<b>469,590</b>	<b>1,230,123</b>
<b>Total liabilities</b>	<b>45,464</b>	<b>29,595</b>	<b>39,130</b>	<b>50,385</b>	<b>164,574</b>
	As at December 31, 2022				
	Chelopech	Ada Tepe	Tsumeb	Corporate & Other	Total
Total current assets	103,463	97,589	45,356	364,513	610,921
Total non-current assets	169,655	169,244	26,564	180,870	546,333
Total assets	273,118	266,833	71,920	545,383	1,157,254
Total liabilities	57,196	24,379	42,038	40,547	164,160