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Dundee Precious Metals reported on update of its Krumovgrad gold project located in southern Bulgaria.

Updated capital estimate of \$178 million and updated cash cost estimate of \$403/oz gold  
Project economics remain robust with a 25% after-tax IRR at \$1,250/oz gold and \$15.00/oz silver

Construction permit and financing plan remain on track to commence construction in Q3 2016

“The updated economics on Krumovgrad continue to support the commercial and economic viability of the project and enables DPM Bulgaria to build on the success we have already built at Chelopech,” stated Rick Howes, President and CEO. “This update reflects the substantial completion of all of the engineering and updated contractor and equipment pricing, along with completed execution and operational readiness plans. We have also made significant advances in the project permitting process with only the issuing of the final construction permit remaining which we expect by mid-2016,” he said. “Subject to completion of financing arrangements and Board approval, construction could commence as early as Q3 2016 with first production scheduled in the second half of 2018. We are proud of the great progress and work done to obtain community and government support in Bulgaria for this important project and the benefits it will bring to all stakeholders.”

Subsequent to the completion of the land purchase process and formal transfer of land ownership to DPM Krumovgrad in May, the Company remains on track to submit the construction permit application to the Krumovgrad Municipality in early June, with receipt of the permit expected by the end of June, as planned.

At current prices, the Project can be funded from internally generated cash flow, supplemented with available lines of credit under DPM’s revolving credit facility. In addition to the capital generated from the recent sale of the Kapan mine, the Company continues to assess several options that will support the funding of this Project and reduce the risk to a potentially weaker commodity price environment during construction. Based on the current schedule, Board approval of the financing plan and Project implementation is expected in the third quarter of 2016, with construction anticipated to begin shortly thereafter.

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Operating costs are based on processing an average of 775,000 tonnes per year (“tpy”) of ore, producing an annual average of 85,700 oz of gold and 38,700 oz of silver for an estimated eight years, transmits Serbia-energy.eu