

Extractive Sector Transparency Measures Act Report

Reporting Year **From:** 2016-01-01 **To:** 2016-12-31
Reporting Entity Name Dundee Precious Metals Inc.

Reporting Entity ESTMA Identification Number E756092

Subsidiary Reporting Entities (if necessary) *Avala Resources Ltd. (ESTMA ID E064492)*

Attestation: Please check one of the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above.
The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]*

Director or Officer of Reporting Entity Full Name: **Hume Kyle** **Date:** 2017-05-29
Position Title: **Executive Vice President and Chief Financial Officer**

Extractive Sector Transparency Measures Act - Annual Report

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 Reporting Entity Name: Dundee Precious Metals Inc.

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Subsidiary Reporting Entities (if necessary): Avala Resources Ltd. (ESTMA ID E064492)

Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Bulgaria	Federal Government of Bulgaria									
Bulgaria	National Revenue Agency	7,490,000							7,490,000	Income tax
Bulgaria	National Revenue Agency			10,000					10,000	Interest on tax due
Bulgaria	Road Infrastructure Agency	20,000							20,000	Road tax
Bulgaria	Ministry of Energy		6,330,000						6,330,000	Concession fee
Bulgaria	Ministry of Energy			10,000					10,000	Permit
Bulgaria	Directorate for National Construction Control			30,000					30,000	Fees for construction permits
Bulgaria	Regional Inspectorate of Environmental and Water in Sofia			20,000					20,000	Penalty
Bulgaria	Ministry of Environment and Water			20,000					20,000	Fees for using water sources
Bulgaria	Ministry of Interior			20,000					20,000	Blasting permits
Bulgaria	Ministry of Energy			10,000					10,000	Exploration areas annual fees
Bulgaria	South West State Enterprise			630,000					630,000	Compensation for afforestation
Bulgaria	Ministry of Agriculture and Foods			1,610,000					1,610,000	Re-designation of the forestry land
		7,510,000	6,330,000	2,360,000	-	-	-	-	16,200,000	
Bulgaria	Bulgaria local governments									
Bulgaria	Municipality of Chelopech	80,000							80,000	Local taxes
Bulgaria	Municipality of Chelopech			50,000					50,000	Fees for using water sources
Bulgaria	Municipality of Chelopech					20,000			20,000	Donation
Bulgaria	Municipality of Chelopech							150,000	150,000	Construction of school building
Bulgaria	Municipality of Chavdar	20,000							20,000	Local taxes
Bulgaria	Municipality of Chavdar			10,000					10,000	Miscellaneous fees
Bulgaria	Municipality of Chavdar							90,000	90,000	Reconstruction of Chapel
Bulgaria	Municipality of Chavdar					30,000			30,000	Donation
Bulgaria	Municipality of Zlatitza							10,000	10,000	Construction of playground
Bulgaria	Municipality of Krumovgrad			50,000					50,000	Fees for land ownership and project approval
Bulgaria	Municipality of Krumovgrad			10,000					10,000	Energy audit fee
Bulgaria	Municipality of Krumovgrad			190,000					190,000	Construction permit fee
Bulgaria	Municipality of Krumovgrad	10,000							10,000	Land ownership annual tax
Bulgaria	Regional Association of Municipalities, Srednogorie							10,000	10,000	Reconstruction of historical monument
Bulgaria	Regional Association of Municipalities, Krumovgrad					20,000			20,000	Donation
Bulgaria	Regional Association of Municipalities, Krumovgrad							240,000	240,000	Upgrade of local road
Bulgaria	Hospital Pirdop					60,000			60,000	Donation
		110,000	-	310,000	-	130,000	-	500,000	1,050,000	
Armenia	Federal Government of Armenia									
Armenia	State Budget Ministry of Finance	690,000							690,000	Income tax
		690,000	-	-	-	-	-	-	690,000	
Armenia	Armenia local governments									
Armenia	Ajanan Village Municipality			10,000					10,000	Environmental and property use fees
Armenia	Kapan, Yerevan and Geghanush Municipalities			70,000					70,000	Land rent and environmental fees
		-	-	80,000	-	-	-	-	80,000	
Total		8,310,000	6,330,000	2,750,000	-	130,000	-	500,000	18,020,000	

Notes:

- All numbers have been rounded to the nearest US\$10,000.
- All numbers are reported in United States Dollars, the presentation and functional currency of the reporting entity. Payments in other currencies are translated to U.S. Dollars at the exchange rate on the dates of the transactions in accordance with the reporting entity's accounting policy as stated in its consolidated financial statements for the year ended December 31, 2016.
- Foreign currencies translated to U.S. Dollars at spot rates on the dates of transactions were in the range of the following rates during the year ended December 31, 2016:
 - USD/CAD 1.2548 to 1.4006
 - EUR/USD 1.0516 to 1.1444
 - USD/AMD 474.46 to 491.34
 - USD/BGN 1.7179 to 1.8555
- The report does not include numbers for Avala Resources Ltd., the subsidiary reporting entity, since there are no reportable payments of Canadian Dollars 100,000 or more to a single payee within any of the report categories.

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 Dundee Precious Metals Inc.
 E756092

Subsidiary Reporting Entities (if necessary)

Avala Resources Ltd. (ESTMA ID E064492)

Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Bulgaria	Chelopech	7,610,000	6,330,000	160,000		110,000		260,000	14,470,000	
Bulgaria	Krumovgrad	10,000		2,500,000		20,000		240,000	2,770,000	
Bulgaria	Iran Tepe			10,000					10,000	
Armenia	Kapan	690,000		80,000					770,000	
Total		8,310,000	6,330,000	2,750,000	-	130,000	-	500,000	18,020,000	

Notes:

1. All numbers have been rounded to the nearest US\$10,000.
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