DUNDEE PRECIOUS METALS ACHIEVES 2015 PRODUCTION GUIDANCE AND PROVIDES NOTICE OF FOURTH QUARTER AND FULL YEAR 2015 FINANCIAL RESULTS

Toronto, Ontario, January 12, 2016 – Dundee Precious Metals Inc. (TSX: DPM) (“DPM” or “the Company”) announced its mine and smelter production results for the three months and year ended 2015 and confirmed the timing of the release of fourth quarter and full year 2015 operating and financial results, together with the related conference call and webcast.

“In the face of deteriorating metal prices, our focus remains on optimizing the performance of all of our assets and reducing our spending”, stated Rick Howes, President and CEO. “With the major capital investments associated with our non-discretionary capital spend at the smelter coming to an end, we are working towards delivering positive free cash flow in 2016.”

On a consolidated basis, ore milled, gold, copper, zinc and silver production and complex concentrate smelted at Tsumeb in 2015 met or exceeded 2015 guidance.

Production Highlights

Fourth quarter and full year 2015 mine and metals production at the Chelopech and Kapan mines and complex concentrate smelted at the Tsumeb smelter are provided below.

<table>
<thead>
<tr>
<th></th>
<th>Chelopech</th>
<th>Kapan</th>
<th>Tsumeb</th>
<th>Consolidated</th>
<th>Year 2015 Consolidated Guidance ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 2015</td>
<td>Full Year</td>
<td>Q4 2015</td>
<td>Full Year</td>
<td>Q4 2015</td>
</tr>
<tr>
<td>Ore milled ('000s tonnes)</td>
<td>515</td>
<td>2,052</td>
<td>91</td>
<td>411</td>
<td>-</td>
</tr>
<tr>
<td>Metals contained in copper and zinc concentrates produced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold ('000s ounces)</td>
<td>29.6</td>
<td>115.0</td>
<td>6.3</td>
<td>24.8</td>
<td>-</td>
</tr>
<tr>
<td>Copper (million pounds)</td>
<td>11.4</td>
<td>39.8</td>
<td>0.6</td>
<td>2.7</td>
<td>-</td>
</tr>
<tr>
<td>Zinc (million pounds)</td>
<td>-</td>
<td>-</td>
<td>2.7</td>
<td>11.9</td>
<td>-</td>
</tr>
<tr>
<td>Silver ('000s ounces)</td>
<td>64.6</td>
<td>242.1</td>
<td>119.6</td>
<td>461.2</td>
<td>-</td>
</tr>
<tr>
<td>Complex Concentrate smelted ('000s tonnes)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55.8</td>
</tr>
<tr>
<td>Payable gold in pyrite concentrate sold ('000s ounces)</td>
<td>9.8</td>
<td>38.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

¹. As disclosed in Management’s Discussion and Analysis (“MD&A”) for the three and nine months ended September 30, 2015.
At Chelopech, gold and copper production met expectations during the fourth quarter.

At Kapan, October production was briefly affected following capital development constraints earlier in the year. Capital and operating development returned to expected levels in November and December. Additionally, the gold head grade for the fourth quarter increased, continuing the improving trend through 2015. Average gold grades for 2016 are expected to be comparable to the quarter as a result of continuing activity on dilution controls.

At Tsumeb, smelting rates were in line with 2015 guidance. The Ausmelt shutdown in the third quarter extended into the fourth quarter by four days with subsequent operation resuming as expected. Despite a second Ausmelt shutdown, 2015 production was 1% lower than 2014. Full nameplate throughput capacity is expected to be achieved in 2016 following the completion of the major capital projects, including the new converters.

Ramp up of acid plant production continued as planned with 36,744 tonnes of on-spec acid produced during the quarter. The new larger copper converters remain on schedule for commissioning during the first quarter of 2016.

The Krumovgrad approval process continues to advance. The final Detailed Development Plan (“DDP”) was approved during the quarter and is now fully in force. The next step in the approvals process is for the Executive Forestry Agency to approve the final re-designation of the land from forestry land to industrial land, which will then allow the Company to initiate the land purchase process. The Company is targeting land re-designation and purchase in the first half of 2016, the issuing of a construction permit by the end of the second quarter of 2016 and the ability to commence construction in the second half of 2016.

In December, DPM announced a 15% increase in Measured and Indicated Resources at Chelopech following successful demonstration of a methodology for crown pillar extraction that can be applied to mine previously restricted resources. This corresponded to a 4.2 million tonne increase in the Measured and Indicated Mineral Resource category of the Mineral Resource Inventory.

The Company’s fourth quarter and full year 2015 operating and financial results are expected to be released after market close on February 9, 2016. The press release, MD&A and consolidated financial statements will be posted on SEDAR at www.sedar.com and on the Company’s website at www.dundeeprecious.com.

The Company will hold a call and webcast to discuss its fourth quarter and full year results on Wednesday, February 10, 2016 at 9:00 am EST. The call will be hosted by Rick Howes, President and Chief Executive Officer, who will be joined by Hume Kyle, Executive Vice President and Chief Financial Officer, together with other members of the executive management team. The call will be accessible via a live webcast and by telephone.

Fourth Quarter and Full Year 2015 Call and Webcast (Listen/View only)
Date: Wednesday, February 10, 2016
Time: 9:00 am EST
Webcast: http://www.gowebcasting.com/7161
Canada and USA Toll Free: 1-866-225-0198
Outside Canada or USA: 1-416-340-2218
Replay: 1-905-694-9451 or 1-800-408-3053
Replay Passcode: 9479457
About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition, exploration, development, mining and processing of precious metals. The Company’s principal operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver, located east of Sofia, Bulgaria; the Kapan operation, which produces a copper concentrate and a zinc concentrate, both containing gold and silver, located in southern Armenia; and the Tsumeb smelter, a concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold properties located in Bulgaria, Serbia, and northern Canada, including the Krumovgrad project and interests held through its 50.1% owned subsidiary, Avala Resources Ltd., and its 12.0% interest in Sabina Gold & Silver Corp.

Cautionary Note Regarding Forward Looking Statements

This press release contains “forward looking statements” that involve a number of risks and uncertainties. Forward looking statements include, but are not limited to, statements with respect to the technical potential to the mine resources proximal to the historic SLC area which was previously restricted from mining, the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of such mineral estimates, the potential to upgrade resources to reserves, and the potential to increase future production and output. Often, but not always, forward looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “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. Forward looking statements are based on the opinions and estimates of management 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. Such factors include, among others: the actual results of current exploration activities; conclusions of technical and economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; 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, 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; fluctuations in metal prices; unanticipated title disputes; claims or litigation; limitation on insurance coverage; as well as those risk factors discussed or referred to in the Company’s MD&A under the heading “Risks and Uncertainties” and under the heading “Cautionary Note Regarding Forward Looking Statements” which include further details on material assumptions used to develop such forward looking statements and material risk factors that could cause actual results to differ materially from forward looking statements, and other documents (including without limitation the Company’s latest 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. 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. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management’s estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.
For further information please contact:

**DUNDEE PRECIOUS METALS INC.**

**Rick Howes**  
President and  
Chief Executive Officer  
Tel: (416) 365-2836  
rhowes@dundeeprecious.com

**Lori Beak**  
Senior Vice President,  
Governance, and Corporate  
Secretary  
Tel: (416) 365-5165  
lbeak@dundeeprecious.com