



Last Amended: July 31, 2018
Adopted: June 9, 2004

MANDATE OF THE COMPENSATION COMMITTEE

Purpose

To assist the board of directors (the "Board") of Dundee Precious Metals Inc. (the "Company") in fulfilling its oversight responsibilities in regard to fairly rewarding the Company's directors and key senior executive employees through compensation and appropriate performance incentives; and

To assist the Board and the Chief Executive Officer ("CEO") in attracting, evaluating and retaining key senior executives.

Composition

The Compensation Committee (the "Committee") will consist of at least three members of the Board. The Board will appoint the Committee members and the Committee Chair.

The Committee will ensure that the Chair and its members shall be independent directors in accordance with applicable corporate and securities laws, regulations, and stock exchange rules.

Procedures, Powers and Duties

The Committee will meet at least two times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting.

Any director of the Company may attend meetings of the Committee at the Committee Chair's invitation. The Committee Chair may also invite the Company's CEO or senior management employees, or others to attend meetings and provide pertinent information, as necessary. All meeting agendas shall include an in camera session of independent directors without management or third parties present.

No business shall be transacted by the Committee except at a meeting where a majority of the members are present, either in person or by telephone or video conference.

The Committee may engage outside consultants to advise it in matters relating to this mandate at the Company's expense, without the prior approval of the directors of the Company.

The Committee's business will be recorded in minutes of the Committee and a report on the activities of the Committee will be made to the Board following each regularly scheduled meeting of the Committee.

Responsibilities

The following responsibilities shall be the common recurring activities of the Committee in carrying out its responsibilities and shall serve as a guide with the understanding that the Committee may carry

out additional functions and adopt additional policies and procedures as may be appropriate in light of business, legal, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to its purpose.

The Committee shall annually:

- a) review management's assessment of potential material adverse risks facing the Company, arising from the its compensation policies and practices, and the recommended measures to mitigate those risks;
- b) review and recommend to the Board the compensation of the Company's directors, including annual retainer, meeting fees, stock-based grants and other benefits conferred upon the directors, as well as considering industry norms where appropriate and contextually relevant;
- c) articulate a job description, as well as performance goals and criteria for the CEO, and review actual performance relative to such description, performance goals and criteria;
- d) based on such reviews, recommend to the Board the CEO's compensation;
- e) review the CEO's evaluation of the senior executive employees of the Company;
- f) based on the CEO's reviews, recommend to the Board of directors the compensation of the Company's senior executive employees;
- g) oversee the Company's deferred share unit plans, stock option plans, restricted share unit plans and any such other compensation plans, as may be delegated to the Committee by the Board.

In recommending compensation packages for the Company's directors, the CEO and the Company's senior executive employees, the Committee shall take into account the Company's performance against any corporate objectives or metrics established with respect thereto, as well as the competitiveness and appropriateness of such compensation, and any other factors that the Committee, in its judgment and based on industry comparison and outside advice, feels it is prudent to consider. In seeking the proper balance of compensation of the Company's directors, CEO and the Company's senior executive employees, the Committee shall consider all forms of compensation, including salary, benefits and performance incentives such as, but not limited to, the right to participate in stock option plans, deferred share unit plans, or restricted share unit plans or any such other compensation plans.

The Committee shall review the disclosure prepared annually for inclusion in the Company's published documentation in accordance with applicable rules and regulations, with respect to the compensation of the Company's directors, the CEO and its senior executive employees.

Mandate Reviews

The Committee shall annually review its performance relative to this mandate, the adequacy of this mandate and recommend changes to the Board.