

DUNDEE PRECIOUS METALS

UNDERSTANDING THE TSUMEB SMELTER

DPM TSUMEB LUNCH AND LEARN
MARCH 20, 2014

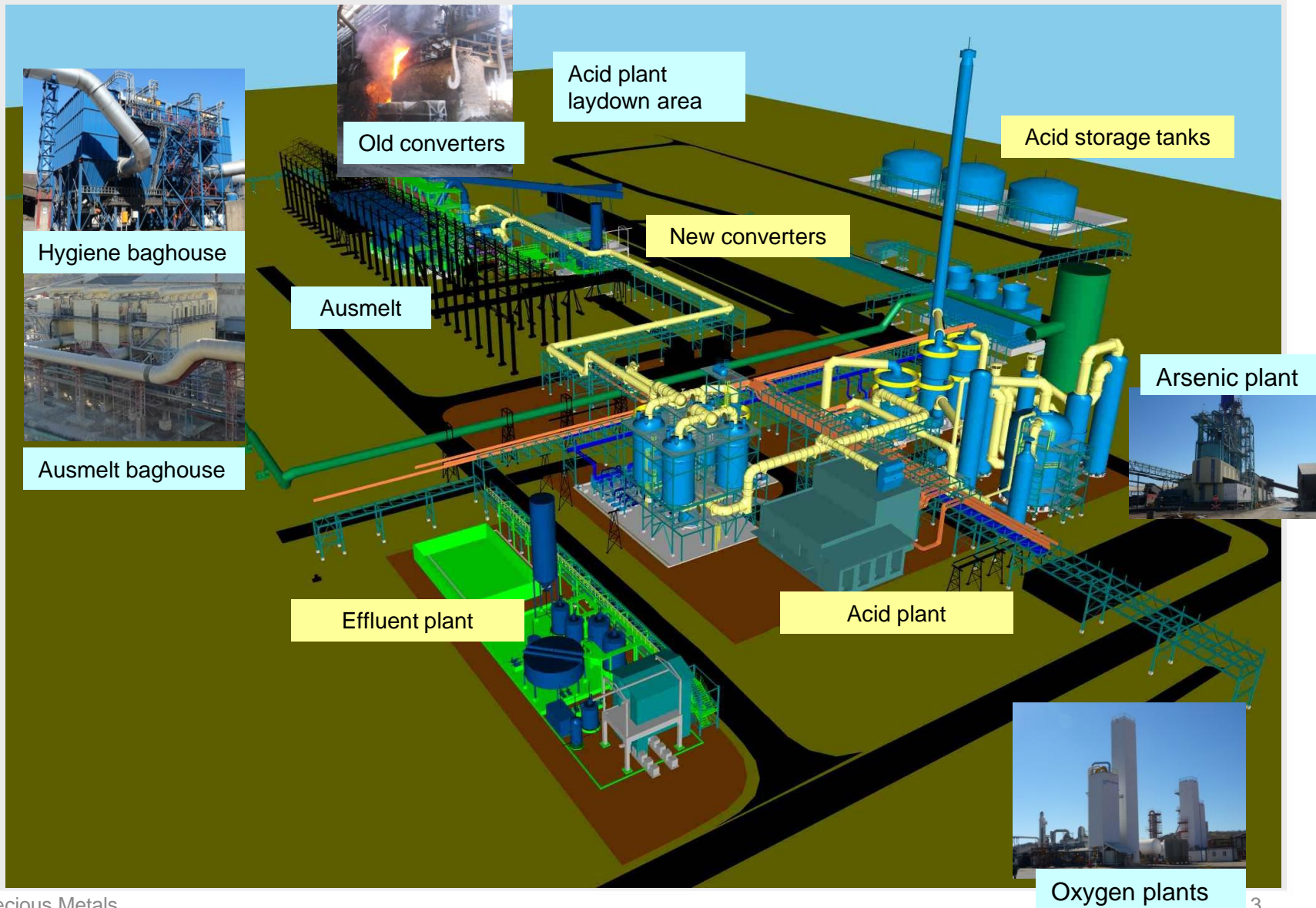


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This presentation contains “forward-looking information” or “forward-looking statements” that involve a number of risks and uncertainties. Forward-looking information and forward-looking statements include, but are not limited to, statements with respect to the future prices of gold and other metals, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production and output, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. 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 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; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold; 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, fluctuations in metal prices, as well as those risk factors discussed or referred to in this presentation under and in the Company’s annual information form under the heading “Risk Factors” and other documents filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. 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. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.



SITE OVERVIEW



UNIQUE SMELTER EQUIPPED TO TREAT COMPLEX CONCENTRATES

One of a few smelters with ability to process large volumes of complex concentrate

- Secures capacity to treat Chelopech concentrate and derives additional revenues processing complex concentrates from 3rd parties
- Toll rates for complex concentrate command a substantial premium
- Most recent 3rd party contracts at higher rates than pre-existing arrangements prior to DPM ownership



Project 2012 dust and emissions upgrades complete

- New off-gas and emissions management
- New dust management systems
- Smelter hygiene improvements



Production curtailment has been lifted

- Ramping up to 100% capacity in Q1 2014

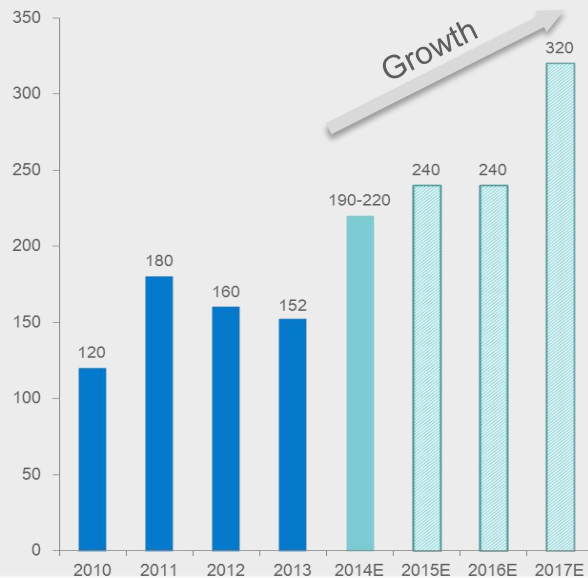
Additional upgrades reduce SO₂ emissions, increase capacity and lower costs

- New sulphuric acid plant subject to lump sum turnkey contract
- Long-term acid off-take agreement with Rössing
- Potential installation of a holding furnace



HISTORY OF TSUMEB SMELTER

- Built in 1960-62, commissioned 1963
- Designed specifically to treat complex polymetallic ores from Tsumeb Mine which contained high levels of copper, lead, zinc, arsenic and cadmium
- DPM Tsumeb Smelter purchased from Weatherly Mining in March 2010
- Capacity increased from 147,000 tonnes concentrate in 2010 to a current capacity of 240,000 tonnes per annum

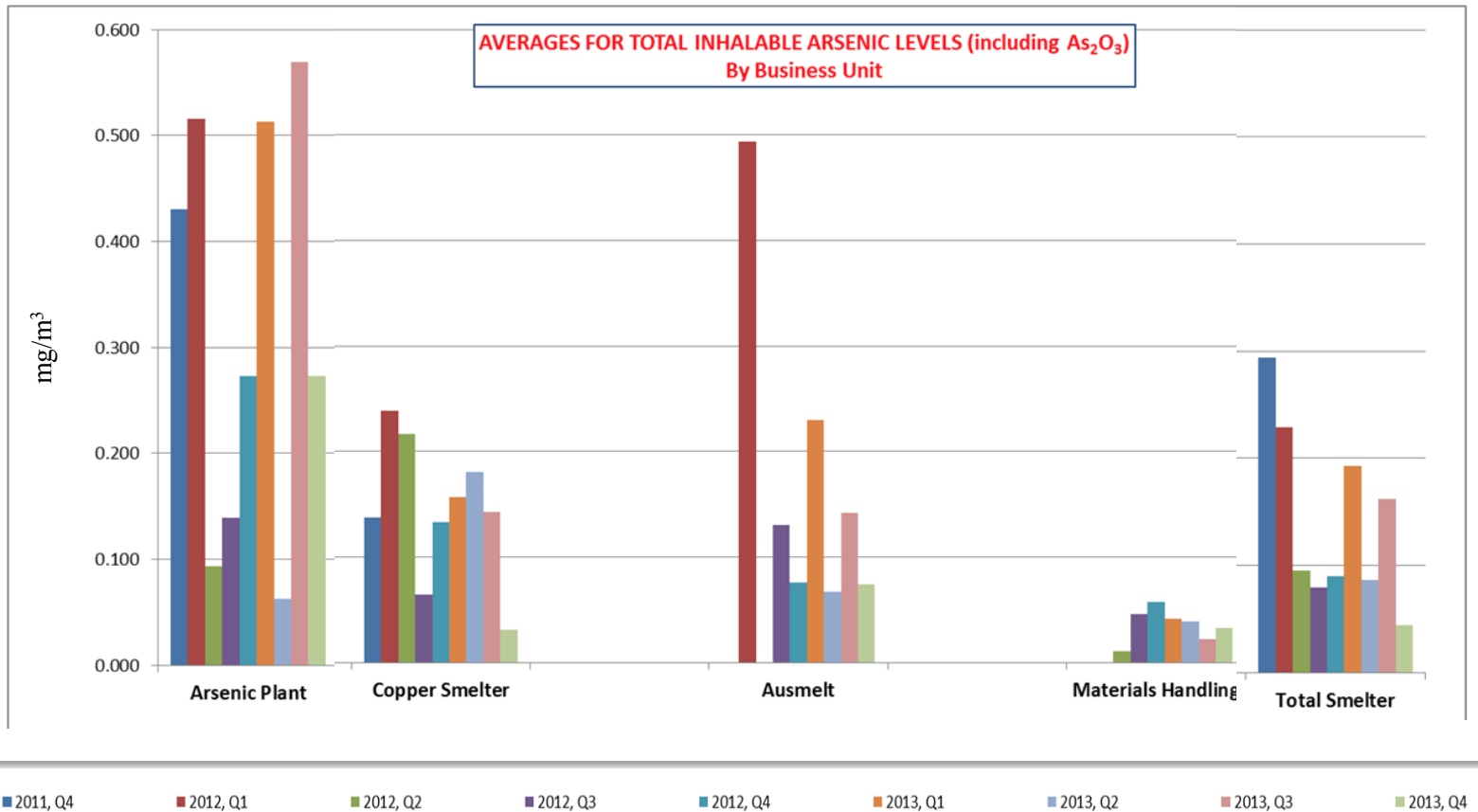


Asset Overview

DPM Ownership	100%
Location	Namibia
Acquisition March 2010	\$50M
Technology / Product	Ausmelt
Product	Copper blister bars
2013 concentrate throughput	152,457 tonnes
Expanding smelter capacity	320 ktpy
Emissions & dust capture upgrades	\$110 M
Sulphuric acid capture plant (Q3 '14)	~\$240 million
Holding furnace (2017)	\$70+ million E

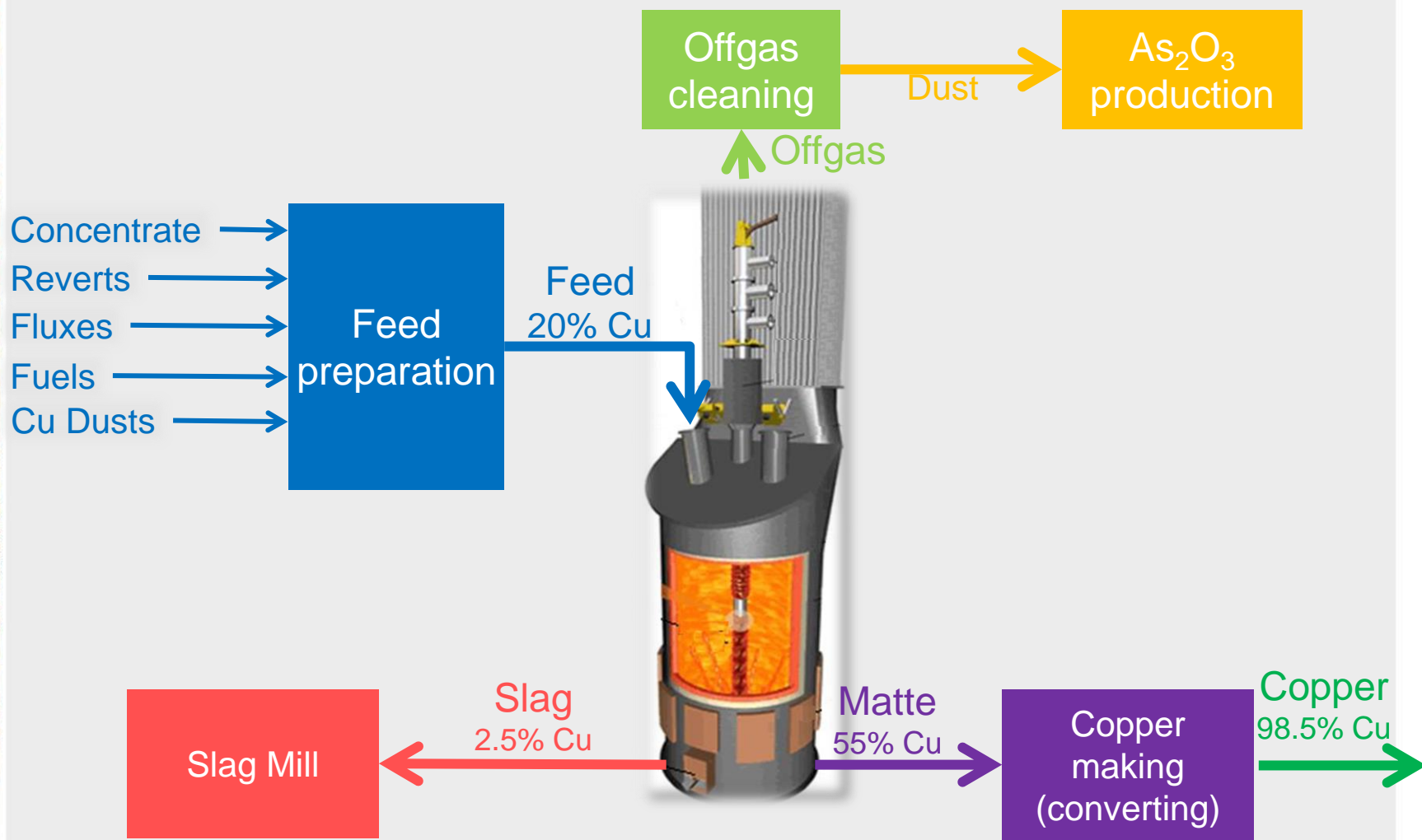
Complex Concentrate Smelted ('000 t)	2010	2011	2012	2013	2014E
Chelopech Concentrate	56	89	112	74	190-220
3 rd Party Concentrate	64	92	47	78	
Cash Cost (US\$/t)	268	293	374	433	280-350
EBITDA (US\$M)	2	3	(3)	(7)	n/a

IMPACT OF CAPITAL SPEND ON ARSENIC CONTROLS

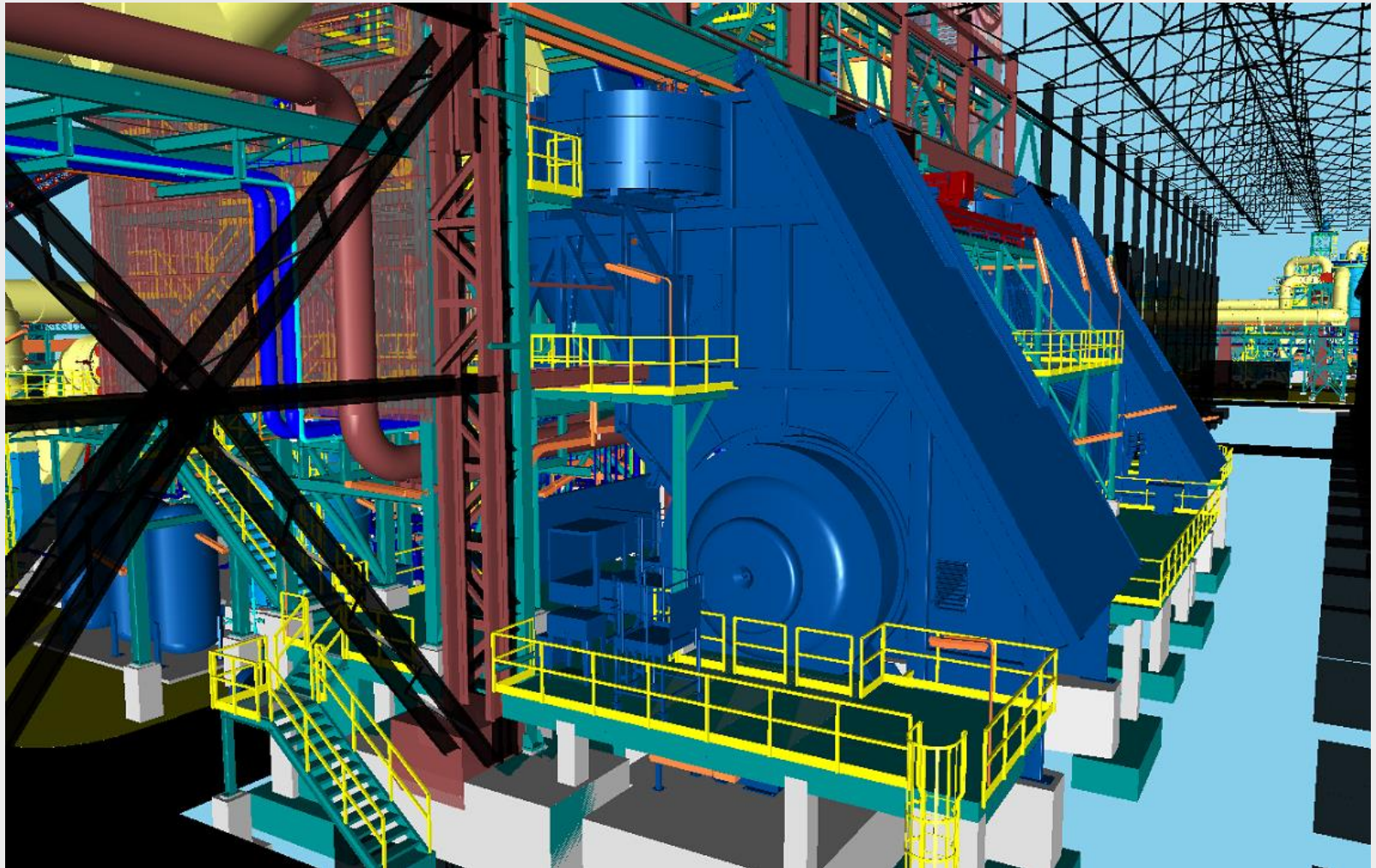


mg/m³

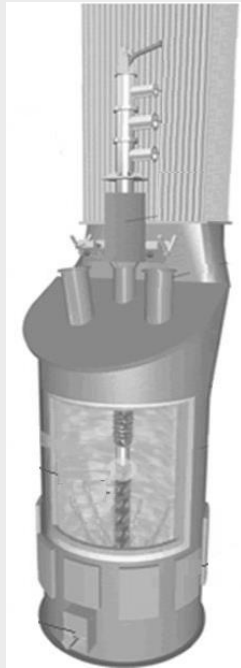
COPPER SMELTING OVERVIEW



CU CONVERTER NORMAL

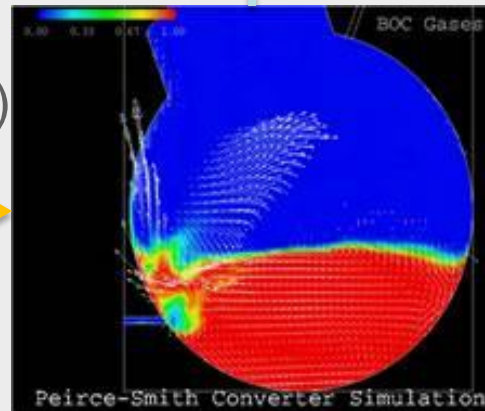


COPPER CONVERTING



Cu-sulfide (Matte)
To Converters

Offgas to gas cleaning section

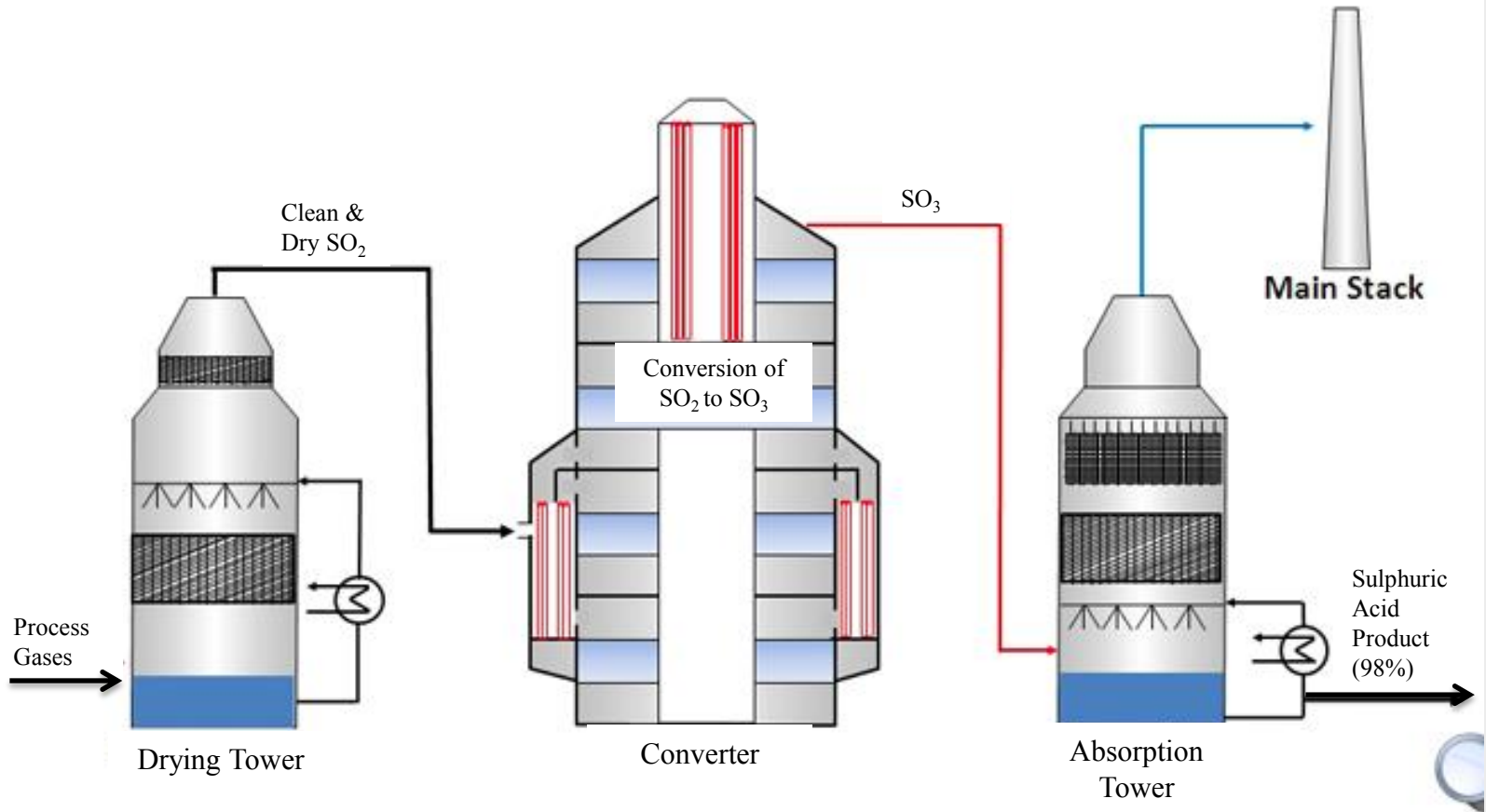


Blister copper



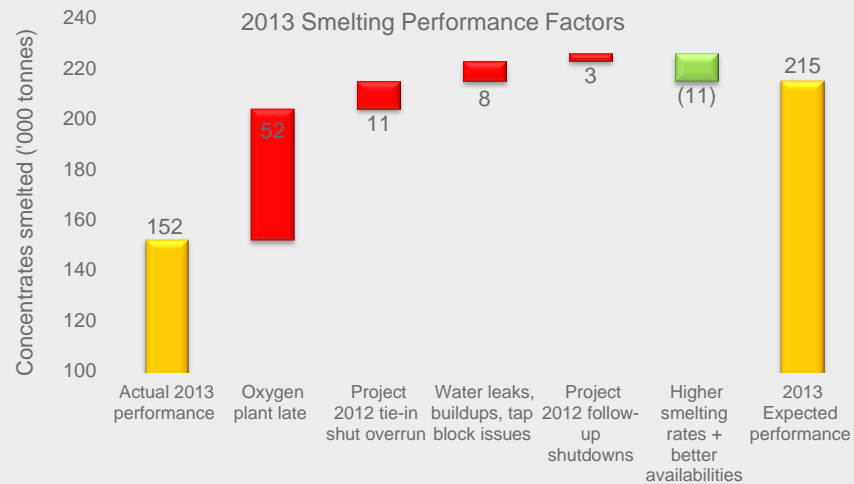
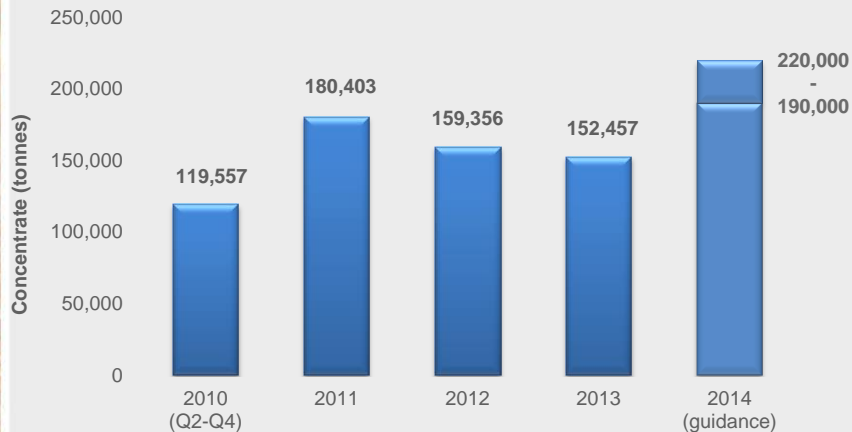
Oxides (slag) to slagmill

ACID PLANT SIMPLIFIED PROCESS

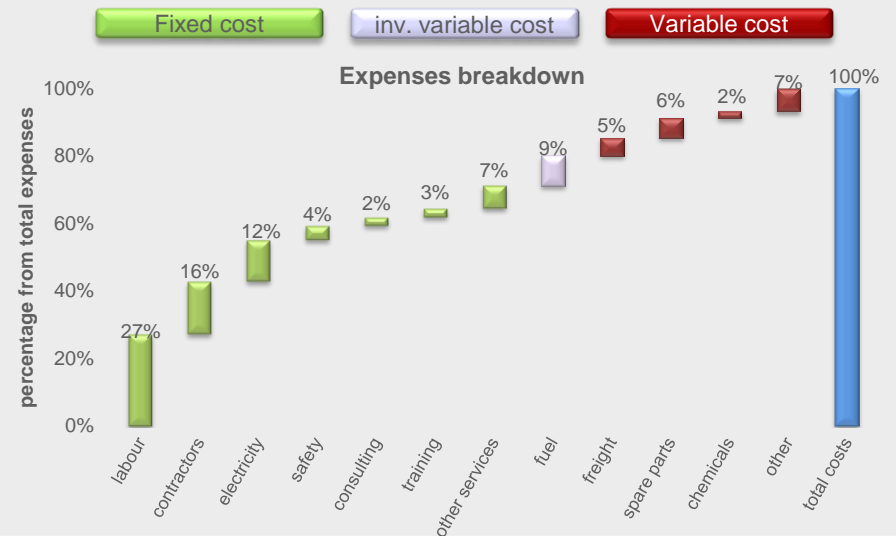
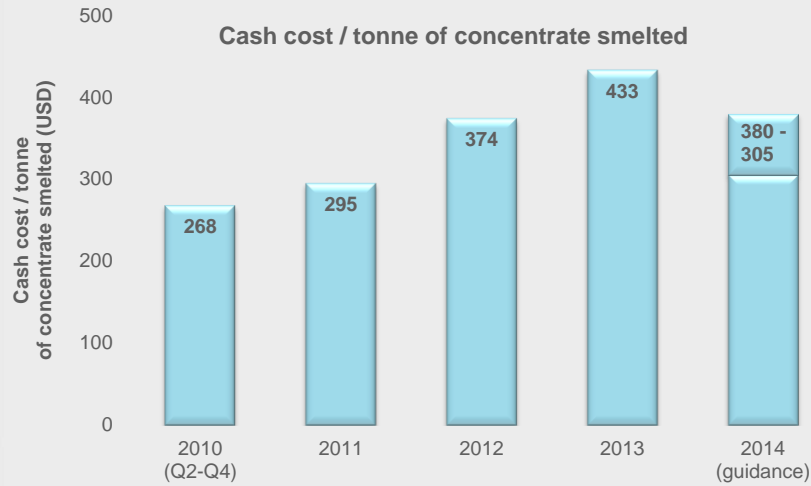


PRODUCTION

Concentrate smelted



OPERATIONAL EXPENSES



MOVING TO OPPORTUNITY - NEW OXYGEN PLANT – 420 T/D



- Smelting capacity increased from 170kt per annum to potential of 420kt per annum
- Old Plant 170t/d



INCREASING SMELTING CAPACITY



AUSMELT AVAILABILITY OPERATIONAL PERFORMANCE IMPROVEMENT

- Ausmelt availability (excl. annual shut down):

	Current	2014 improvements	2015 improvements
Dropbox cleaning	3%	- 3%	-
Build ups in offgas system	7%	- 3%	- 1 %
Taphole brick replacement	3%	- 1%	- 1 %
Water leaks	2%	- 1%	- 0.5 %
Feed rate reductions	1%	- 1%	-
Power outages (O ₂ plant)	0.5%	-	-
TOTAL:	16.5%	- 9 %	- 2.5%

Currently: 78%

Aim 2014: 87%

Aim 2015: 90%

- Further availability gains targeted by:
 - Decreasing shutdown duration
 - Increasing campaign life
 - Increasing crane availability





TREATMENT CHARGES

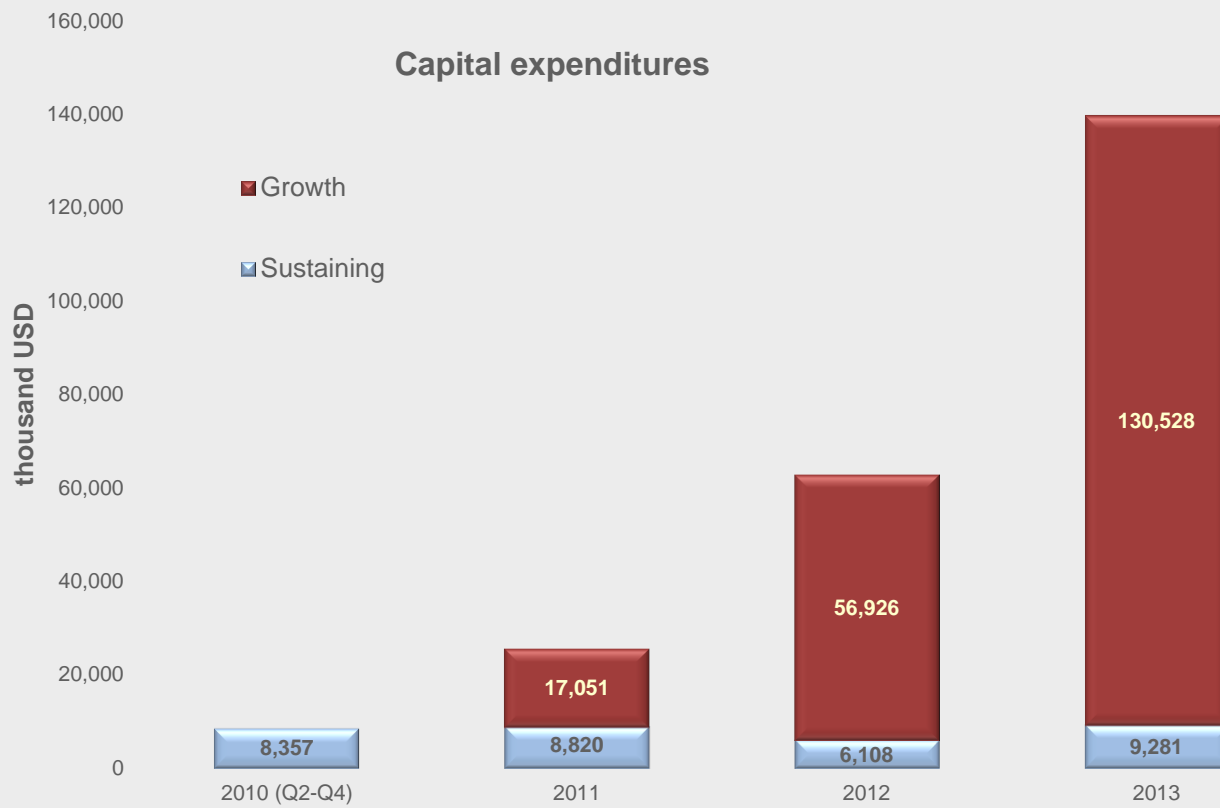
Bulk Smelting Market

- Global copper concentrate sales have transparent benchmarks.
- These typically range from \$90 to 130/t between contract and spot tonnage.
- Contract durations are normally 1-year and therefore negotiated annually.
- Concentrates need to be free of deleterious materials or face being rejected or attract penalties for treatment.
- Treating complex elements requires blending with clean concentrates.

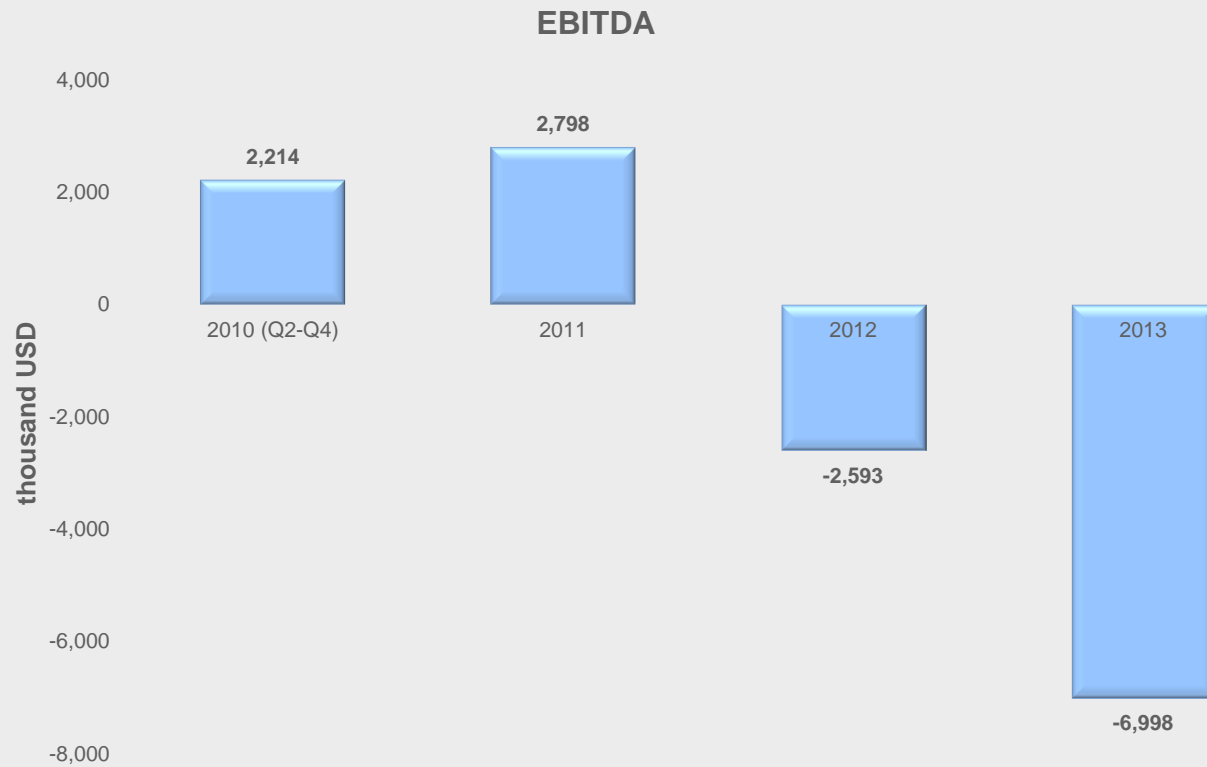
Complex Concentrates Market

- Tsumeb is a niche complex concentrate treatment facility with core arsenic capability.
- The complex market concludes multi-year agreements and attracts TC premiums to the clean market of \$30 to \$50/t.
- Thresholds for core arsenic penalties vary but generally start above 0.5%
- Charges are on a \$ per 0.1% increment over 0.5% and the \$ per 0.1% penalty will increase as the arsenic level increases.
- Additional Penalties possible - Lead, Zinc, Se, Te, Bi, moisture, etc.

CAPEX SPEND



EBITDA PERFORMANCE

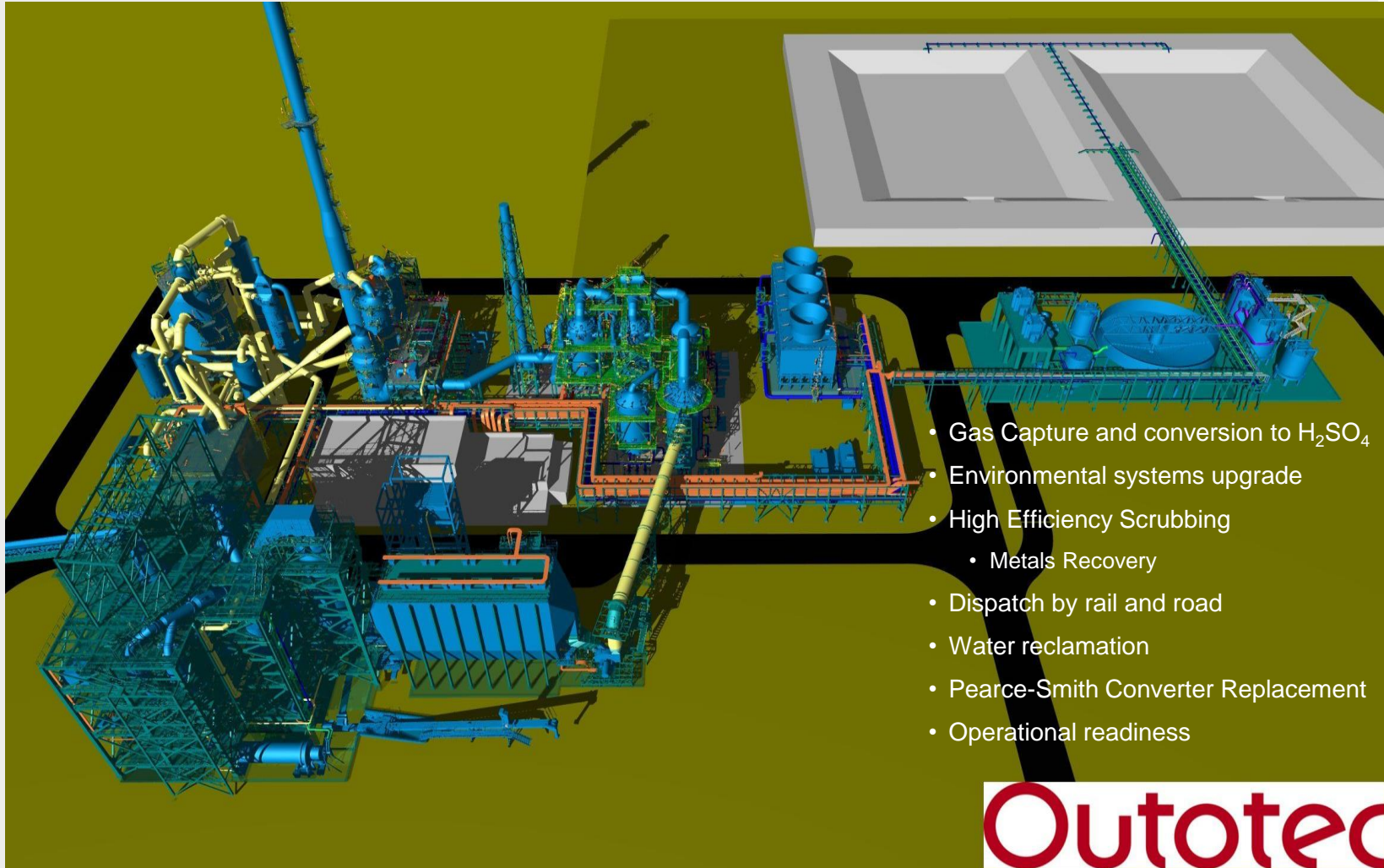




ACID PLANT PROJECT

PS converters, Gas Cleaning plant, Sulphuric Acid plant and Effluent Treatment plant

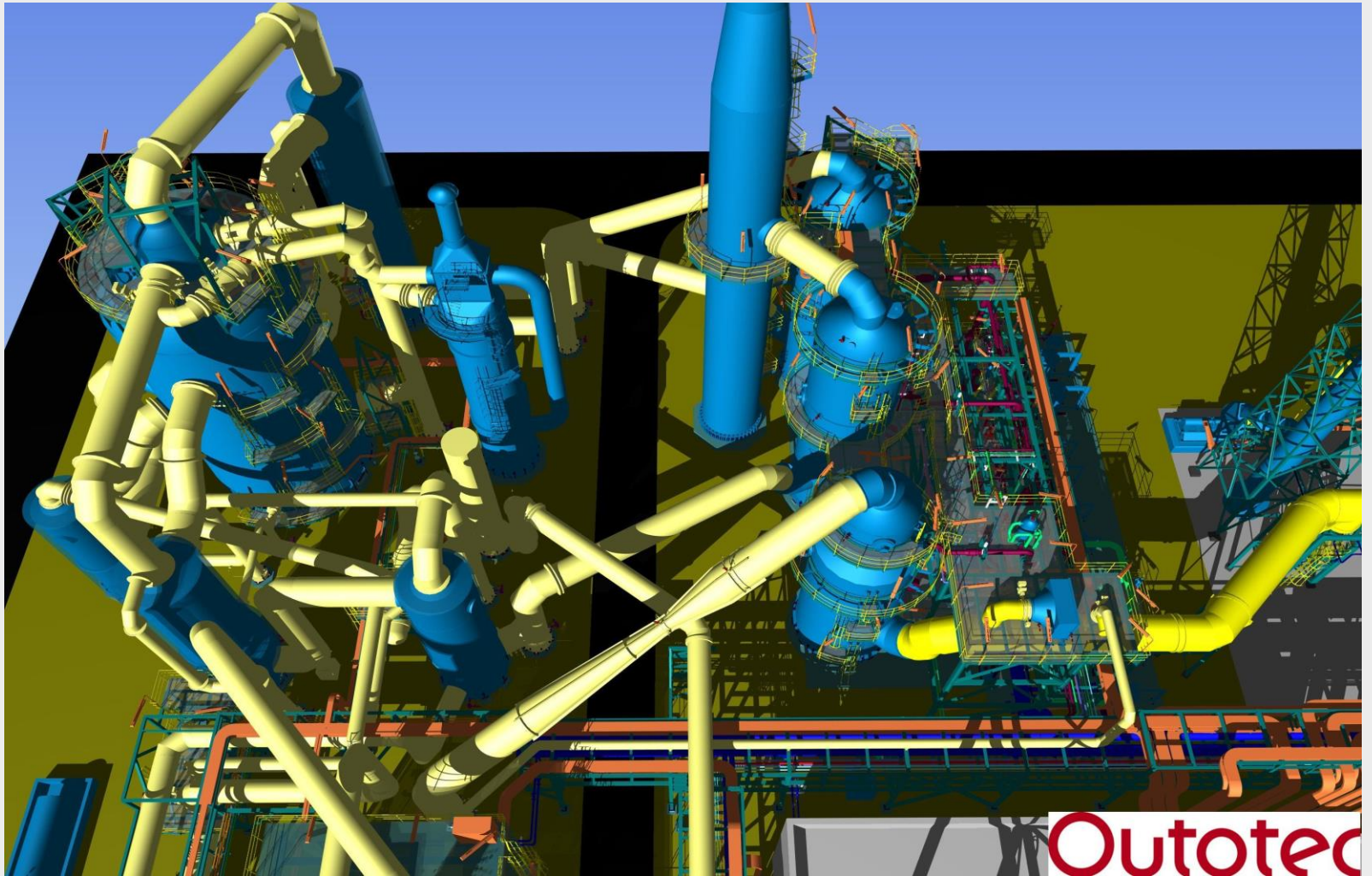
ACID PLANT PROJECT



- Gas Capture and conversion to H_2SO_4
- Environmental systems upgrade
- High Efficiency Scrubbing
 - Metals Recovery
- Dispatch by rail and road
- Water reclamation
- Pearce-Smith Converter Replacement
- Operational readiness

Outotec

ACID PLANT PROJECT



Outotec



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a Toronto Stock Exchange listed
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