



## DISCLOSURE POLICY

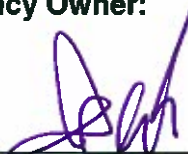
**Last Amended:** July 31, 2013  
**Adopted By the Board:** December 16, 2004

**On behalf of the Board:**

  
\_\_\_\_\_  
Executive Chairman

  
\_\_\_\_\_  
President & Chief Executive Officer

**Policy Owner:**

  
\_\_\_\_\_  
Senior Vice President, Investor &  
Regulatory Affairs and Corporate Secretary

**Policy Administrator:**

Senior Vice President, Investor &  
Regulatory Affairs and Corporate Secretary

## 1. Purpose of this Policy

The purpose of this Policy is to ensure that Dundee Precious Metals Inc. (the "**Company**") and all persons to whom this Policy applies meet their obligations under the provisions of securities laws and stock exchange rules by establishing a process for the timely disclosure of all Material Information (as defined herein), ensuring that all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein) and ensuring that all appropriate parties who have Undisclosed Material Information are prohibited from Tipping (as defined herein) under applicable law, stock exchange rules and this Policy. This Policy covers disclosures in documents filed with the securities regulators and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

## 2. To Whom this Policy Applies

This Policy applies to "**Board Members, Officers, Employees, Contractors**" and "**Persons in a Special Relationship with the Company**" all as defined in Schedule "A" attached hereto. Each section of the Policy that imposes restrictions and obligations will describe which groups of persons are subject to that section. References in this Policy to "any person to whom this Policy applies" or similar references are intended to include persons in all of the groups described in Schedule "A".

## 3. Responsibility for this Policy

The Company has created an operational committee (the "**Disclosure Committee**") consisting of the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary of the Company, that is responsible for this Policy.

The Company has also appointed a Compliance Officer, being the Corporate Secretary of the Company, who will be responsible for administering this Policy and monitoring compliance with its provisions and procedures. The Compliance Officer may designate one or more individuals who may perform certain of the Compliance Officer's duties in the event that the Compliance Officer is unable or unavailable to perform such duties.

## 4. Individuals Who Are Authorized to Speak on Behalf of the Company

4.1 Unless otherwise authorized by the Disclosure Committee, only the Chief Executive Officer, the Chief Financial Officer and the Senior Investor Relations Officer are authorized to initiate contacts with analysts, the media and investors. However, the Disclosure Committee will maintain a list of individuals ("**Spokespersons**") who are authorized to respond to analysts, the media and investors on behalf of the Company and only with respect to those areas specified by the Disclosure Committee. The list may be changed by the Disclosure Committee from time to time.

- 4.2 The Chief Executive Officer of the Company may, from time to time, authorize (1) other Board Members, Officers, Employees or Contractors, or (2) any other person, to speak on behalf of the Company as back-ups or to respond to specific inquiries.
- 4.3 Any person (other than a Spokesperson) to whom this Policy applies who is approached by the media, an analyst, investor or any other member of the public to comment on the affairs of the Company, must refer all inquiries to the Chief Executive Officer or the Vice President Investor Relations of the Company and must immediately notify the Chief Executive Officer or the Vice President Investor Relations that the approach was made.

## 5. Disclosure of Material Information

- 5.1 "**Material information**" consists of both "material facts" and "material changes". A "**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company. A "**material change**" means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change if such a decision is made by the board of directors or by senior management of the Company who believe that confirmation of the decision by the board of directors is probable.
- 5.2 Any person to whom this Policy applies who becomes aware of information that has the possibility of being Material Information must immediately disclose that information to the Chief Executive Officer or the Chief Financial Officer. Schedule "B" attached hereto lists examples of Material Information.
- 5.3 Material Information is required to be disclosed immediately. The Disclosure Committee shall determine what is deemed to be Material Information and the appropriate public disclosure and will consult with the board of directors and others, as deemed necessary. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.
- 5.4 News releases disclosing Material Information will be transmitted to the Toronto Stock Exchange and any other exchange on which the Company's securities may be listed, relevant regulatory bodies and major news wire services that disseminate financial news to the financial press and to daily newspapers that provide regular coverage of financial news in the areas where the Company has operations.

## 6. Approval by Disclosure Committee of Disclosure Documents

In this Policy:

- 6.1 "**Core Document**" means a prospectus, a take-over bid circular, an issuer bid circular, a directors' circular, a rights offering circular, management's discussion and analysis, an annual information form, an information circular, annual or interim financial statements or a material change report;

- 6.2 **“Disclosure Document”** means any written communication, including a communication transmitted only in electronic form, disclosing material information with respect to the business, operations, capital or financial performance of the Company and includes any communication:
- (i) that is required to be filed with a securities regulator; or
  - (ii) that is not required to be filed with a securities regulator:
    - (a) that is filed with a securities regulator;
    - (b) that is filed or required to be filed with a government or an agency of a government under applicable securities or corporate law or with any stock exchange or quotation and trade reporting system; or
    - (c) the content of which would reasonably be expected to affect the market price or value of a security of the Company.
- 6.3 **“Misrepresentation”** means an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.
- 6.4 **“Public Oral Statement”** means an oral statement relating to the business or affairs of the Company that is made by or on behalf of the Company in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed.

Disclosure Documents (including a news release associated with a Disclosure Document) and, to the extent practicable, the proposed text of Public Oral Statements must be reviewed and approved by the Disclosure Committee prior to being issued or made. In its review and approval, the Disclosure Committee will apply the following principles:

- (A) the Disclosure Committee must be satisfied that the issuance, timing and content of any Disclosure Document (including a news release associated with a Disclosure Document) or Public Oral Statement complies with the Company's disclosure obligations under applicable law and this Policy;
- (B) before authorizing the issuance of any Disclosure Document (including a news release associated with a Disclosure Document), or the making of any Public Oral Statement, the Disclosure Committee must conduct, or confirm that the directors, officers and employees of the Company, as applicable, have conducted or caused to be conducted, a reasonable investigation to satisfy themselves that the Disclosure Document (including a news release associated with a Disclosure Document) or the Public Oral Statement is not inaccurate and does not contain a Misrepresentation and is not, in any material respect, misleading or untrue;
- (C) if any part of a Disclosure Document, news release or Public Oral Statement includes, summaries or quotes from a report, statement or opinion made by an expert, the Disclosure Committee must obtain the written consent of the expert to use the report, statement or opinion and must be satisfied that:

- (i) there are no reasonable grounds to believe that there is a Misrepresentation in the part of the Disclosure Document, news release or Public Oral Statement made on the authority of the expert; and
  - (ii) the relevant part of the Disclosure Document, news release or Public Oral Statement fairly represents the expert report, statement or opinion.
- (D) if any Disclosure Document (including a news release relating to a Disclosure Document) or Public Oral Statement contains forward-looking information, the Disclosure Committee must comply with the section below entitled "Forward-Looking Information".

## **7. Approval by the Board of Directors of Core Documents**

The Disclosure Committee must review every Core Document that the Company proposes to issue and approve its issuance according to the requirements for any Disclosure Document set out above.

In addition to approval by the Disclosure Committee, each Core Document that the Company proposes to issue (except for material change reports) must be reviewed and approved by the board of directors prior to issuance.

## **8. Internet Chat Rooms and Bulletin Boards**

- 8.1 Board Members, Officers, Employees and Contractors must not discuss or post any information relating to the Company or any of its subsidiaries or trading in securities of the Company in Internet chat rooms, newsgroups or bulletin boards.
- 8.2 Board Members, Officers, Employees and Contractors must advise the Chief Executive Officer if they are aware of any discussion of information of the Company in a chat room, newsgroup or bulletin board.

## **9. Rumours**

The Company shall not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. Spokespersons will respond consistently to those rumours, saying "It is our policy not to comment on market rumours or speculation." If the Toronto Stock Exchange or any other exchange on which the Company's securities may be listed, or a securities regulatory authority requests that the Company make a statement in response to a market rumour, the Disclosure Committee will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and context of any response.

## **10. Website**

- 10.1 The Company's Senior Investor Relations Officer is responsible for creating and maintaining the Company's website. The Company's website must be maintained in accordance with the following.
  - the following information must be included on the website:
    - (1) all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;

- (2) all non-Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences);
  - (3) web replays of shareholder meetings or analysts' conferences, if available; and
  - (4) all News Releases or a link to those News Releases;
- the website must contain an e-mail link to an investor relations contact for the Company to facilitate communication with investors;
  - all investor information posted on the website must indicate the date on which it was prepared or last modified and include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;
  - inaccurate information must be promptly removed from the website and a correction must be posted;
  - information contained on the website must be removed or updated when it is no longer current;
  - a list of all (but not less than all) analysts known to follow the Company may be posted on the investor relations page, but analysts' reports must not be posted on the Company's website;
  - all links from the Company's website must be approved by the Company's Compliance Officer and all links must include a notice that advises the reader that he or she is leaving the website and that the Company is not responsible for the contents of the other site; and
  - no links will be created from the Company's website to chat rooms, newsgroups or bulletin boards or any other links deemed to be inappropriate, as determined by the Compliance Officer.
- 10.2 All information on the Company's website will be retained for a period of two years from the date of issue.
- 10.3 If the Company is considering a distribution of its securities, the content of the website must be reviewed with the Company's corporate counsel before and during the offering to ensure compliance with applicable securities laws.

## 11. Confidentiality of Undisclosed Material Information

- 11.1 "**Undisclosed Material Information**" of the Company is Material Information about the Company that has not been "**Generally Disclosed**": that is, disseminated to the public by way of a news release together with the passage of a reasonable amount of time (24 hours, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to analyze the information.

- 11.2 Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.
- 11.3 Undisclosed Material Information shall not be disclosed to anyone except in the necessary course of business. If Undisclosed Material Information has been disclosed in the necessary course of business, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. Schedule "C" attached hereto lists circumstances where securities regulators believe disclosure may be in the necessary course of business. When in doubt, all persons to whom this Policy applies must consult with the Compliance Officer to determine whether disclosure in a particular circumstance is in the necessary course of business. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not be considered to be in the necessary course of business. **"Tipping"**, which refers to the disclosure of Undisclosed Material Information to third parties outside the necessary course of business, is prohibited.
- 11.4 In order to prevent the misuse of inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:
- documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary;
  - electronic equipment such as laptop computers, tablets and other handheld communication devices containing confidential information should also be safeguarded through the use of passwords wherever possible;
  - confidential matters should not be discussed in places where the discussion may be overheard;
  - transmission, storage or review of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission, storage or review can be made and/or received under secure conditions such as a dedicated server or should be safeguarded through the use of passwords wherever possible; and
  - unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and must be destroyed if no longer required.

## 12. Quiet Period

- 12.1 Each period (1) beginning on the last day of each fiscal quarter and each fiscal year, and (2) ending when the earnings for that quarter or year have been Generally Disclosed by way of a news release, will be a **"Quiet Period"**. During a Quiet Period, Spokespersons must not provide any future-oriented information

relating to the business and affairs of the Company or any of its subsidiaries. Spokespersons are also prohibited from providing any future oriented information about the Company or any of its subsidiaries' prospective business, operations or capital, including future-oriented financial information (as that term is defined under applicable securities law) ("**Forward-Looking Information**") about expected revenues, net income or profit, earnings per share, expenditure levels, and other information commonly referred to as earnings guidance ("**Earnings Guidance**") or comments with respect to the financial results for the current fiscal quarter or current fiscal year. Notwithstanding these restrictions, the Company may Generally Disclose Forward-Looking Information during the Quiet Period when the Forward-Looking Information constitutes Undisclosed Material Information. During a quiet period, Spokespersons may respond to unsolicited inquiries about information either that is not Material Information or that has been Generally Disclosed.

### **13. Avoiding Selective Disclosure**

- 13.1 When participating in shareholder meetings, news conferences, analysts' conferences and private meetings with analysts, Spokespersons must only disclose information that either (1) is not Material Information or (2) is Material Information but has previously been Generally Disclosed. For greater certainty, acceptable topics of discussion include the Company's business prospects (subject to the provisions of Section 12 of this Policy), the business environment, management's philosophy and long-term strategy. Any selective disclosure of Undisclosed Material Information, including Earnings Guidance, is not permitted.
- 13.2 To protect against selective disclosure, the following procedures should be followed:
- Spokespersons who are participating in shareholder meetings, news conferences and analysts' conferences should normally prepare their presentation materials and discuss answers to anticipated questions in advance of the meeting or conference; and
  - such presentation materials should normally be reviewed by the Disclosure Committee before the meeting or conference and any Undisclosed Material Information that is contained in the presentation materials must be Generally Disclosed before the meeting or conference or deleted from the presentation materials if it is premature for the information to be Generally Disclosed.
- 13.3 After each shareholder meeting, news conference, analysts' conference or private meeting with analysts, the Company's participants should normally meet and review the disclosures made during the course of the meeting or conference to determine if any Undisclosed Material Information was unintentionally disclosed.
- 13.4 If Undisclosed Material Information was disclosed, the participants must advise a member of the Disclosure Committee, who shall take immediate steps to ensure that the information is Generally Disclosed.
- 13.5 Pending the Material Information being Generally Disclosed, the Company must contact the parties to whom the Material Information was disclosed and inform



them (1) that the information is Undisclosed Material Information and (2) of their legal obligations with respect to the Material Information.

#### **14. Analysts' Reports**

14.1 When reviewing analysts' reports in accordance with the procedure set out below, comments of Board Members, Officers, Employees and Contractors must be limited to identifying factual information that has been Generally Disclosed that may affect an analyst's model and pointing out inaccuracies or omissions with respect to information that has been Generally Disclosed.

Any comments must contain a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts' earnings models or earnings estimates and no attempt shall be made to influence an analyst's opinion or conclusion.

14.2 Analysts' reports shall not be posted on, nor linked from the Company's website.

14.3 The Company may from time to time give Earnings Guidance or any other Forward-Looking Information through voluntary disclosure by way of a news release, provided that the cautionary language described in Section 14.4 accompanies the information.

14.4 If Forward-Looking Information is Generally Disclosed:

- the information must be clearly stated to be forward-looking;
- the factors and assumptions that were used to arrive at the Forward-Looking Information must be clearly described; and
- the factors that could cause actual results to differ materially must be clearly stated, and should be presented with a reasonably possible range of outcomes, a sensitivity analysis or other qualitative analysis that will assist in assessing the related risks.

**Non-compliance with these policies is a serious breach of the terms and conditions of engagement and will be dealt with accordingly.**

## Schedule "A"

### Individuals and Entities to Whom This Policy Applies

**"Board Members, Officers, Employees and Contractors"** means a Board Member, an officer, an Employee or an independent contractor (who is engaged in an employee-like capacity) of the Company or its subsidiaries. As described below, all Board Members, Officers, Employees and Contractors are also persons in a Special Relationship with the Company.

**"Employee"** means a full-time, part-time, contract or secondment employee of the Company or any of its subsidiaries.

**"Persons in a Special Relationship with the Company "** means:

- (1) each Board Member, Officer, Employee and Contractor;
- (2) each person who beneficially owns, directly or indirectly, more than 10% of the voting securities of the Company or who exercises control or direction over more than 10% of the votes attached to the voting securities of the Company (a **"10% Shareholder"**);
- (3) each Board Member, officer, employee or contractor of a 10% Shareholder;
- (4) each member of an operating or advisory committee of the Company or its subsidiaries;
- (5) each Board Member, officer, partner and employee of a company that is engaging in any business or professional activity with the Company or its subsidiaries and who routinely comes into contact with Material Information;
- (6) each person or company that learned of Material Information with respect to the Company from a person or company described in (1) through (5) of this definition and knew or ought reasonably to have known that the other person or company was in such a special relationship; and
- (7) any spouse, live-in partner or relative of any of the individuals referred to in (1) through (6) who resides in the same household as that individual.
- (8) A company is considered to be a **"Subsidiary"** of another company if it is controlled by (1) that other, (2) that other and one or more companies, each of which is controlled by that other, or (3) two or more companies, each of which is controlled by that other; or it is a subsidiary of a company that is that other's subsidiary. In general, a company will control another company when the first company owns more than 50% of the outstanding voting securities of that other company.

## **Schedule "B"**

### **Examples of Information That May Be Material (Based on National Policy 51-201 and Section 410 of the Toronto Stock Exchange Manual)**

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the company
- changes in corporate structure such as major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policies

#### **Changes in business and operations**

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board of Directors or executive management, including the departure of the company's CEO, CFO, COO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

#### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

**Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

## **Schedule "C"**

### **Examples of Disclosures That May Be Necessary in the Course Of Business**

(Reproduced from National Policy 51-201)

**(1) Disclosure to:**

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)

**(2) Disclosures in connection with a private placement**

**(3) Communications with controlling shareholders, in certain circumstances**

**RECEIPT AND ACKNOWLEDGEMENT**

I, \_\_\_\_\_, hereby acknowledge that I have received and read a copy

(Print Name)

of the "Disclosure Policy" of Dundee Precious Metals Inc. and agree to comply with its terms. I understand that violation of tipping laws or regulations may subject me to severe civil and/or criminal penalties and that violation of the terms of the above-noted policy may subject me to discipline by the Company up to and including termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date