



# **DUNDEE**

**PRECIOUS METALS INC.**

TSX: DPM



**Precious Metals Summit, Geneva  
April 12, 2012**

# FORWARD LOOKING STATEMENTS



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 news release 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](http://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.

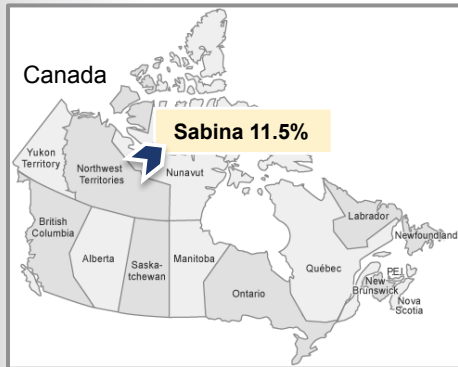
# DPM HIGHLIGHTS



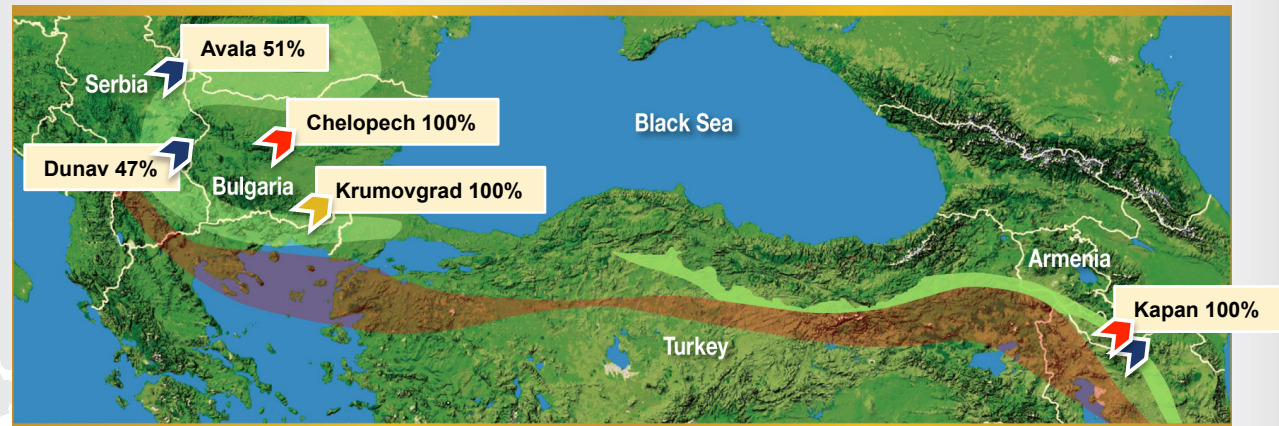
- ◆ \$1.3B gold producer with two operating mines in Bulgaria & Armenia and a complex concentrate smelter in Namibia
- ◆ Estimated 2012 gold production of 128,000 to 143,000 ounces and copper production of 41 million to 46 million pounds with pipeline of organic growth opportunities
- ◆ Lowest quartile cash cost per ounce of gold produced, net of by product credits (2011 (\$112)/oz)
- ◆ Growing pipeline of growth opportunities through the Krumovgrad project, Chelopech pyrite project, exploration portfolio and strategic portfolio (current market value ~\$263M)
- ◆ Strong balance sheet with \$173 M in cash on hand (including AVZ/DNV cash of \$38M)
- ◆ Experienced management team with established track record of delivering results
- ◆ Attractive value proposition based on current cash flow generation

Share Price @ April 5, 2012	C\$8.67
Shares Outstanding	125M
Fully diluted shares/Additional cash on dilution	150M/C\$95M
52 week high - low	\$10.72 - \$6.86

# PORTFOLIO OF ASSETS






EUROPE



AFRICA



-  Operating assets
-  Development assets
-  Exploration assets

# CORPORATE VISION / STRATEGY



Build DPM into an intermediate low-cost gold producer

## ◆ Optimize value of existing operating assets

- Increase mine production and extend LOM
  - Chelopech – complete current expansion and pyrite PEA
  - Deno – complete exploration to support new open pit & underground extension
- Upgrade/expand smelter
  - Complete project 2012 & feasibility studies supporting acid plant and electric furnace
  - Optimize feedstock post 2013

## ◆ Grow business beyond existing operating assets

- Develop Krumovgrad Gold project
- Establish deep pipeline of greenfield exploration opportunities
- Complete acquisitions that offer accretive growth, diversity and gold exposure

## ◆ Sustain low quartile operating cost position

## ◆ Maintain a solid financial position



# CHELOPECH MINE, Bulgaria

## Low Cost, Long Life Producer



DPM Ownership		100%
Location		Bulgaria
Acquired		Sept. 2003
Resources Measured & Indicated (at Oct. 31, 2011)	Gold (oz) (4.09 g/t)	3,930,000
	Copper (lbs) (1.31% Cu)	862,840,000
Reserves (at Oct. 31, 2011)	Gold (oz) (3.66 g/t)	2,660,000
	Copper (lbs) (1.15% Cu)	572,600,000
Mine Type		Underground
Deposit Type		High sulphidation epithermal deposit
Estimated Mine Life @ expanded rate		10 + yrs

### Strategy

- ◆ Complete expansion to 2 mtpy – July 2012
- ◆ Continue to replace production and increase Mineral Resources and Mineral Reserves through exploration
- ◆ Complete evaluation of the pyrite gold recovery project

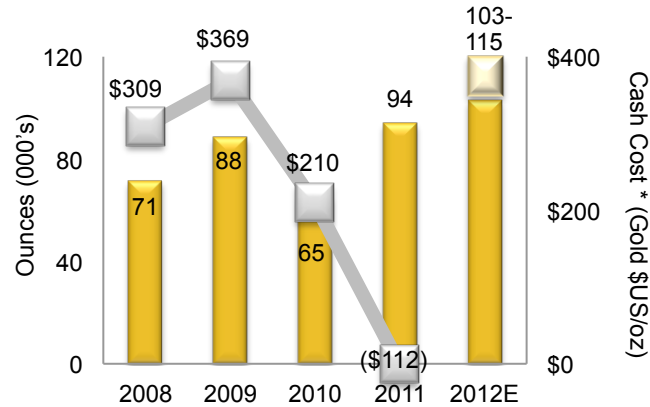


# CHELOPECH MINE

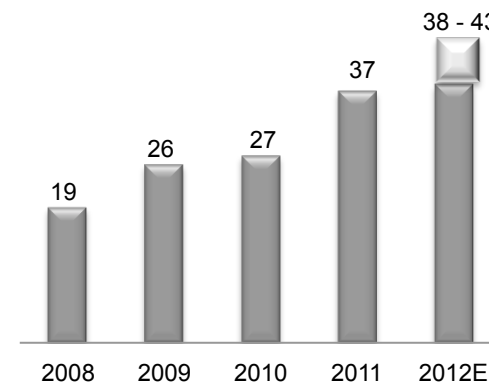
## Operating and Financial Highlights



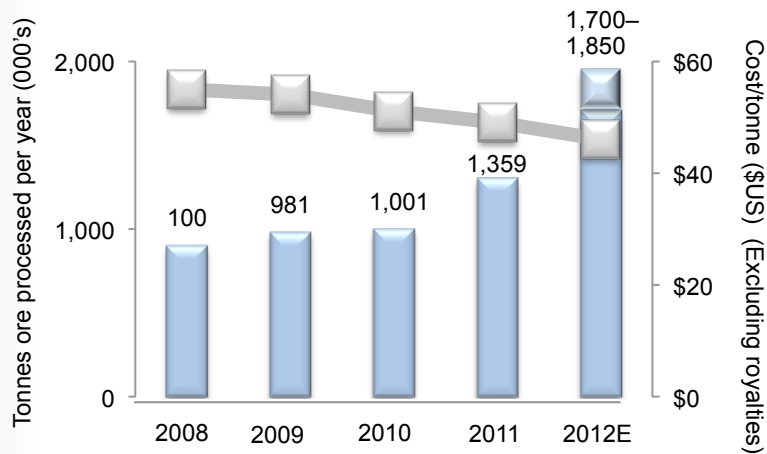
### Gold Production (000s ounces)



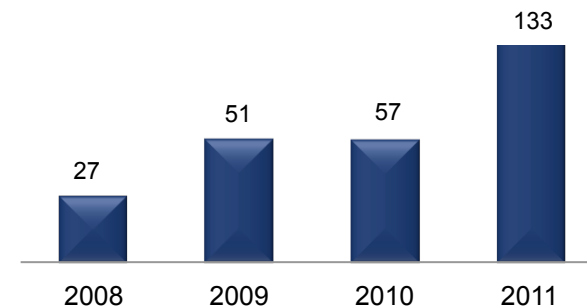
### Copper Production (pounds in millions)



### Ore Processed and Cost/Tonne



### EBITDA (US\$MM)



\* Cash cost of sales/oz gold (net of by product credits). Reconciliation included in Appendices

# CHELOPECH

## Gold in Pyrites Recovery Project



*The potential exists to economically recover most of the contained gold, silver and copper that is associated with the rejected pyrite minerals*

Gold recovered from Copper Concentrate		55% - 60%
Remaining gold rejected to tailings		40% - 45%
2 mtpy ore mined		400,000 T pyrite concentrate produced (E)
Metals	Potential Grades	Estimated Production Result
Gold	6-7 g/t	77,000 - 90,000 oz
Silver	10-15 g/t	128,000 - 193,000 oz
Copper	0.5%-0.7%	4.4 million – 6.2 million pounds
Preliminary economic assessment completion		Q2 2012

*Test work indicates that a pressure oxidation process can be used to produce a low mass residue, resulting in a metal rich product that could be sold to existing smelters or leach plants*



# NAMIBIA CUSTOM SMELTER, TSUMEB

## A Unique Strategic Asset



DPM Ownership	100%
Location	Namibia
Acquired	March 2010
Technology	Ausmelt
Product	Copper blister bars
2011 Throughput (concentrate process)	180,403 tonnes
Expanding Smelter Capacity	240,000 tpy

### Strategy

- ◆ Secures processing of Chelopech complex concentrate
- ◆ Upgrade to meet global environmental standards, increase capacity and lower costs
- ◆ Complete study on sulphuric acid capture plant



# NAMIBIA CUSTOM SMELTER

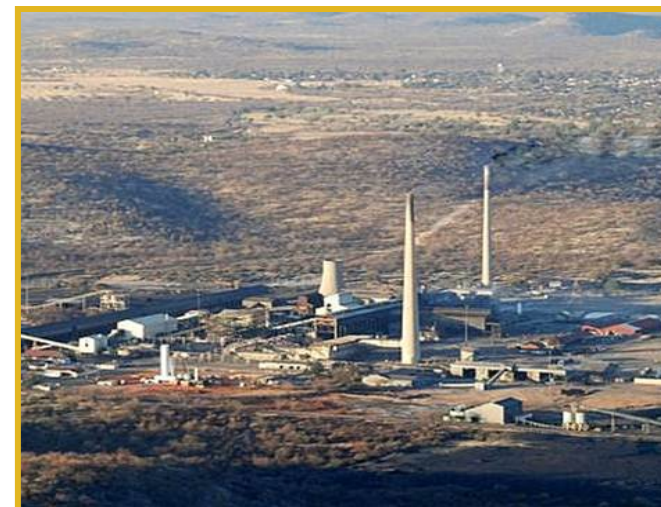
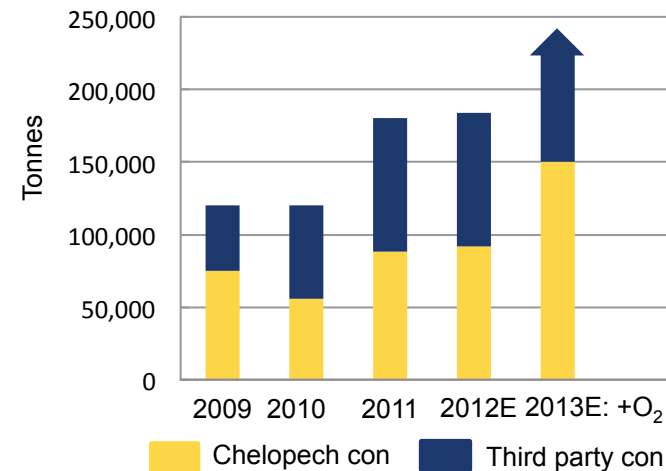
## Environmental/Production Upgrades



### Upgrade Initiatives

- ◆ Production facility optimization
  - Additional O<sub>2</sub> capacity for Ausmelt furnace
  - All primary smelting in new Ausmelt furnace
  - Potential replacement of reverb with electric furnace
- ◆ Emissions controls
  - Improvements to gas and materials handling systems
  - Potential addition of a sulphuric acid capture plant and sale into local uranium and other markets
- ◆ Community initiatives
- ◆ Results
  - Improved environmental performance – zero discharge smelter
  - Smelting rate of 240,000 tpy in 2013
  - Improved profitability through potential acid revenue stream and lower overall costs
  - Commitments to government and community met

### Smelter Capacity



# DENO GOLD MINE, UNDERGROUND

## Profitable Au/Cu & Zn Con Producer



DPM Ownership		100%	
Location		Armenia	
Acquired		August 2006	
Cash Cost <sup>1</sup>	2008	\$US/tonne	\$109.40
	2009	\$US/tonne	\$72.27
	2010	\$US/tonne	\$66.33
	<b>2011</b>	<b>\$US/tonne</b>	<b>\$63.58</b>
Mine Type		Underground	
Deposit Type		Polymetallic vein deposit	

1. Cash cost per tonne of ore processed, excluding royalties. See reconciliation in Appendices

### Strategy

- ◆ Continue to define the potential open pit and underground resource for the Shahumyan deposit.
  - Open pit resource Q3 2012
  - Underground Resource Q2 2013
- ◆ Carry out open pit and underground studies based on the new resources 2012/13
- ◆ Explore regional license to define additional Mineral Resources
- ◆ Continue operational improvements & cost reductions

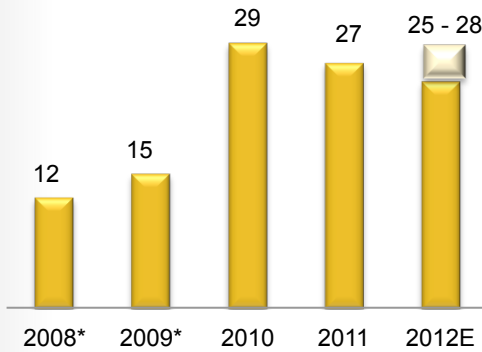


# DENO GOLD MINE, KAPAN, ARMENIA

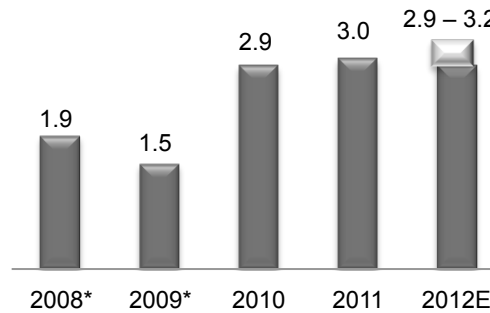
## Operating and Financial Highlights



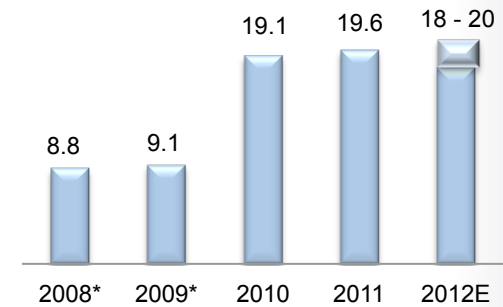
**Gold Production  
(000s ounces)**



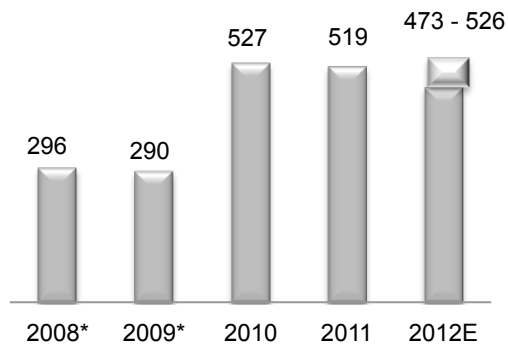
**Copper Production  
(pounds in millions)**



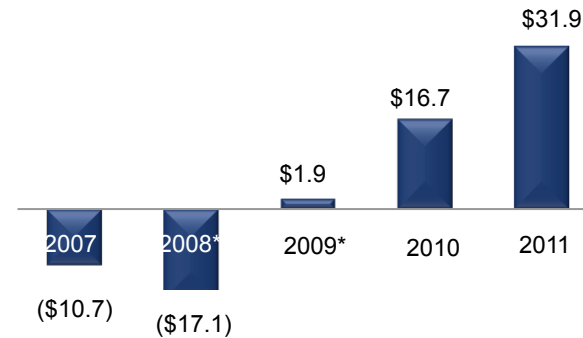
**Zinc Production  
(pounds in millions)**



**Silver Production  
(000s ounces)**



**EBITDA (US\$MM)**



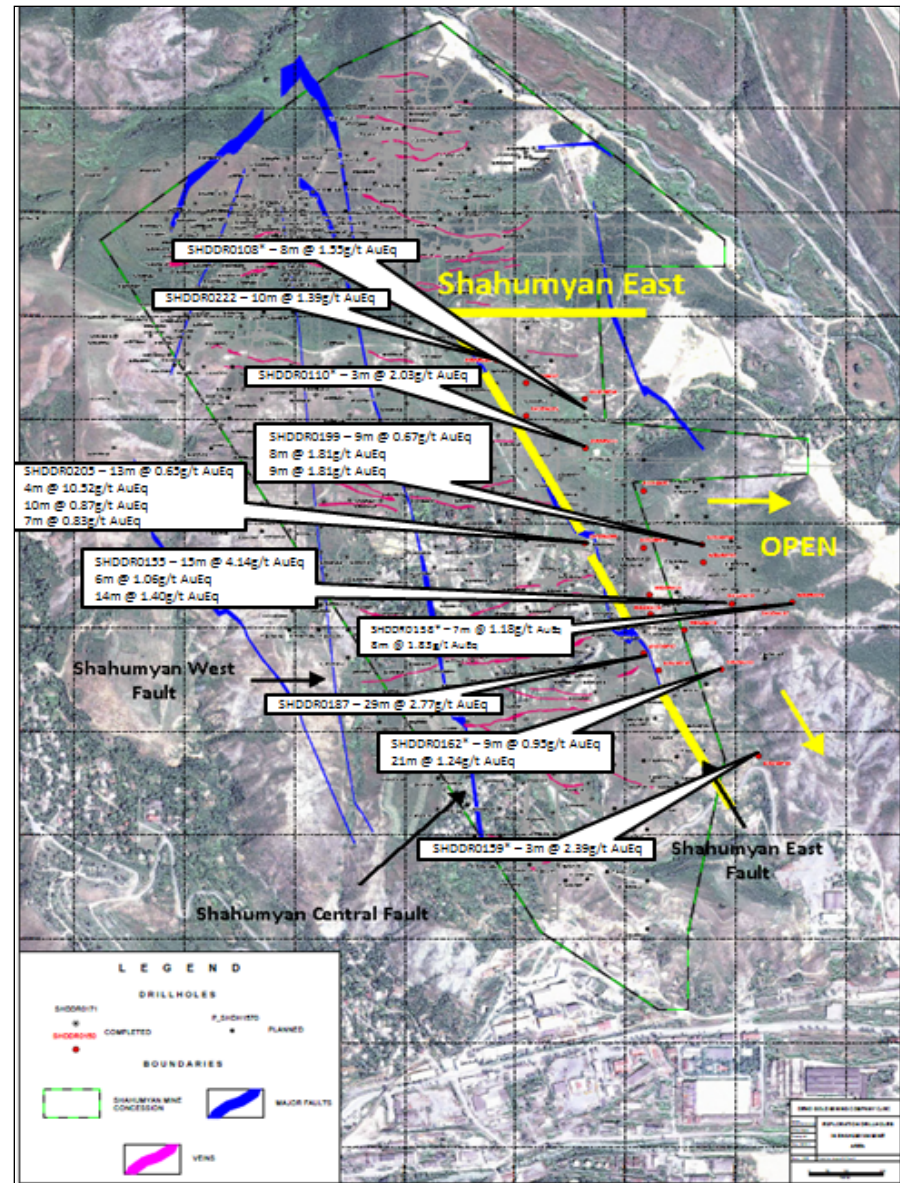
\* Deno Gold operations were on care and maintenance as of November 2008 and operations restarted April 2009.

# DENO GOLD MINE

## Open Pit Potential

- ◆ Determine expansion potential of open pit potential.
- ◆ Determine expansion/extension potential of underground.
- ◆ 285,000 metres of historic Soviet era drilling completed plus 110,000 meters of recent DPM drilling completed.
- ◆ Continue intensive open pit drilling program to define 43-101 compliant resource estimate
- ◆ Carry out options study to determine optimum pit size and production rate.

Complete drill hole plan outlining Shahumyan East (yellow) and significant intercepts. The intervals are shown with the hole number followed by the interval in meters and gold equivalence in gram per tonnes.



# NEW KRUMOVGRAD GOLD PROJECT

## High Grade, Low Cost



DPM Ownership	100%
Location	Bulgaria
Proposed Mine Type	Open Pit
Gold Recoveries	85%
Grade	3.4 g/t
Annual ore tonnage production	850,000 tpy
Annual gold production	74,000 ounces
Annual silver production	35,000 ounces
Mine Life	9 years
Capital Cost to complete	US\$127M *
Total cash cost per oz AuEq	\$404
Deposit Type	Low-sulphidation epithermal Au/Ag deposit

\* As per NI 43-101 Technical Report filed on SEDAR January 13, 2012

### Strategy

- ◆ Advance project to a 2014 production date – subject to meeting key milestones relating to the appeal process
- ◆ Achieve 74,000 ounces of annual gold production and seek opportunities to increase further
- ◆ Other exploration opportunities within existing licenses

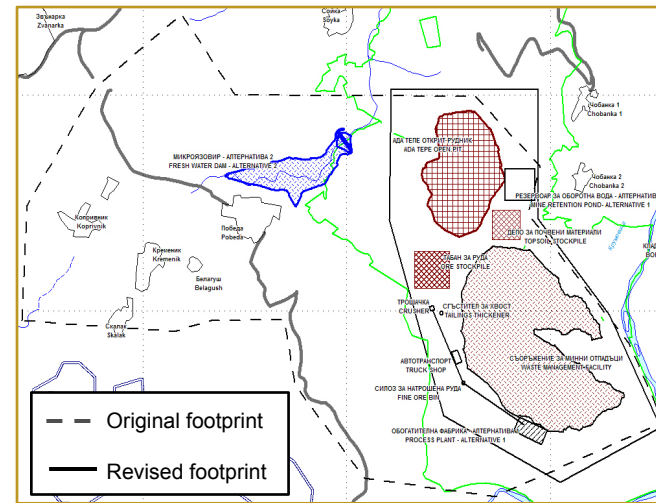


# NEW KRUMOVGRAD GOLD PROJECT



## Revised Project

- ◆ Low strip open pit (2:1)
- ◆ Reduced Footprint
  - 145 ha new plan vs. 300 ha original plan
  - Small integrated tailings and mine waste facility
  - Water treatment facility
- ◆ Conventional crushing, grinding and flotation processing
- ◆ One land owner – State forestry



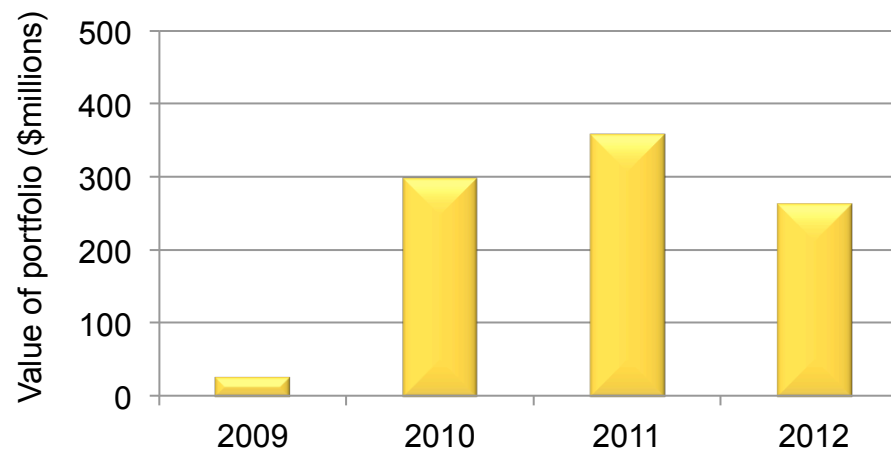
Achievements	Status
Re-engineered 2005 project	<input checked="" type="checkbox"/>
30 year mining concession	<input checked="" type="checkbox"/>
Definitive Feasibility Study & NI 43-101	<input checked="" type="checkbox"/>
Appeal of preemptive execution of EIA	Decision Pending
Final EIA Approval granted	Under appeal/Q4 2012
Detailed engineering schedule	Q2 2012 – Q4 2013
Estimated construction timeline	2013 - 2014
Estimated production timeline	2014

# EXPLORATION INVESTMENTS



Securities	Holdings	% Held	Value @ April 5, 2012
Sabina Gold & Silver Corp. (TSX:SBB)	18.5M	11.5%	\$48M
Special Warrants	10M		26M
Warrants (strike C\$1.07)	5M		8M
<b>Total SBB</b>			<b>\$82M</b>
Avala Resources Ltd. (TSX-V:AVZ)	110M	51.4%	112
Special Rights	50M		51
<b>Total AVZ*</b>			<b>\$163M</b>
Dunav Resources Ltd. (TSX-V:DNV)	47M	47.7%	18M
Warrants (strike C\$0.42)	36M		0
<b>Total DNV*</b>			<b>\$18M</b>
<b>Total shares and other securities</b>			<b>~US\$263M</b>

\*AVZ and DNV are consolidated

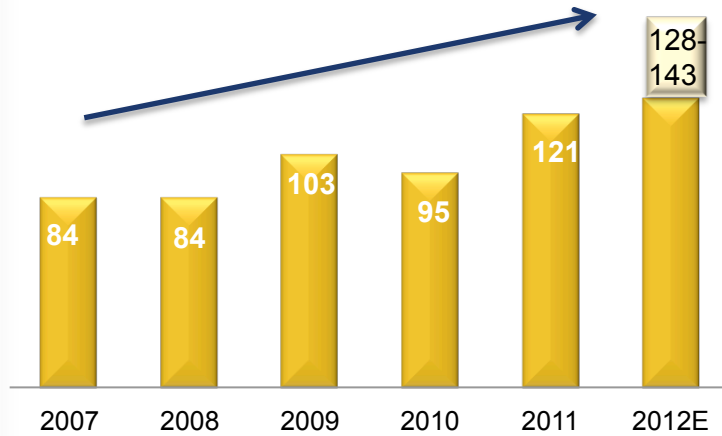




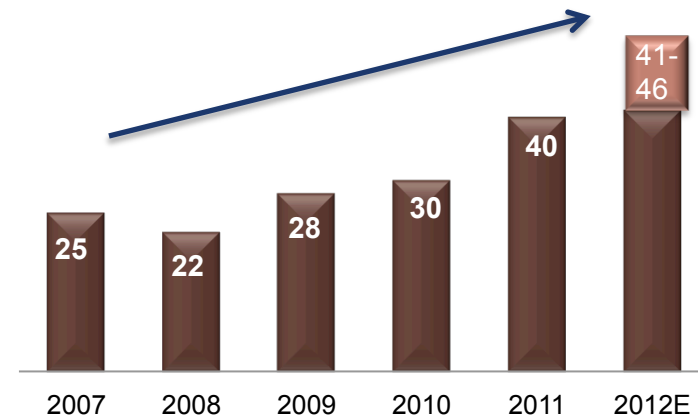
# CONSOLIDATED PRODUCTION & FINANCIAL HIGHLIGHTS



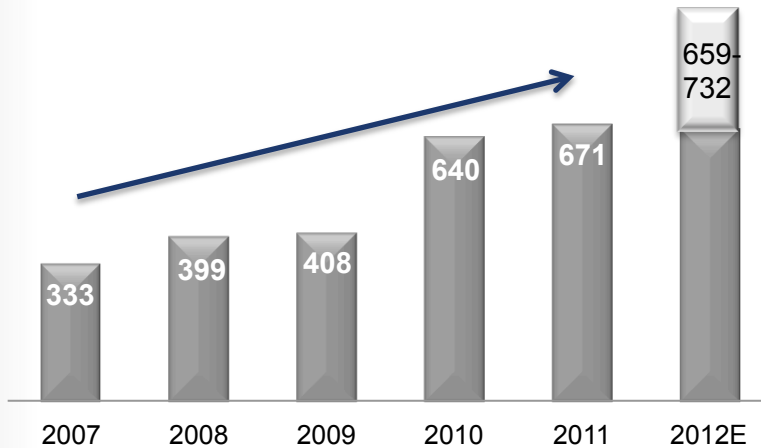
**Gold Production (000s ounces)**



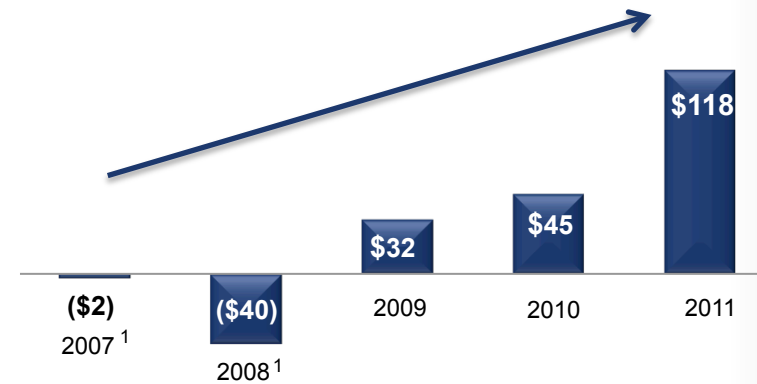
**Copper Production (pounds in millions)**



**Silver Production (000s ounces)**



**EBITDA (US\$MM)**



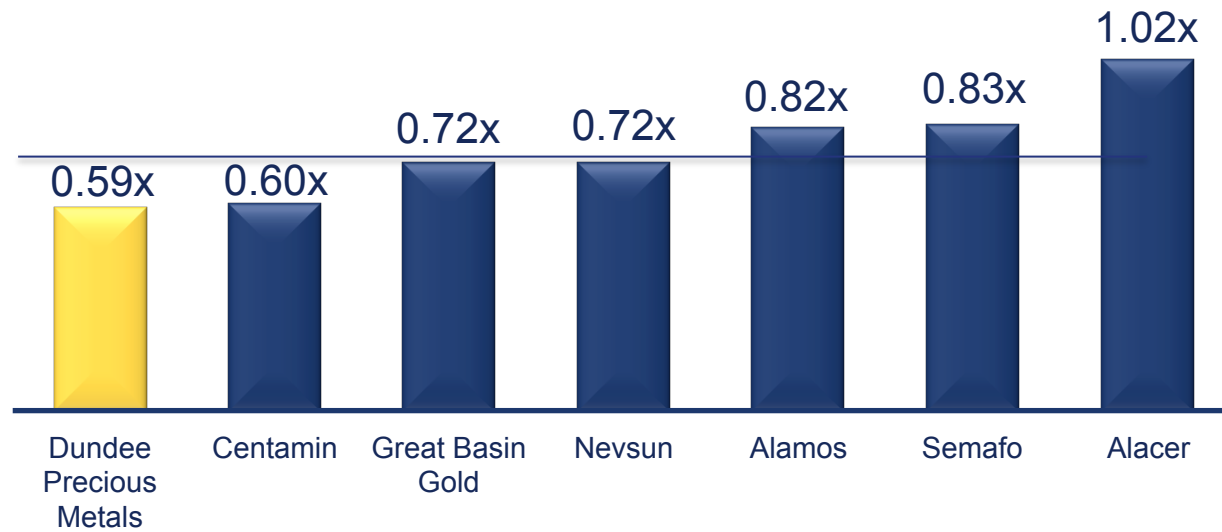
<sup>1</sup> In CDN dollars

# DPM – PEER GROUP BENCHMARKING



P/NAV \*

Avg. P/NAV: 0.76x



\* RBC company filings, as at March 23, 2012

# INVEST IN DPM



- Strong Balance Sheet**
- Valuable Assets**
- Robust Growth**
- Experienced Management Team**
- Highly Undervalued**

# APPENDICES

# ANALYST COVERAGE



BMO	John Hayes
Cormark Securities	Mike Kozak
Dundee Securities	Paul Burchell
RBC Capital Markets	Stephen Walker
Scotia Capital	Leily Omoumi
Stifel, Nicolaus & Co.	Josh Wolfson
Union Securities	Philip Ker

# Q4 & YEAR ENDED 2011 SUMMARY



	Q4 2011	Year End 2011
<b>Net Earnings attributable to common shareholders</b>	<b>\$22.6 million</b>	<b>\$86 million</b>
<b>Basic EPS</b>	<b>\$0.18</b>	<b>\$0.69</b>
<b>Gross profit (loss)</b>		
Chelopech	\$39.5 million	\$110.6 million
Deno	(\$0.6 million)	\$25.2 million
NCS	-	(\$5.0 million)
<b>Total Gross profit</b>	<b>\$38.9 million</b>	<b>\$130.8 million</b>
<b>Chelopech Production</b>		
Gold (ounces)	34,993	93,881
Copper (lbs)	13,185,889	36,801,944
Silver (ounces)	54,573	151,715
Cash cost/T ore processed (incl. royalties)	\$51.35	\$54.81
Cash cost/T ore processed (excl. royalties)	\$46.59	\$49.99
<b>Deno Gold Production</b>		
Gold (ounces)	6,051	26,876
Copper (lbs)	741,907	2,992,158
Zinc (lbs)	5,129,841	19,584,954
Silver (ounces)	123,297	519,104
Cash cost/T ore processed (incl. royalties)	\$61.17	\$67.27
Cash cost/T ore processed (excl. royalties)	\$59.26	\$63.58

## 2012 GUIDANCE



<b>Total capital expenditures</b>	<b>\$150 - \$175 million</b>
Mine/mill expansion at Chelopech	~35%
NCS environmental and plant optimization	~40%
Krumovgrad development work	~15%
Deno Gold	~10%
<b>Mine output at Chelopech (tonnes of ore)</b>	<b>1.7 – 1.85 million</b>
<b>Mine out put at Deno (tonnes of ore)</b>	<b>550,000 – 610,000</b>
<b>Concentrate smelted at NCS (tonnes)</b>	<b>174,000 – 184,000</b>

<b>Metals Contained in Concentrate Produced</b>	<b>Chelopech</b>	<b>Deno Gold</b>	<b>Total</b>
Gold (ounces)	103,000 – 115,000	25,000 – 28,000	128,000 – 143,000
Copper (million pounds)	38.0 – 43.0	2.9 – 3.2	40.9 – 46.2
Zinc (million pounds)	-	18.0 – 20.0	18.0 – 20.0
Silver (ounces)	186,000 – 206,000	473,000 – 526,000	659,000 – 732,000

## COPPER HEDGE POSITION



- ◆ Copper derivative contracts to provide price protection on a portion of 2012, 2013 and 2014 projected payable copper production.
- ◆ Approximately 50% of the Company's expected copper production for the year 2012 has been hedged.

Year of projected payable copper production	Volume Hedged (lbs) *	Average fixed price (\$/lb)
2012	22,725,223	\$4.23
2013	6,693,226	\$3.94
2014	7,195,880	\$3.73

\* as of Dec. 31, 2011



# SENIOR MANAGEMENT



## **Jonathan Goodman, President & CEO**

P.Eng., MBA and CFA with over 25 yrs in the resource sector as a geologist, senior analyst, portfolio manager and senior executive. Joined BGR in 1990, DPM 2003.

## **Adrian Goldstone, EVP, Sustainable Business Development**

M.Sc. with >20 yrs in the minerals sector. Recognized internationally as a water management and cyanide use expert. Joined DPM in 2006.

## **Rick Howes, EVO & COO**

P.Eng. with over 30 yrs in the mining sector, previously with Vale-Inco. Joined DPM in 2009.

## **Hume Kyle, EVP & CFO**

C.A. & C.F.A with >25 yrs in strategic planning, M&A, financial planning & reporting, taxation, treasury & risk mgmt. Joined DPM in 2011.

## **Michael Dorfman, SVP, Corporate Development**

Investment banker with over 10 yrs experience in the mining sector. Joined DPM in 2011.

## **Jeremy Cooper, VP, Commercial Affairs**

Corporate and commercial financier with over 20 yrs investment banking experience. Joined DPM in 2003.

## **Iliya Garkov, VP & GM Deno Gold**

Ph.D. Mining of Minerals with over 17 yrs experience with Chelopech Mining EAD. Joined DPM in 2003.

## **Nikolay Hristov, VP & GM, Chelopech Mine**

Ph.D. mineral processing with extensive experience in research and development. Joined Chelopech Mining EAD in 2004.

## **Simon Meik, VP Processing**

Ph.D. with >30 yrs in many aspects of the mineral processing industry, in both project engineering and operations. Joined DPM in 2003.

## **Hans Nolte, VP & GM Namibia Custom Smelter**

Chemical engineer with over 25 yrs in the mining sector, specifically as a metallurgist in the smelting industry. Joined DPM in 2010.

## **Craig Barker, Director Exploration & Resource/Reserve Estimation**

Geologist with over 15 yrs in the exploration and mining industry and extensive international experience. Joined DPM in 2007.

# CHELOPECH MINE

## Updated Mineral Reserves & Resources



Chelopech Mineral Reserves – October 31, 2011							
Category	Tonnes (M)	Gold		Copper		Silver	
		Grade (g/t)	Ounces (M)	Grade (%)	Pounds (M)	Grade (g/t)	Ounces (M)
Proven	14.29	3.54	1.63	1.30	408.93	9.39	4.32
Probable	8.33	3.86	1.04	0.89	163.67	5.93	1.59
<b>Total</b>	<b>22.62</b>	<b>3.66</b>	<b>2.66</b>	<b>1.15</b>	<b>572.60</b>	<b>8.12</b>	<b>5.91</b>

Chelopech Mineral Resources – October 31, 2011							
Category	Tonnes (M)	Gold		Copper		Silver	
		Grade (g/t)	Ounces (M)	Grade (%)	Pounds (M)	Grade (g/t)	Ounces (M)
Measured	16.38	4.10	2.16	1.49	538.00	11.06	5.82
Indicated	13.49	4.09	1.77	1.09	324.36	7.79	3.38
<b>M&amp;I</b>	<b>29.87</b>	<b>4.09</b>	<b>3.93</b>	<b>1.31</b>	<b>862.84</b>	<b>9.58</b>	<b>9.20</b>
Inferred	9.59	2.53	0.78	0.82	173.31	10.09	3.11

1. Rounding of tonnage and grade figures has resulted in some columns showing relatively minor discrepancies in sum totals.
2. All Mineral Resource Estimates have been determined and reported in accordance with NI 43-101 and the classification adopted by the CIM.
3. Chelopech Mineral Reserves are based on a cut-off of \$10 profit/tonne using NSR analysis as of January 1, 2011. This information has been prepared by Gordon Fellows and reviewed by Julian Barnes, both of whom are QPs, as defined in NI 43-101 and not independent of the Company.
4. Chelopech Mineral Resource cut-off grade @3.0 g/t Gold Equivalent is based on the following formula: (Au g/t + 2.25xCu%). The Mineral Resource has been depleted as of October 31, 2011. This information has been prepared by Craig Barker and reviewed by Julian Barnes, both of whom are QPs, as defined in NI 43-101 and not independent of the Company.
5. All Mineral Reserves and Resources are based on long term metals prices of \$1,250 Au, \$3/lb Cu, \$25/oz Ag and \$1/lb Zn.
6. Measured and Indicated Mineral Resources are inclusive of Proven and Probable Reserves.

# CHELOPECH

## Cash Cost Reconciliation



US\$	Year 2011 Actual	Year 2010 Actual	Year 2009 Actual	Year 2008 Actual
Cost of Sales:	<b>88,838</b>	\$ 72,707	\$74,499	67,245
Less amortization	<b>(15,499)</b>	(14,425)	(14,242)	(11,966)
Plus other charges, including freight	<b>65,125</b>	41,234	38,317	26,006
Less by-product credits	<b>(147,812)</b>	(87,320)	(64,198)	(59,376)
Cash cost of sales after by-product credits	<b>(9,348)</b>	\$ 12,196	34,376	21,909
Gold oz (payable metal)	<b>83,796</b>	58,065	93,081	70,878
Cash cost of sales/oz gold, (net of by-product credits)	<b>\$ (112)<sup>1</sup></b>	\$ 210 <sup>2</sup>	369 <sup>3</sup>	309 <sup>4</sup>

<sup>1</sup>Based on US\$4.27/lb copper

<sup>2</sup>Based on US\$3.43/lb copper

<sup>3</sup>Based on US\$2.34/lb copper

<sup>4</sup>Based on US\$3.16/lb copper

# CHELOPECH

## Cash cost/ore processed reconciliation



*US\$ thousands, unless otherwise indicated*  
**For the periods indicated**

	<b>Year 2011</b>	Year 2010	Year 2009	Year 2008
	<b>Actual</b>	Actual	Actual	Actual
Ore processed ( <i>mt</i> )	<b>1,353,733</b>	1,000,781	980,928	900,563
Cost of sales	<b>\$ 88,838</b>	\$ 72,707	75,647	67,423
Add (deduct):				
Depreciation, amortization & other non-cash costs	<b>(15,499)</b>	(14,425)	(15,390)	(11,966)
Change in concentrate inventory	<b>862</b>	(2,018)	(419)	(178)
<b>Total cash cost of production</b>	<b>\$ 74,201</b>	\$ 56,264	59,838	55,279
<b>Cash cost per tonne of ore processed, including royalties</b>	<b>\$ 54.81</b>	\$ 56.22	\$ 61.00	\$ 61.38

# CHELOPECH EXPLORATION RESULTS

## Q4 2011



Significant Intercept Results >4g/t AuEq Received in Q4 2011					
Hole_ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
181_225_08	131.8	139.50	7.70	3.07	22.72
<i>Including</i>			2.90	5.65	43.52
181_225_13	163.5	175.5	12.0	2.04	23.73
<i>Including</i>			4.20	5.80	52.97
181_225_13	214.5	219	4.50	1.95	4.10
<i>Including</i>			1.50	3.67	6.64
EXT149_225_24	115.5	129.0	13.5	2.52	3.87
<i>Including</i>			8.10	3.70	3.46
EXT149_225_24	204	210	6.00	2.77	7.25
<i>Including</i>			1.60	7.08	19.45
EXT149_225_26	120.0	138.0	18.00	1.00	4.15
	147.0	153.0	6.00	1.26	7.15
DP151_225_01	78	106.5	28.50	0.19	5.77
	152.7	166.45	13.75	0.27	4.32
	212.9	219.0	6.10	0.80	2.46
<i>Including</i>			1.60	1.06	3.62
	241.5	247.5	6.00	2.13	3.26
<i>Including</i>			1.50	5.17	7.14
G19E_380_23	198.0	211.5	13.50	1.65	5.62

# DENO GOLD MINERAL RESOURCE ESTIMATE



**Shahumyan Deposit – September 2008**  
**Inferred Mineral Resource – Ordinary Kriging Estimate**  
*10mE x 10mN x 10mRL Block Size – 5m Capped Input Composite Data*

<b>Cut off (AuEq - g/t)</b>	<b>Tonnage (Mt)</b>	<b>Gold Equiv. (g/t)</b>	<b>Copper (%)</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>	<b>Zinc (%)</b>
0.50	335.8	1.19	0.11	0.48	8.39	0.41
0.75	226.5	1.47	0.13	0.61	10.32	0.49
1.00	147.1	1.80	0.15	0.79	12.62	0.57
1.25	98.3	2.14	0.17	0.99	14.99	0.65
1.50	69.8	2.45	0.18	1.19	17.00	0.72
1.75	49.2	2.80	0.19	1.43	19.14	0.78
2.00	36.3	3.13	0.19	1.68	20.87	0.83

*AuEq US\$ price assumptions: Cu \$2.50/lb, Au \$850/oz, Ag \$16/oz and Zn \$1.00/lb*

# DENO GOLD

## Cash Cost Reconciliation



<i>US\$ thousands, unless otherwise indicated</i>		Year 2009	Year 2008
<b>For the periods indicated</b>	<b>Year 2011 Actual</b>	Year 2010 Actual	Actual
Ore processed (mt)	<b>581,852</b>	428,865	218,235
Cost of sales	<b>\$ 47,863</b>	\$ 33,637	\$ 21,197
Add (deduct):			
Depreciation, amortization & other non-cash costs	<b>(9,140)</b>	(7,056)	(4,047)
Care and maintenance costs	-	-	(3,074)
Change in concentrate inventory	<b>416</b>	3,572	1,696
<b>Total cash cost of production</b>	<b>\$ 39,139</b>	30,153	\$ 15,772

# KRUMOVGRAD GOLD PROJECT

## Updated Mineral Reserves & Resources



Chelopech Mineral Reserves – December 31, 2011					
Category	Tonnes (M)	Gold		Silver	
		Grade (g/t)	Ounces (M)	Grade (g/t)	Ounces (M)
Proven	2.94	4.90	0.44	2.54	0.24
Probable	4.30	2.44	0.34	1.52	0.21
<b>Total</b>	<b>7.24</b>	<b>3.36</b>	<b>0.78</b>	<b>1.92</b>	<b>0.45</b>

Chelopech Mineral Resources – December 31, 2011					
Category	Tonnes (M)	Gold		Silver	
		Grade (g/t)	Ounces (M)	Grade (g/t)	Ounces (M)
Measured	3.30	4.90	0.52	3.00	0.28
Indicated	4.69	2.50	0.38	2.00	0.24
<b>M&amp;I</b>	<b>7.99</b>	<b>3.50</b>	<b>0.90</b>	<b>2.00</b>	<b>0.51</b>
Inferred	0.40	1.20	0.02	1.00	0.01

1. Rounding of tonnage and grade figures has resulted in some columns showing relatively minor discrepancies in sum totals.
2. All Mineral Resource Estimates have been determined and reported in accordance with NI 43-101 and the classification adopted by the CIM.
3. Krumovgrad Mineral Reserves and Resources are based on the Krumovgrad 2012 Technical Report using a variable economic cut-off grade and 0.5 g/t Au respectively.
4. All Mineral Reserves and Resources are based on long term metals prices of \$1,250 Au, \$3/lb Cu, \$25/oz Ag and \$1/lb Zn.
5. Measured and Indicated Mineral Resources are inclusive of Proven and Probable Reserves.