



**DPM ENTERS INTO LETTER OF INTENT TO SELL ITS  
MOLYBDENUM AND REMAINING GOLD AND COPPER PROJECTS IN SERBIA  
TO QUEENSLAND MINERALS LTD.**

**IMMEDIATE RELEASE**

Toronto, February 23, 2010 – Dundee Precious Metals Inc. (TSX: DPM; DPM.WT; DPM.WT.A) (“DPM” or “the Company”) is pleased to announce it has entered into a non-binding letter of intent with Queensland Minerals Ltd. (“QML”), an exploration company listed on the TSX Venture Exchange (“TSXV”), for the sale of its Surdulica molybdenum, Tulare copper/gold and Karmanica gold projects, and all other associated assets and liabilities, (the “Transaction”) all located in Serbia (the “Serbian Assets”).

“We are pleased with the prospect of working with Queensland’s experienced management group in advancing these exciting projects in Serbia,” said Jonathan Goodman, President and CEO of DPM. “This arrangement, together with the previously announced transaction involving our Timok project in Serbia, gives DPM and its shareholders the opportunity to continue to participate in the development of these valuable assets and share in their future success.”

As consideration in the Transaction, DPM will receive:

- (i) a number of units (“Vendor Units”) in the capital of QML, such that, upon the completion of the Transaction, DPM will hold 47.5% of the issued and outstanding capital of QML, post-closing on a non-fully diluted basis; and
- (ii) a cash payment representing any restricted cash currently held by the Serbian government as collateral against obligations related to the Serbian Assets.

Each Vendor Unit will be comprised of one QML common share and one half of a warrant. Each whole warrant will be exercisable for one common share of QML for a period of not less than two years and at an exercise price not greater than \$0.42 per warrant.

The sale will be effected through the sale of DPM’s Serbian subsidiary, Dundee Moly Company d.o.o. (“MolyCo”), to QML. Prior to the closing of the Transaction, DPM will cause, subject to government approvals, a reorganization (the “Reorganization”) of its Serbian subsidiaries, as a result of which all assets and liabilities forming part of the Serbian Assets will be transferred to MolyCo from another Serbian subsidiary of DPM.

The Transaction is subject to various conditions including, among other things, TSXV approval, approval of the Reorganization and the Transaction by the Serbian government, cancellation of QML’s existing debt, completion of satisfactory due diligence, entering into definitive agreements, QML shareholder approval, all applicable regulatory approvals and completion of a \$10,000,000 private placement of QML shares (the “Placement”). QML has entered into an engagement letter with Dundee Securities Corporation with respect to the Placement, the proceeds from which will support the exploration and development of the Serbian Assets.

The letter of intent will terminate at the earliest of: (i) April 30, 2010; (ii) the date of execution of a definitive agreement in respect of the Transaction; or (iii) such date as QML and DPM may agree in writing.

Please refer to the news release issued today by QML for further information.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. DPM owns the Chelopech Mine, a producing gold/copper mine, and the Krumovgrad Gold Project, a mining development project, both located in Bulgaria, as well as a 95% interest in the Kapan Mine in Armenia. In addition, it is engaged in mineral exploration activities in Serbia.

## FORWARD-LOOKING STATEMENTS

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company's most recent annual information form under the heading "Risk Factors" which has been filed electronically by means of the Canadian Securities Administrators' website located at [www.sedar.com](http://www.sedar.com). The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

For further information please contact:

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