



BULGARIAN GOVERNMENT ISSUES KEY OPERATING PERMIT FOR CHELOPECH METAL PROCESSING FACILITY IN BULGARIA

Toronto, Ontario, September 11, 2009 – Dundee Precious Metals Inc. (“DPM” or the “Company”) (TSX: DPM; DPM.WT; DPM.WT.A) announced that the Bulgarian Ministry of Environment and Waters (“MoEW”) has today issued the Integrated Pollution Prevention and Control (“IPPC”) permit for the metal processing facility to be constructed at its Chelopech Mine in Bulgaria to its Bulgarian subsidiary, Chelopech Mining EAD.

“The IPPC permit is the key permit required for construction and operation of the metals plant at our Chelopech Mine in Bulgaria and is critical to the success of our expansion project,” said Jonathan Goodman, President and CEO of DPM. “We are extremely pleased by the positive actions taken by the new Prime Minister and Ministry of Environment and Waters in Bulgaria in resolving these matters which clearly illustrate their commitment to advancing business interests and the economy of Bulgaria,” said Mr. Goodman.

The IPPC and the Seveso (Working with Hazardous Substances) permits are prerequisites for the issuance of the construction permit for the Chelopech metal processing facility (“MPF”). The environmental impact assessment for the Chelopech project, completed by the Balkan Science and Education Centre of Ecology and Environment in November 2005, and registered in February 2006, was approved by the MoEW in July 2008. The Seveso application is being processed and is expected to be issued by year end. The project is fully compliant with all European safety and environmental directives and industry Best Available Techniques requirements, as determined by IPPC. The process engineering has passed through a rigorous audit and been certified by The International Cyanide Management Institute as being compliant with the International Cyanide Management Code. Other permits required for construction of various components of the facility are either in hand or in process.

The MPF forms part of a two pronged expansion project that is currently underway at the Chelopech Mine which will eventually produce, on average, 47.9 million pounds of copper metal and 139,568 ounces of gold doré per annum, from 2012 to 2018, at the rate of two million tonnes of ore per annum. The combined project comprises:

- Expansion of mine production capacity to 2.0 million tonnes per year;
- Modernization and upgrade of the existing concentrator to treat the mined tonnage and produce up to 150,000 tonnes of concentrate per year;
- Installation of an MPF that incorporates pressure oxidation, solvent extraction and electrowinning and carbon in leach cyanidation to treat the copper/gold concentrate and produce copper cathode and gold doré; and
- Upgrade of the existing tailing management facility and construction of a new facility for storage of the MPF tailings.

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. 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.

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