



**DPM 2006 THIRD QUARTER REPORT  
SOLID FINANCIAL RESULTS  
SUPPORT STEADY ASSET BASE GROWTH**

*(All amounts have been expressed in Canadian dollars except where indicated.)*

Toronto, November 3, 2006 – Dundee Precious Metals Inc. (DPM – TSX) (“Dundee Precious”, “DPM” or “the Company”) reported another strong quarter at its operations and acquisition of new mining assets.

“During this third quarter we continued with our mandate to create value for our shareholders through the acquisition of a mine in Armenia, which adds to the operational and exploration upside of our existing project pipeline,” said Jonathan Goodman, President and CEO of Dundee Precious. “At the same time, we are strategically managing the Company’s investment portfolio in order to participate in the development of new deposits that will benefit our shareholders in the long term. We are also encouraged that the Courts’ recent rulings will assist us in advancing our permitting efforts at both our Bulgarian projects,” he added.

#### **HIGHLIGHTS**

- DPM had net earnings of \$13.4 million or \$0.25 per share (\$0.24 per share on a diluted basis) and \$51.3 million or \$0.95 per share (\$0.92 per share on a diluted basis) for the three and nine months ended September 30, 2006, compared with net earnings of \$19.0 million or \$0.35 per share and \$13.7 million or \$0.26 per share (\$0.25 per share on a diluted basis) for the three and nine months ended September 30, 2005, respectively.
- As at September 30, 2006, the Company had working capital of \$63.6 million and an investment portfolio with a market value of \$162.3 million, which in the aggregate equated to \$4.19 per share, down from \$5.12 per share at December 31, 2005.
- The Chelopech gold/copper mine earned a gross profit of \$8.5 million and \$47.2 million on sales of 9,414 tonnes and 39,360 tonnes of gold/copper concentrate for the three and nine months ended September 30, 2006, respectively, as a result of high commodity prices.
- Investment activities generated investment income of \$19.9 million and \$45.6 million for the three and nine months ended September 30, 2006, respectively.
- On August 23, 2006, DPM acquired 80% of VatrIn Investment Limited (“VatrIn”), a private entity. VatrIn holds 100% of Deno Gold Mining Company, its principal asset being the Kapan Mining Project in Southern Armenia. The transaction amounted to US\$22 million plus an additional \$10 million investment commitment for mine expansion.
- On October 24, 2006, DPM announced that it had agreed to acquire 18.4 million common shares of Goldbelt Resources Ltd. (“Goldbelt”) from Resolute Mining Limited at a purchase price of \$1.23 per share. Following the acquisition, DPM will hold aggregate shares representing an approximate 47% interest in Goldbelt, on an undiluted basis.
- On October 24, 2006, the Bulgarian Court ruled in favour of the Company’s claim that the Minister of Environment and Waters’ (“MoEW”) failure to issue a final resolution on the Chelopech Environmental Impact Assessment (“EIA”) was unlawful and should be interpreted as a silent refusal and has ordered the Minister to issue a final resolution on the project. The decision is open to appeal for a 14 day period.

- On November 1, 2006, the Court of Appeal in Bulgaria revoked the Ruling that the Company's claim regarding the silent refusal of the MoEW on the Krumovgrad EIA was inadmissible. This confirms that the Environment Protection Act ("EPA") obliges the MoEW to render a decision on the EIA within a three month period, as specified in the legislation. Consequently, the case has been returned to the Supreme Administrative Court of Bulgaria ("the Court") with instructions to decide on the merits of DPM's claim.
- The market for high arsenic bearing concentrate continues to weaken. The ongoing delay in obtaining the final approval of the Chelopech EIA has caused the Company to commence assessing alternative locations for its proposed metal processing facilities. This situation may result in a slowing down or suspension of operations at Chelopech in 2008 until facilities capable of processing the Chelopech material can be constructed and commissioned or alternative markets for the Chelopech concentrate can be found.

A complete set of DPM's consolidated financial statements and the Management's Discussion and Analysis for the nine months ended September 30, 2006, are posted on our website at [www.dundeeprecious.com](http://www.dundeeprecious.com) and have been filed on Sedar at [www.sedar.com](http://www.sedar.com).

An analyst conference call is scheduled for Monday, November 6, 2006 at 8:30 a.m. (EST) to present these results and will be webcast live at <http://phx.corporate-ir.net/playerlink.zhtml?c=69218&s=wm&e=1400538>. The audio webcast for this conference call will be archived and available on the Company's website.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. It currently owns the Chelopech Mine, a producing gold/copper mine, and the Krumovgrad Gold Project, a mining development project, both located in Bulgaria, and is engaged in mineral exploration activities in Serbia. In addition, Dundee Precious owns the Back River gold exploration project in Nunavut, Canada and an 80% interest in the Kapan Mining Project in Armenia. The Company also holds a significant and strategic portfolio of investments in the precious metals and mineral related sector.

#### 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 "Risks 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.

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