



## Dundee Precious Metals and Bulgarian Government sign Memorandum of Understanding for Chelopech Expansion Project

Toronto, July 10, 2008 - Dundee Precious Metals Inc. (TSX: DPM; DPM.WT) (the "Company" or "DPM") announced that, further to a resolution of the Council of Ministers ("COM") announced in its press release of June 26, the Minister of Economy, in representation of the Government of Bulgaria, signed today the Memorandum of Understanding ("MOU") setting out the principles of partnership between DPM and the Bulgarian Government and defining the conditions for the establishment of a new company to treat the Chelopech gold-copper concentrate (smelter) and the corresponding amendments to the concession agreement.

"This is the next step in obtaining the Environmental Impact Assessment approval needed for the commencement of our expansion project at Chelopech. The Bulgarian government's attention to this particular matter is acknowledged and appreciated. We look forward to pressing on with the development of this important project", said Jonathan Goodman, President and CEO of Dundee Precious Metals Inc.

The new metal production facility will cost approximately US\$155 million to build and take approximately 18 months to complete, from receipt of the construction permit. The operation of this new facility will be in compliance with all Bulgarian and EU requirements.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. It 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, DPM owns the Back River gold exploration project in Nunavut, Canada and a 95% interest in the Kapan Mine in Armenia.

### 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.

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