



## Bulgaria's Council of Ministers Ratifies DPM's Expansion Plans for Chelopech Gold-Copper Mine

Toronto, June 26, 2008 - Dundee Precious Metals Inc. (TSX: DPM; DPM.WT) (the "Company" or "DPM") announced that at a meeting held earlier today, Bulgaria's Council of Ministers ("CoM") approved a resolution (the "Resolution") instructing the Minister of Economy to enter into a Memorandum of Understanding ("MOU") between the CoM and DPM, and an amendment to the Chelopech concession agreement. The Minister of Economy is instructed to complete the finalization of the MOU within 30 days of today's Resolution.

The Resolution was made further to the agreement-in-principle reached between the Bulgarian Government Officials and the Company announced on March 10, 2008, and paves the way for the finalization of the Environmental Impact Assessment for the Chelopech Expansion Project.

"This Resolution of the Council of Ministers confirms the full support of the Bulgarian Government to our Project. While there is still much more work to do, we are looking forward to proceeding with our expansion project and continuing to build on our relationship with the Government as our partner," said Jonathan Goodman, President and CEO of Dundee Precious Metals Inc.

Pursuant to the Resolution, the MOU will set out the principles that will govern the establishment of a joint-stock company to treat the Chelopech gold-copper concentrate to produce cathode copper and gold doré through a metal processing facility (smelter), and the terms by which the government will acquire its 25% in the new company. 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 relevant Bulgarian and EU requirements.

As well, the Minister of Economy will finalize changes to DPM's concession agreement for the Chelopech gold-copper mine and DPM will begin paying a higher royalty for all the metals that can be mined economically from the Chelopech deposit. This new royalty will be calculated on a sliding scale in accordance with the existing Bulgarian Ordinance on Royalty Computation and will range between 2% and 8% at a profitability ratio of between 10% and 60%. As well, DPM will provide a full environmental reclamation bond covering reclamation of the Chelopech mine. The bond is not a legal requirement and will be the first of its kind in Europe.

While the Krumovgrad Gold Project is not part of the Resolution, it is the Company's intention to have a separate negotiation regarding this Project. Although the Krumovgrad Exploration license expired on June 13, 2008, DPM's rights to implement the Project are retained through a commercial discovery declared in January 2005, the resources for which were approved by the Specialized Expert Committee and entered into the National Balance of Resources in April 2005. Further protection is ensured by an application for a mining concession which the Company filed in June 2007. DPM remains committed to addressing the concerns of the local community at Krumovgrad.

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, 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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