



FOR IMMEDIATE RELEASE

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UNITED STATES
DUNDEE PRECIOUS METALS ANNOUNCES \$70 MILLION "BOUGHT DEAL" FINANCING**

TORONTO, CANADA – June 12, 2007 – Dundee Precious Metals Inc. (TSX: DPM) is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by GMP Securities L.P. and Dundee Securities Corp., and including BMO Capital Markets Inc., National Bank Financial Inc., and Orion Securities Inc., which have agreed to purchase, on a bought deal basis 4,800,000 units at a price of \$10.50 per unit and 1,700,000 flow-through shares at a price of \$12.25 per flow-through share for aggregate gross proceeds of approximately \$50,400,000 in Units and \$20,825,000 in flow-through shares. Each unit will consist of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of \$15.00 for a period of 5 years from issuance. The underwriters will also have an option, exercisable for a period of 30 days following the closing date, to purchase up to an additional 720,000 units and 255,000 flow-through shares to cover over-allotments and for market stabilization purposes.

The Company intends to use the net proceeds from the unit offering for general corporate purposes. Proceeds from the offering of the flow-through shares will be used to fund the company's Back River gold exploration project in Nunavut.

The offering is scheduled to close on or about June 29, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and applicable securities regulatory authorities.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. Its common shares (symbol DPM) are traded on the Toronto Stock Exchange. DPM 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, the Company owns the Back River gold exploration project in Nunavut, Canada and an 80% interest in the Kapan Mine in Armenia. DPM also holds a significant and strategic portfolio of investments in the precious metals and mineral related sector.

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