



## **Bulgaria and DPM Agree-in-Principle to New Royalty and Public Private Partnership for New Chelopech Smelter**

Toronto, March 10, 2008 - Dundee Precious Metals Inc. (TSX: DPM; DPM.WT) (the "Company" or "DPM") announced that Officials from the Bulgarian Government and the Company have entered into an agreement-in-principle concerning the proposed expansion of the Chelopech copper-gold mine.

Under the terms of this agreement-in-principle, DPM will pay a higher royalty for all the metals that can be mined economically at the Chelopech site. This new royalty will be calculated in accordance with the existing Ordinance on Royalty Computation on a sliding scale. It will be between 2% and 8% at a profitability ratio of between 10% and 60%. This new royalty will replace the one entered into in good faith by DPM in 2004 and that was set to expire in 2010. As well, DPM will provide a full environmental reclamation bond covering the Chelopech mine, which will be one of the first of its kind in Europe.

In addition to a higher royalty, Bulgaria and DPM have agreed-in-principle to enter into a public private partnership (PPP) for the state-of-the-art metals processing facility to be built at the Chelopech mine site. Under the terms of this PPP, Bulgaria's Silver Fund will own 25% of this new facility. The new smelter will cost approximately US\$155 million to build and take close to 18 months to complete, from receipt of all permits. Once it is complete, the new smelter is expected to add - directly and indirectly - 150 new jobs to the Bulgarian economy. The operation of this new smelter will be in compliance with all local and international requirements. DPM's proven track record of management and financial success will mean Bulgaria's pensioners will receive a direct financial benefit from this new smelter for many years to come.

"On our part, we will do everything necessary, while abiding by all environmental standards and procedures, to make sure that the state provides full support to DPM for the implementation of this investment and for the functioning of the mining operation," said Bulgarian Prime Minister Sergey Stanishev during a special press-conference given in Sofia today. "Both the state and the investor will do everything possible to have the plant commissioned in the fastest possible manner, ideally within 18 months."

"We have stated all along that we want to be good partners with the Bulgarian people," confirmed Jonathan Goodman, President & CEO of DPM. "With the resolution of this issue, both the Company and the Bulgarian people will share in the value created from our mining and metals processing activities at Chelopech, now and in the future."

In accordance with the Bulgarian constitution, the Bulgarian Council of Ministers will still have to approve any and all agreements reached between DPM and the government concerning the new royalty and the PPP. Once all of these agreements are finalized and approved, the Minister of Environment and Waters will finalize the Environmental Impact Assessment (EIA) permit for the Chelopech expansion project. In addition, DPM and the Bulgarian government have commenced negotiations with a view to implementing the Krumovgrad Gold Project, including initiating the next stage in the EIA approval process.

A conference call is scheduled for this afternoon at 1:30 pm (EST) and will be webcast live at <http://events.onlinebroadcasting.com/dundee/031008/index.php>

Those wishing to participate in this call may dial in numbers (416) 695-6120 or 1 800 952 4972 five minutes prior to the indicated time. This conference call will be archived and available on our website at [www.dundeeprecious.com](http://www.dundeeprecious.com).

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. 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 "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.

For further information please contact:

#### DUNDEE PRECIOUS METALS INC.

Jonathan Goodman  
President & Chief Executive Officer  
Tel: (416) 365-2408  
Email: [jgoodman@dundeeprecious.com](mailto:jgoodman@dundeeprecious.com)

Gabriela M. Sanchez  
Vice President Investor Relations  
Tel: (416) 365-2549  
Email: [gsanchez@dundeeprecious.com](mailto:gsanchez@dundeeprecious.com)