



**CHELOPECH FINALIZES MODIFIED CONCENTRATE PROCESSING
CONTRACT AND LOAN AGREEMENT WITH
NAMIBIAN CUSTOM SMELTERS AND WEATHERLY INTERNATIONAL PLC**

Toronto, December 24, 2008 - Dundee Precious Metals Inc. (TSX: DPM; DPM.WT; DPM.WT.A) (the "Company" or "DPM") is pleased to announce, further to the press release issued on November 27th, 2008, the completion of the Loan Agreement between its wholly owned subsidiary, Chelopech Mining EAD ("Chelopech"), Weatherly International plc ("WTI") and its subsidiary, Namibian Custom Smelters ("NCS"), for the extension of up to US\$7 million of long-term debt from Chelopech. Proceeds from the loan will be used by WTI/NCS for working capital purposes and improvements at NCS's Tsumeb smelter. In addition, the Chelopech copper/gold concentrate purchase and sales contract with NCS has been extended to 2013, giving Chelopech the right to sell up to 120,000 tonnes of concentrate per year to NCS for the years 2011, 2012 and 2013 and to reduce concentrate sales on 12 months' notice to allow for the start-up of the DPM Group's metals production facility in Bulgaria.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. It's group 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 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. 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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