



## DPM SIGNS HEADS OF AGREEMENT WITH NAMIBIAN CUSTOM SMELTERS AND WEATHERLY INTERNATIONAL PLC

Toronto, November 27, 2008 - Dundee Precious Metals Inc. (TSX: DPM; DPM.WT; DPM.WT.A) (the "Company" or "DPM") is pleased to announce the signing of a Heads of Agreement with Namibian Custom Smelters ("NCS") and its parent company, Weatherly International plc ("WTI"), for the proposed modification of the terms of the DPM Group's copper concentrate purchase and sales contract with NCS, including the extension of such modified contract to 2013. The proposed modifications include 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 sales on 12 months' notice to allow for the start-up of the DPM Group's metals production facility in Bulgaria. The Heads of Agreement also provide for the provision of a US\$11 million loan facility to NCS, funded by DPM as to US\$7 million for NCS working capital purposes and improvements at NCS's Tsumeb smelter.

"The new arrangement will provide us with the assurance of a cost effective processing alternative for our Chelopech Mine concentrate while we complete the steps necessary to advance the development and construction of the Chelopech Mine and plant expansion," said Jonathan Goodman, President and CEO of DPM. "It will also give us added flexibility to advance the mine expansion before the completion of the metals production facility. This is important in this difficult and unpredictable financial environment."

The modified concentrate purchase and sale agreement and loan documentation contemplated by the Heads of Agreement, which is subject to conditions including the satisfactory completion of due diligence by DPM and DPM Board of Director approvals, are expected to be entered into by mid-December.

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](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 and  
Chief Executive Officer  
Tel: (416) 365-2408  
[jgoodman@dundeeprecious.com](mailto:jgoodman@dundeeprecious.com)

**Stephanie Anderson**  
Executive Vice President and  
Chief Financial Officer  
Tel: (416) 365-2852  
[sanderson@dundeeprecious.com](mailto:sanderson@dundeeprecious.com)

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