

**DUNDEE PRECIOUS METALS REPORTS
FIRST QUARTER 2008 RESULTS**

(All monetary figures are expressed in Canadian Dollars unless otherwise stated)

Toronto, Ontario, May 6, 2008 – Dundee Precious Metals Inc. (“DPM” or the “Company”) (TSX: DPM and DPM.WT) today announced its unaudited results for the first quarter ended March 31, 2008. DPM reported first quarter net earnings of \$8.4 million (basic and diluted net earnings per share of \$0.14). This compares with first quarter 2007 net earnings of \$11.0 million (basic and diluted net earnings per share of \$0.20).

“The first quarter of 2008 will go down in the history of DPM as the quarter in which the Company reached an agreement-in-principle with the Government of Bulgaria and started the long awaited process of realizing value on our Bulgarian assets,” said Jonathan Goodman, President and CEO of DPM. “As we go through the process of ratifying the Bulgarian agreement-in-principle and obtaining approval for our projects, the true value of all our assets will be recognized and properly valued in the marketplace. Favourable exploration results in Serbia and Armenia also dominated the quarter. Efforts are being directed toward advancing these projects to a mine decision.”

The following table summarizes the Company’s financial and operating results for the periods indicated:

<i>\$ millions, except per share amounts</i> Ended March 31,	Three Months	
	2008	2007
Net revenue (gold/copper/zinc concentrate)	\$ 39.8	\$ 20.9
Cost of sales	21.9	12.4
Gross profit from mining operations	17.9	8.5
Investment income	2.4	17.1
Net earnings	8.4	11.0
Basic earnings per share	\$ 0.14	\$ 0.20
Diluted earnings per share	\$ 0.14	\$ 0.20
Net cash used in operating activities	(7.4)	(16.3)
Capital expenditures	(19.7)	(21.7)
Other investing activities	3.0	32.9
Financing activities	(0.6)	(0.2)
Net decrease in cash	\$ (24.7)	\$ (5.3)
Concentrate produced (mt)		
Chelopech	14,183	19,036
Deno Gold	1,885	1,948
Cash cost per tonne ore processed (US\$/t) ¹		
Chelopech	\$ 59.38	\$ 40.94
Deno Gold	\$ 107.54	\$ 61.54

¹ A reconciliation of the Company’s cash cost per tonne ore processed to cost of sales under Canadian GAAP for the first quarters of 2008 and 2007 is shown in the section entitled “Non-GAAP Financial Measures.”

FIRST QUARTER OF 2008 - FINANCIAL HIGHLIGHTS

- Net earnings for the first quarter of 2008 of \$8.4 million were lower than first quarter of 2007 net earnings of \$11.0 million due to lower investment income partially offset by higher gross profit from mining operations.
- The Chelopech gold/copper operation reported net revenue of \$37.8 million on corresponding concentrate deliveries of 18,529 tonnes. Chelopech cash cost per tonne of ore processed¹ was negatively impacted by the appreciation of the Euro relative to the U.S. dollar, expenditures associated with cemented rock fill in the mine, which commenced in the fourth quarter of 2007, lower volumes of material processed and rising prices for diesel and power. Approximately 50% of the increase in cash cost per tonne at Chelopech was due to the appreciation of the Euro relative to the U.S. dollar, 25% to the introduction of cemented rock fill, 14% to lower volumes of material processed and 11% to higher rates for diesel and power.
- The Deno Gold operation reported net revenue of \$1.9 million on corresponding concentrate deliveries of 872 tonnes. Cash cost per tonne of ore processed¹ at Deno Gold was negatively impacted by the addition of human and material resources required to improve the levels of safety, communications and general standards of operation, the appreciation of the Armenian dram relative to the U.S. dollar and rising prices for fuel, diesel and some reagents.
- As at March 31, 2008, DPM had cash and marketable securities of \$76.8 million (market value) versus \$115.2 million (market value) at December 31, 2007.
- Working capital requirements in the first quarter of 2008 increased by \$17.7 million due primarily to higher level of accounts receivable at March 31, 2008 due to the timing of receipts from customers.

SIGNIFICANT ITEMS

- On March 10, 2008, the Company announced that it had entered into an agreement-in-principle concerning the proposed expansion of the Chelopech copper-gold mine and processing facility with the Bulgarian Government. Under the new terms, DPM has agreed to pay a royalty on the value of all metals that can be mined economically at Chelopech based on a sliding scale of between 2% and 8% at a profitability ratio of between 10% and 60%. The Bulgarian Government and DPM also agreed-in-principle to enter into a public private partnership for the metals processing facility to be built at the Chelopech mine site, of which Bulgaria's Silver Fund will own 25%. In addition, DPM will provide a full environmental reclamation bond covering the Chelopech mine, one of the first of its kind in Europe. It is currently expected that the new processing facility will take approximately 18 months to complete, from receipt of all permits. Once completed, the new processing facility is expected to add 150 new direct and indirect jobs to the Bulgarian economy. The project's Environmental Impact Assessment ("EIA") has been submitted to the Minister of Environment and Waters and applications for the balance of permits required to commence construction and operation of the expanded facility are being developed.
- Prior to April 21, 2008, DPM signed a lock-up agreement with Eldorado Gold Corporation ("Eldorado") to tender 41,942,800 common shares of Frontier Pacific Mining Corporation ("Frontier Pacific") (representing 25.5% of Frontier Pacific's outstanding shares) pursuant to a proposed hostile takeover bid by Eldorado for all of the shares of Frontier Pacific. Eldorado's offer is based on a share exchange ratio of 0.122 Eldorado shares for each share of Frontier Pacific. This equates to approximately \$0.90

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per Frontier Pacific share based on the April 18, 2008 closing prices of Eldorado and Frontier Pacific on the TSX and represents a 29% premium over Frontier Pacific's April 18 closing price.

- In the first quarter of 2008, the Company announced that initial diamond drilling results from the first two diamond drill holes in the vein 5 area at Deno Gold had returned wide polymetallic intercepts, providing initial support of the concept of bulk mineable polymetallic open pit mineralization. An independent risk assessment, completed in February 2008 on the Deno Gold operating facilities, identified a number of key vulnerabilities. Specific risk reduction initiatives were identified and are being actioned.
- In Serbia, the 2007 exploration program has confirmed a major three kilometre by five kilometre zone of molybdenum-rhenium mineralization at the Company's Surdulica exploration license area in south east Serbia. DPM has commenced a scoping study at Surdulica which is expected to be completed in the second quarter of 2008. The Company also announced the identification of a major zone of limestone hosted gold mineralization bordering the Timok Magmatic Complex in north eastern Serbia. Numerous geochemical and geophysical prospects have been identified along a 25 kilometre trend.

A complete set of DPM's Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the first quarter ended March 31, 2008 are posted on the Company's website at www.dundeeprecious.com and have been filed on Sedar at www.sedar.com.

ANNUAL AND SPECIAL MEETING BROADCAST

An analyst conference call is scheduled for Wednesday, May 7, 2008 at 3:30 p.m. in conjunction with the Company's Annual and Special Meeting of Shareholders, to present these results and will be webcast live at: <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=69218&eventID=1767328>.

The audio webcast for this conference call will be archived and available on the Company's website at www.dundeeprecious.com.

OVERVIEW

DPM is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metal properties. Its common shares and share purchase warrants (symbol: DPM and DPM.WT) are traded on the Toronto Stock Exchange ("TSX"). DPM's business objectives are to identify, acquire, finance, develop and operate low-cost, long-life mining properties.

The Company's operating interests include its 100% ownership of Chelopech Mining EAD ("Chelopech"), a gold, copper, silver concentrates producer, owner of the Chelopech mine located approximately 70 kilometres east of Sofia, Bulgaria, and a 95% interest in Vatrín Investment Limited ("Vatrín"), a private entity which holds 100% of Deno Gold Mining Company CJSC ("Deno Gold"), its principal asset being the Kapan mine, a gold, copper, zinc, silver concentrates producer located about 320 kilometres south east of the capital city of Yerevan in Southern Armenia. DPM's interests also include a 100% interest in the Krumovgrad development stage gold property located in south eastern Bulgaria, near the town of Krumovgrad, a 100% interest in the Back River gold project located in Nunavut in the Canadian Arctic and three significant exploration and exploitation properties in one of the larger gold-copper-silver mining regions in Serbia.

SUMMARIZED FINANCIAL RESULTS

Net Revenue

Revenue from the sale of concentrates of \$39.8 million in the first quarter of 2008 was 90% higher than first quarter of 2007 revenue of \$20.9 million. The increase was due to higher deliveries of concentrates from Chelopech and stronger metal prices for gold, copper and silver. Deliveries of gold/copper concentrates produced at Chelopech of 18,529 tonnes in the first quarter of 2008 were 66% higher than first quarter of 2007 deliveries of 11,164 tonnes. Two shipments totalling 9,200 tonnes scheduled for delivery in December 2007 were deferred to and subsequently sold in the first quarter of 2008 at the request of the customers. Deliveries and production of concentrates at Deno Gold were negatively impacted by severe winter and freezing conditions resulting in only 872 tonnes of zinc concentrate deliveries in the first quarter of 2008, 19% lower than the first quarter of 2007 deliveries of 1,078 tonnes.

Cost of sales

Cost of sales of \$21.9 million in the first quarter of 2008 was 77% higher than first quarter of 2007 due to higher operating costs at Chelopech and Deno Gold and higher deliveries of concentrates. Higher cash cost per tonne of ore processed¹ increased cost of sales by approximately \$6.5 million and higher volumes of concentrate deliveries resulted in an increase in cost of sales of approximately \$3.0 million.

Cash cost per tonne of ore processed¹ at Chelopech increased by 45% relative to first quarter of 2007 due to the appreciation of the Euro relative to the U.S. dollar, expenditures associated with cemented rock fill (which commenced in the fourth quarter of 2007), lower volumes of material processed and rising prices for diesel and power. Approximately 50% of the increase in cash cost per tonne at Chelopech was due to the appreciation of the Euro relative to the U.S. dollar, 25% to the introduction of cemented rock fill, 14% to lower volumes of material processed and 11% to higher rates for diesel and power. Cash cost per tonne of ore processed¹ at Deno Gold increased by 75% compared with first quarter of 2007 due to the significant increase in material and human resources required to improve the levels of safety, communications and general operating standards towards the Company's required levels, the appreciation of the Armenian dram relative to the U.S. dollar, lower volumes of material processed and rising prices for fuel, diesel and some reagents. Approximately 60% of Deno Gold's purchases are denominated in Armenian dram.

Investment income

Investment income in the first quarter of 2008 totalled \$2.4 million compared with investment income of \$17.1 million in the first quarter of 2007. The decrease was primarily due to lower realized gains on sales of investments in the first quarter of 2008.

Exploration expense

Exploration expense was \$5.0 million in the first quarter of 2008 compared with \$4.4 million in the first quarter of 2007. The higher spending in the first quarter of 2008 was related to an increased level of exploration activity in Serbia.

Income tax expense

The Company's effective tax rate for the first quarter of 2008 of 8.2% was lower than the statutory rate of 33.5% due to the benefit of profits earned in jurisdictions having a lower tax rate and the non-taxable portion of capital gains related to the sales of investments. These benefits were partially offset by

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unrecognized tax benefits relating to operating losses. The Company's effective tax rate for the first quarter of 2007 was 15.9% due to the non-taxable portion of capital gains related to the sales of investments and the benefit of profits earned in jurisdictions having a lower tax rate partially offset by unrecognized tax benefits relating to operating losses.

Cash Flow and Financial Condition

The following table summarizes the Company's cash flow from operating activities for the periods indicated:

<i>\$ thousands</i> Ended March 31,	Three Months	
	2008	2007
Net earnings	\$ 8,428	\$ 11,015
Non-cash charges (credits) to earnings:		
Amortization of property, plant and equipment	3,529	2,998
Net realized gains on sale of investments	(1,785)	(19,513)
Other	224	3,931
Total non-cash charges (credits) to earnings	1,968	(12,584)
Increase in non-cash working capital	(17,744)	(14,681)
Net cash used in operating activities	\$ (7,348)	\$ (16,250)

Cash used by operating activities in the first quarter of 2008 was \$7.4 million, compared with cash used in operating activities of \$16.3 million in the first quarter of 2007. The reduced shortfall was primarily due to higher profit generated by the mining operations, related to increased revenue partially offset by increased costs. The increase in non-cash working capital in the first quarter of 2008 was primarily due to a significant increase in accounts receivable due to timing of receipts from customers.

The following table summarizes the Company's investing activities for the periods indicated:

<i>\$ thousands</i> Ended March 31,	Three Months	
	2008	2007
Purchase of investments	\$ -	\$ (216)
Proceeds on sale of investments	2,977	33,066
Capital expenditures	(19,723)	(21,665)
Net cash provided by (used in) investing activities	\$ (16,746)	\$ 11,185

Capital expenditures for the Chelopech mine in the first quarter of 2008 of \$11.7 million were 20% lower than the same period in the prior year due primarily to lower spending on non-critical capital expenditures, including those related to the expansion project which have been deferred until the EIA is approved by the Bulgarian government. Capital expenditures for Deno Gold in the first quarter of 2008, including capitalized exploration, of \$5.6 million were 44% higher than the same period in the prior year due to the increased spending on exploration partially offset by lower spending for sustaining capital. Capitalized exploration at Deno Gold totalled \$4.7 million in the first quarter of 2008 compared with expenditures of \$0.5 million in the first quarter of 2007.

DPM realized pre and after tax cash proceeds of \$3.0 million in the first quarter of 2008 on the disposition of certain shareholdings compared with pre and after-tax cash proceeds of \$33.1 million in the first quarter of 2007.

NON-GAAP FINANCIAL MEASURES

The Company refers to cash cost per tonne of ore processed because it understands that certain investors use this information to assess the Company's performance and also determine the Company's ability to generate cash flow for investing activities. This measurement captures all of the important components of the Company's production and related costs. In addition, management utilizes this metric as an important management tool to monitor cost performance of the Company's operations. This measurement has no standardized meaning under Canadian generally accepted accounting principles ("GAAP") and is therefore unlikely to be comparable to similar measures presented by other companies. This measurement is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

The following table provides, for the periods indicated, a reconciliation of the Company's cash cost measure to its Canadian GAAP cost of sales:

<i>\$ thousands, unless otherwise indicated</i>			
For the quarter ended March 31, 2008	Chelopech	Deno Gold	Total
Ore processed (mt)	219,370	79,779	
Cost of sales (Cdn\$)	\$ 17,439	\$ 4,477	\$ 21,916
Cost of sales (US\$)	\$ 16,750	\$ 4,301	\$ 21,051
Add/(Deduct):			
Amortization	(2,014)	(546)	
Change in concentrate inventory	(1,711)	4,825	
Total cash cost of production (US\$)	\$ 13,025	\$ 8,580	
Cash cost per tonne of ore processed (US\$)	\$ 59.38	\$ 107.54	

<i>\$ thousands, unless otherwise indicated</i>			
For the quarter ended March 31, 2007	Chelopech	Deno Gold	Total
Ore processed (mt)	230,406	83,216	
Cost of sales (Cdn\$)	\$ 7,771	\$ 4,632	\$ 12,403
Cost of sales (US\$)	\$ 6,771	\$ 4,058	\$ 10,829
Add/(Deduct):			
Amortization	(1,515)	(336)	
Change in concentrate inventory	4,177	1,399	
Total cash cost of production (US\$)	\$ 9,433	\$ 5,121	
Cash cost per tonne of ore processed (US\$)	\$ 40.94	\$ 61.54	

CONSOLIDATED BALANCE SHEETS

As at March 31, 2008 and December 31, 2007

(in thousands of Canadian dollars, unaudited)

	March 31, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 24,460	\$ 49,175
Accounts receivable and other assets	55,364	39,274
Inventories	35,235	32,396
Total current assets	115,059	120,845
Portfolio investments at market value	25,092	34,567
Equity accounted investments (market value - \$27,263; December 2007 - \$31,457)	13,644	13,665
Other long-term assets	10,631	9,570
Property, plant & equipment	370,808	354,549
Future income tax asset	7,990	5,272
Total assets	\$ 543,224	\$ 538,468
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	26,372	24,140
Current portion of long-term debt and other long-term liabilities	3,726	3,604
Total current liabilities	30,098	27,744
Long-term Liabilities		
Long-term debt	6,096	6,114
Reclamation and other long-term liabilities	13,967	13,617
Long-term compensation	2,997	3,233
Future income tax liability	20,232	16,380
Total long-term liabilities	43,292	39,344
SHAREHOLDERS' EQUITY		
Share capital	265,197	268,669
Warrants	4,758	4,758
Contributed surplus	9,475	9,081
Retained earnings	192,938	184,510
Accumulated other comprehensive earnings (loss)	(2,534)	4,362
Total shareholders' equity	469,834	471,380
Total liabilities and shareholders' equity	\$ 543,224	\$ 538,468

CONSOLIDATED STATEMENTS OF EARNINGS

For the three months ended March 31, 2008 and 2007

(in thousands of Canadian dollars, except per share amounts, unaudited)

	Three months ended March 31,	
	2008	2007
Mining Operations		
Gold/copper/zinc concentrate net revenue	\$ 39,752	\$ 20,901
Cost of sales	21,916	12,403
Gross profit	17,836	8,498
Investment income / (expense)		
Dividends, interest and other income	665	247
Loss on equity accounted investments	(21)	(391)
Net realized gains on sale of investments	1,785	19,513
Loss on copper put options	-	(2,306)
Investment income	2,429	17,063
Earnings before undernoted items	20,265	25,561
Expenses		
Administrative and other expenses	4,938	4,858
Stock based compensation expense	138	771
Exploration expense	5,040	4,413
Amortization of property, plant and equipment	649	446
Financing and other costs	806	829
Foreign exchange (gain) loss	(491)	1,140
Total expenses	11,080	12,457
Earnings before income taxes	9,185	13,104
Provision for income taxes		
Current	1,768	1,967
Future	(1,011)	122
Total provision for income taxes	757	2,089
Net earnings for the period	\$ 8,428	\$ 11,015
Basic net earnings per share	\$ 0.14	\$ 0.20
Diluted net earnings per share	\$ 0.14	\$ 0.20

CONSOLIDATED STATEMENTS OF CASH FLOW
For the three months ended March 31, 2008 and March 31, 2007
(in thousands of Canadian dollars, unaudited)

	Three months ended March 31,	
	2008	2007
OPERATING ACTIVITIES		
Net earnings for the period	\$ 8,428	\$ 11,015
Non-cash charges (credits) to earnings:		
Amortization of property, plant and equipment	3,529	2,998
Stock based compensation expense	138	771
Net gains on sale of investments	(1,785)	(19,513)
Unrealized loss (gain) on revaluation of debt	209	(49)
Future income taxes	(1,011)	122
Loss on copper put options	-	2,306
Other non-cash charges	888	781
Changes in non-cash working capital:		
Increase in accounts receivable and other assets	(16,090)	(2,766)
Increase in inventories	(2,839)	(8,880)
Increase in other long-term assets	(1,061)	(816)
Increase in accounts payable	2,232	3,530
Decrease in deferred revenue	-	(6,246)
Increase in other liabilities	14	497
Net cash used in operating activities	(7,348)	(16,250)
INVESTING ACTIVITIES		
Purchase of investments	-	(216)
Proceeds on sale of investments	2,977	33,066
Acquisition of property, plant and equipment	(19,723)	(21,665)
Net cash provided by (used in) investing activities	(16,746)	11,185
FINANCING ACTIVITIES		
Issue of common shares	-	650
Redemption of deferred share units	(58)	-
Repayment of debt	(563)	(870)
Net cash used in financing activities	(621)	(220)
Decrease in cash and equivalents	(24,715)	(5,285)
Cash and equivalents at beginning of period	49,175	31,993
Cash and equivalents at end of period	\$ 24,460	\$ 26,708

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, copper, zinc and silver, the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, fluctuations in metal prices, as well as those risk factors discussed or referred to in Management’s Discussion and Analysis under the heading “Risks and Uncertainties” and other documents filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by law, the Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

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