

**DUNDEE PRECIOUS METALS REPORTS
 FOURTH QUARTER 2008 AND YEAR-END RESULTS**

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

Toronto, Ontario, February 19, 2009 – Dundee Precious Metals Inc. (“DPM” or the “Company”) (TSX: DPM; DPM.WT; DPM.WT.A) today announced its unaudited results for the fourth quarter and the year ended December 31, 2008. DPM reported a fourth quarter net loss of \$80.0 million (basic and diluted net loss per share of \$1.03), including a \$47.0 million write-down in the carrying value of its Back River project located in Nunavut, Canada. This compares with fourth quarter 2007 net loss of \$9.5 million (basic and diluted net loss per share of \$0.15). For the year 2008, the Company had a net loss of \$79.2 million (basic and diluted net loss per share of \$1.20). This compares with net earnings of \$15.4 million (basic net earnings per share of \$0.27 and diluted earnings per share of \$0.26) for the year 2007.

“As we move through this period of low economic activity and metal prices, DPM is taking steps to streamline and restructure the organization and its operations and to realize value, in the short to intermediate term, through cost reductions and the sale of assets”, said Jonathan Goodman, President and CEO of DPM.

“We have placed the mine in Armenia on temporary care and maintenance and suspended all exploration activity. In addition, we renegotiated certain terms of our Deno Gold concession licensing agreements with the Republic of Armenia, aimed at securing the long-term viability of this operation, and secured a processing outlet for our Chelopech concentrate. We continue to develop strategies to optimize the profitability of the Chelopech operation, including the interim expansion of the mine and mill to 1.2 million tonnes of ore per year, and to complete our project investment plans to bring the facility to two million tonnes per year.”

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

<i>\$ millions, except per share amounts</i> Ended December 31,	Three Months		Twelve Months	
	2008	2007	2008	2007
Net Revenue	\$ 15.9	\$ 22.3	\$ 105.0	\$ 122.4
Cost of Sales	35.1	25.6	109.6	82.5
Gross Profit (Loss) from Mining Operations	(19.2)	(3.3)	(4.6)	39.9
Property Impairment Provisions	(48.8)	(0.2)	(48.8)	(0.7)
Investment and Other Income (Loss)	(5.8)	8.3	23.0	39.7
Net Earnings (Loss)	(80.0)	(9.5)	(79.2)	15.4
Basic Earnings (Loss) Per Share	\$ (1.03)	\$ (0.15)	\$ (1.20)	\$ 0.27
Diluted Earnings (Loss) Per Share	\$ (1.03)	\$ (0.15)	\$ (1.20)	\$ 0.26
Net Cash Used in Operations	(10.9)	(21.1)	(7.0)	(52.6)
Capital Expenditures	(15.5)	(14.4)	(82.2)	(110.2)
Purchase of Short-term Investments	(52.7)	-	(52.7)	-
Other Investing Activities	(5.8)	48.1	55.1	105.1
Financing Activities	75.6	(1.2)	89.0	74.9
Net Increase (Decrease) in Cash	\$ (9.3)	\$ 11.4	\$ 2.2	\$ 17.2
Concentrate Produced (mt)				
Chelopech	14,931	18,344	54,669	65,060
Deno Gold	2,409	2,113	11,606	8,326
Cash Cost per tonne Ore Processed (US\$/t) ¹				
Chelopech	\$ 54.52	\$ 54.73	\$ 61.38	\$ 46.84
Deno Gold	\$ 108.03	\$ 121.28	\$ 109.40	\$ 84.30

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

FOURTH QUARTER 2008 - FINANCIAL HIGHLIGHTS

- The net loss in the fourth quarter of 2008 of \$80.0 million was significantly higher than the net loss of \$9.5 million in the corresponding prior year period due to a property impairment provision of \$47.0 million to write-down the carrying value of the Back River project and increased losses from mining operations. The gross loss from mining operations in the fourth quarter of 2008 was greater than the corresponding prior year period due primarily to significantly lower selling prices for copper, zinc and silver and unfavourable marked-to-market adjustments relating to the open positions of provisionally priced concentrate sales partially offset by higher deliveries of concentrates.
- The Chelopech operations reported net revenue of \$10.6 million on corresponding concentrate deliveries of 15,964 tonnes. Chelopech cash cost per tonne of ore processed¹ in the period was comparable to the corresponding prior year period due to the favourable impact of a weaker Euro relative to the U.S. dollar partially offset by higher spending on hydraulic backfill and lower volumes of material processed.
- The Deno Gold operation reported net revenue of \$5.3 million on corresponding concentrate deliveries of 4,528 tonnes. Cash cost per tonne of ore processed¹ at Deno Gold was 11% lower than the corresponding prior year period due to lower administrative expenses and mining costs partially offset by lower volumes of material processed. An increase in payable metals in concentrate sold as a result of improved grades and recoveries for all metals had a positive impact on net revenue.
- Working capital requirements in the fourth quarter of 2008 decreased by \$10.7 million due primarily to a decrease in concentrate inventories and an increase in accounts payable partially offset by a decrease in deferred revenue.
- As at December 31, 2008, DPM had cash, short-term investments and marketable securities of \$108.6 million (market value) versus \$115.2 million (market value) at the end of year 2007.

SIGNIFICANT ITEMS

- Base metal prices in the first half of 2008 were strong but declined significantly in the second half of 2008 with copper falling more than 60% to US\$1.32 per pound and zinc falling more than 40% to US\$0.51 per pound at December 31, 2008. In the same period, the gold price fell a modest 7% to US\$865 per troy ounce, maintaining its safe haven status. Expectations are that gold prices will continue to rally in the face of unstable currency and financial markets but non-ferrous metal markets will remain at low levels pending an economic recovery.
- Notwithstanding the substantial deterioration in the financial markets in the fourth quarter of 2008, DPM successfully completed an equity offering that raised net proceeds of \$77.2 million (gross proceeds of \$81.6 million) through the sale and issuance of 35,556,000 common shares and 20,444,500 common share purchase warrants which give the holder the right to purchase one common share of the Company at the price of \$3.25 per share until November 20, 2015. Proceeds from the offering will be used for ongoing operating and working capital requirements, potential strategic arrangements, capital expenditures, including project capital for the Chelopech mine and processing plant expansion, and general corporate purposes.
- In response to the slowdown in global markets, company-wide plans have been formulated and steps have been taken to reduce, eliminate and/or defer all non-critical expenditures and to identify potential strategic opportunities for certain of its exploration assets. In the fourth quarter of 2008, DPM ceased all exploration and drilling activities on its Armenian and Serbian properties and at its Back River

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project. In addition, during this period, the Company entered into discussions surrounding strategic opportunities for the advancement of the Back River project.

- As previously announced, an orderly shutdown to place the Deno Gold operations on care and maintenance, pending a significant improvement in metal prices, was completed in November 2008. In an agreement reached on January 15, 2009 between Deno Gold and the Republic of Armenia's ("RA") Ministry of Energy and Natural Resources, amongst other items, it was agreed that:
 - (i) In accordance with the requirements of the RA Law on Concessions, Deno Gold's Shahumyan mine license will be extended for an additional 12 years to 2032 and the license agreement will be extended to the full extent of the mining license,
 - (ii) The annual mine production schedule, as defined by the License Agreement, will be reduced to 300,000 tonnes (subject to automatic adjustment in the event of unusual economic hardship including exceptionally low metal prices), and
 - (iii) The Centralni license will be terminated and all contractual responsibility of Deno Gold, in its entirety, with respect to such license would be waived with the exception of certain very limited reclamation/re-cultivation works and the preparation and implementation of a mine underground closure and conservation plan, all in compliance with RA legislation.
- While operations at the Chelopech mining facilities are continuing their normal course, steps have been taken to reduce, eliminate and/or defer non-critical expenditures. The Chelopech concentrate sales contract with Namibian Custom Smelters ("NCS") was 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 metals processing facility in Bulgaria. This arrangement provides the Company with assurances regarding the processing of its concentrate while it finalizes its plans for the construction and start-up of the Chelopech expansion project. In December 2008, Chelopech signed a loan agreement with NCS, a subsidiary of Weatherly International plc, to advance NCS up to US\$7 million of long-term debt. Proceeds from the loan will be used by NCS for working capital purposes and improvements at NCS's Tsumeb smelter.
- Following the approval of the Chelopech environmental impact assessment ("EIA") by the Bulgarian Minister of Environment and Waters in July 2008, DPM began the process of obtaining the necessary construction and operating permits to expand the Chelopech project to, among other things, increase mine production capacity to two million tonnes of ore per year and the construction of the metal processing facility.

A complete set of DPM's Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2008 will be posted on the Company's website at www.dundeeprecious.com and will be filed on Sedar at www.sedar.com.

CONFERENCE CALL

An analyst conference call is scheduled for Friday, February 20, 2009 at 8:30 a.m. (EST) to present these results and will be webcast live at:

<http://events.onlinebroadcasting.com/dundee/022009/index.php>.

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 (symbols: DPM; DPM.WT; DPM.WT.A) 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 concessions in one of the larger gold-copper-silver mining regions in Serbia.

SUMMARIZED FINANCIAL RESULTS

Net Revenue

Revenue from the sale of concentrates of \$15.9 million in the fourth quarter of 2008 was \$6.4 million or 29% lower than fourth quarter of 2007 due to significantly lower selling prices for copper, zinc and silver partially offset by higher deliveries of concentrates from Deno Gold and Chelopech. The average LME cash copper price² and the average LME cash zinc price² in the fourth quarter of 2008 were, respectively, 46% and 55% lower than fourth quarter of 2007 average prices resulting in a significant decrease in revenue in the fourth quarter of 2008. In addition, unfavourable marked-to-market adjustments of \$11.3 million relating to the open positions of provisionally priced concentrate sales were recorded in the fourth quarter of 2008 as a result of the decline in forward prices for copper and zinc as at December 31, 2008 relative to September 30, 2008. Unfavourable marked-to-market adjustments of \$1.8 million were recorded in the fourth quarter of 2007. Deliveries of concentrates produced at Chelopech of 15,964 tonnes in the fourth quarter of 2008 were 7% higher than fourth quarter of 2007 deliveries of 14,873 tonnes due to a drawdown of concentrate inventories in the fourth quarter of 2008 whereas in the fourth quarter of 2007, there was a build-up of concentrate inventories. Deliveries of concentrates produced at Deno Gold of 4,528 tonnes in the fourth quarter of 2008 were 69% higher than fourth quarter of 2007 deliveries of 2,678 tonnes as a result of a drawdown of concentrate inventory. In addition, an increase in payable metals in concentrate sold as a result of higher grades and recoveries for all metals had a positive impact on revenue in the period.

Revenue from the sale of concentrates of \$105.0 million in the year 2008 was \$17.4 million or 14% lower than the corresponding prior year period due to lower deliveries of concentrates produced at Chelopech and lower selling prices for zinc and copper partially offset by higher selling prices for gold and silver and higher deliveries of concentrates produced at Deno Gold. The average LME cash copper price² and the average LME cash zinc price² were, respectively, 2% and 42% lower than prior year average prices. The average London Bullion gold price² was 25% higher than prior year average price. In addition, unfavourable marked-to-market adjustments of \$12.8 million relating to the open positions of provisionally priced concentrate sales were recorded in the twelve months of 2008 as a result of the decline in forward prices for copper and zinc in the year 2008. Favourable marked-to-market adjustments of \$6.9 million were recorded in the year 2007. Deliveries of concentrates produced at Chelopech of 56,760 tonnes in the year 2008 were 15% lower than the corresponding prior year deliveries of 66,712 tonnes due primarily to lower production of concentrates in the year 2008 as a result of lower volumes of material processed,

² Refer to the average metal prices section for the Company’s key reference prices.

lower copper and silver grades and lower recoveries for all metals. Deliveries of concentrates produced at Deno Gold of 10,777 tonnes were 41% higher than the corresponding prior year deliveries of 7,662 tonnes due to increased production of concentrates in the year 2008 as a result of improved grades and recoveries for all metals which more than compensated for the lower volumes of material processed. In addition, an increase in payable metals in concentrate sold as a result of improved grades and recoveries for all metals in the twelve months of 2008 relative to the corresponding prior year period had a positive impact on revenue in the period.

Cost of sales

Cost of sales of \$35.1 million in the fourth quarter of 2008 was \$9.5 million or 37% higher than the corresponding prior year period due primarily to higher deliveries of concentrates.

Cost of sales of \$109.6 million in the twelve months of 2008 was \$27.1 million or 33% higher than the corresponding prior year period due primarily to higher operating costs at Chelopech and Deno Gold.

Cash cost per tonne of ore processed¹ at Chelopech in the fourth quarter of 2008 of US\$54.52 was comparable to the fourth quarter of 2007 cash cost per tonne of ore processed¹ of US\$54.73 due to the favourable impact of a weaker Euro relative to the U.S. dollar offset by higher spending on hydraulic backfill (which commenced in the second quarter of 2008) and lower volumes of material processed. Cash cost per tonne of ore processed¹ at Deno Gold in the fourth quarter of 2008 of US\$108.03 was 11% lower than fourth quarter of 2007 cash cost per tonne of ore processed¹ of US\$121.28. Lower spending on administrative expenses and mining costs in the fourth quarter of 2008 relative to the corresponding prior year period more than offset the lower volumes of material processed.

Cash cost per tonne of ore processed¹ at Chelopech in the twelve months of 2008 increased by 31% relative to the corresponding prior year period due to expenditures associated with cemented rockfill and hydraulic backfill in the mine (which commenced in fourth quarter of 2007 and second quarter of 2008, respectively), the appreciation of the Euro relative to the U.S. dollar, higher employment expenses, higher royalties and higher rates for diesel and power. Cash cost per tonne of ore processed¹ at Deno Gold increased by 30% in the twelve months of 2008 compared with the corresponding prior year period due to lower volumes of material processed, the increase in human resources and materials required to improve the levels of safety, communications and general operating standards consistent with the Company's required levels and higher prices for fuel, diesel and some reagents.

Gross profit (loss)

Chelopech recorded a gross loss from mining operations of \$11.4 million in the fourth quarter of 2008 compared to a gross profit of \$4.4 million in the fourth quarter of 2007. The gross loss from mining operations was due to significantly lower selling prices for copper and silver and higher cost inventories flowing through the period partially offset by higher deliveries of concentrates. The average LME cash copper price² in the fourth quarter of 2008 was 46% lower than fourth quarter of 2007 average price resulting in a gross loss in the fourth quarter of 2008. In addition, unfavourable marked-to-market adjustments of \$8.2 million on the open positions of provisionally priced concentrate sales were recorded in the fourth quarter of 2008 compared to unfavourable adjustments of \$1.3 million in the fourth quarter of 2007.

Chelopech recorded a gross profit from mining operations of \$16.8 million in the twelve months of 2008 compared to a gross profit from mining operations of \$53.8 million in the twelve months of 2007. The decrease in gross profit from mining operations was primarily due to lower deliveries of concentrates and higher production costs partially offset by higher selling prices for gold. The average London Bullion gold price² was 25% higher than prior year average price. In addition, unfavourable marked-to-market adjustments of \$8.5 million relating to the open positions of provisionally priced concentrate sales were

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recorded in the twelve months of 2008 as a result of the significant decrease in copper prices in the year 2008. Favourable adjustments of \$7.8 million were recorded in the twelve months of 2007.

Deno Gold recorded a gross loss from mining operations of \$7.8 million in the fourth quarter of 2008, which was comparable to a gross loss from mining operations of \$7.7 million recorded in the fourth quarter of 2007. Higher deliveries of concentrates in the fourth quarter of 2008 relative to the corresponding prior year period and lower production costs helped mitigate the negative impact of lower selling prices for copper and zinc. The average LME cash copper price² and the average LME cash zinc price² in the fourth quarter of 2008 were, respectively, 46% and 55% lower than the fourth quarter of 2007 average prices resulting in a significant decrease in revenue in the fourth quarter of 2008. In addition, unfavourable marked-to-market adjustments of \$3.1 million on the open positions of provisionally priced concentrate sales were recorded in the fourth quarter of 2008 compared to unfavourable adjustments of \$0.5 million in the fourth quarter of 2007.

Deno Gold recorded a gross loss from mining operations of \$21.4 million in the twelve months of 2008 compared to a gross loss from mining operations of \$13.9 million in the twelve months of 2007. The increased loss from mining operations was due to higher production costs and lower selling prices for zinc partially offset by higher deliveries of concentrates. The average LME cash zinc price² was 42% lower than prior year average price. In addition, unfavourable marked-to-market adjustments of \$4.3 million on the open positions of provisionally priced concentrate sales were recorded in the twelve months of 2008 as a result of the significant decrease in copper and zinc selling prices in the year 2008. Unfavourable adjustments of \$0.9 million were recorded in the twelve months of 2007.

Investment and other income (expense)

Investment loss in the fourth quarter of 2008 totalled \$5.8 million, an increase of \$14.1 million compared to the fourth quarter of 2007 investment income of \$8.3 million due to lower net realized gains from the sales of investments partially offset by lower write-downs of investments. Net realized gains on sale of investments were nil in the fourth quarter of 2008 compared to net realized gains on sale of investments of \$18.8 million in the fourth quarter of 2007. Write-downs of investments totalling \$6.0 million were recorded in the fourth quarter of 2008 as a result of the decline in market value of certain securities. Write-downs of investments totalling \$13.0 million were recorded in the fourth quarter of 2007.

Investment income in the year 2008 totalled \$23.0 million, a decrease of \$16.7 million compared to the corresponding prior year investment income of \$39.7 million due to lower net realized gains on the sales of investments partially offset by lower write-downs of investments. Net realized gains on sale of investments totalled \$28.1 million in the twelve months ended December 31, 2008 compared to net realized gains on sales of investments of \$53.7 million in the twelve months ended December 31, 2007. Write-downs related to impaired investments totalled \$7.5 million in the twelve months ended December 31, 2008 compared to write-downs of \$13.0 million in the twelve months ended December 31, 2007.

Administrative expenses

Administrative and other expenses were \$4.3 million and \$19.9 million for the three and twelve months ended December 31, 2008, respectively, compared to \$5.7 million and \$21.2 million for the three and twelve months ended December 31, 2007, respectively.

Exploration expenses

Exploration expenses were \$5.4 million and \$26.8 million for the three and twelve months ended December 31, 2008, respectively, compared to \$7.7 million and \$29.2 million for the three and twelve months ended December 31, 2007, respectively. Exploration activities in Serbia were placed on care and maintenance in the fourth quarter of 2008.

Income tax expense

DPM's effective tax recovery rate of 5.7% for the year 2008 was lower than the statutory rate of 33.5% primarily due to unrecognized tax benefits relating to operating losses and valuation allowances against the future tax assets related to investment and property write-downs partially offset by 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.

DPM's effective tax rate of 27.7% for the year 2007 was lower than the statutory rate of 36.12% primarily 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 unrecognized tax benefits relating to operating losses.

Cash Flow (Shortfall) and Financial Condition

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

<i>\$ thousands</i> Ended December 31,	Three Months		Twelve Months	
	2008	2007	2008	2007
Net earnings (loss)	\$ (80,042)	\$ (9,494)	\$ (79,195)	\$ 15,375
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,968	3,229	16,424	12,512
Property impairment provisions	48,780	188	48,780	732
Net realized gains on sale of investments	(64)	(18,811)	(28,069)	(53,733)
Write-downs of investments to market value	6,009	13,022	7,532	13,022
Other	(1,283)	(895)	(590)	4,736
Total non-cash charges (credits) to earnings	58,410	(3,267)	44,077	(22,731)
Decrease (increase) in non-cash working capital	10,718	(8,340)	28,086	(45,251)
Net cash used in operating activities	\$ (10,914)	\$ (21,101)	\$ (7,032)	\$ (52,607)

Cash used in operating activities in the fourth quarter of 2008 was \$10.9 million, compared with cash used in operating activities of \$21.1 million in the fourth quarter of 2007. The decrease in cash used in operating activities in the fourth quarter of 2008 relative to the fourth quarter of 2007 was primarily due to a decrease in working capital requirements partially offset by the loss from mining operations. The decrease in working capital requirements in the fourth quarter of 2008 was primarily due to a decrease in concentrate inventories and an increase in accounts payable partially offset by a decrease in deferred revenue.

Cash used in operating activities in the year 2008 was \$7.0 million, compared with cash used in operating activities of \$52.6 million in the year 2007. The decrease in cash used in operating activities in the twelve months of 2008 compared with the corresponding prior year period was due to a decrease in working capital requirements partially offset by the loss from mining operations. The decrease in working capital requirements in the twelve months of 2008 was primarily due to increases in accounts payable and deferred revenue and a decrease in accounts receivable.

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

\$ thousands Ended December 31,	Three Months		Twelve Months	
	2008	2007	2008	2007
Purchase of portfolio investments	\$ (3,872)	\$ (1,250)	\$ (3,872)	\$ (18,046)
Proceeds on sale of portfolio investments	1,631	51,324	61,869	125,069
Purchase of additional interest in company, net of share issue of \$2,464	-	(2,199)	-	(2,199)
Purchase of short-term investments	(52,662)	-	(52,662)	-
Loan advances	(3,654)	-	(3,654)	-
Capital expenditures	(15,479)	(14,386)	(82,160)	(110,209)
Other	18	273	732	273
Net cash provided by (used in) investing activities	\$ (74,018)	\$ 33,762	\$ (79,747)	\$ (5,112)

Capital expenditures at Chelopech in the twelve months ended December 31, 2008 of \$41.1 million were 37% lower than the corresponding prior year period due to lower spending on non-critical expenditures, including those related to the expansion project, pending the approval of the EIA by the Bulgarian government, which was received on July 30, 2008, and official recommencement of the expansion project. Capital expenditures, including capitalized exploration, for Deno Gold in the twelve months ended December 31, 2008 of \$26.6 million were 22% higher than the corresponding prior year period due to increased level of exploration activities in the first nine months of 2008 relative to 2007. Exploration activities at Deno Gold ceased in the fourth quarter of 2008. Capitalized exploration at Deno Gold totalled \$18.4 million in the twelve months of 2008, respectively, compared to expenditures of \$14.7 million in the twelve months of 2007. Capital expenditures at Back River totalled \$12.2 million in the twelve months ended December 31, 2008 compared to expenditures of \$21.4 million in the corresponding prior year period.

For the three and twelve months ended December 31, 2008, DPM realized pre and after tax cash proceeds of \$1.6 million and \$61.9 million, respectively, on the disposition of certain shareholdings, including the sale of its holdings in Eldorado Gold Corporation for cash proceeds of \$41 million in July 2008. By comparison, for the three and twelve months ended December 31, 2007, DPM realized pre and after-tax cash proceeds of \$51.3 million and \$125.1 million, respectively, on the disposition of certain shareholdings.

Financing Activities

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

\$ thousands Ended December 31,	Three Months		Twelve Months	
	2008	2007	2008	2007
Issue of common shares on exercise of options	\$ -	\$ 140	\$ -	\$ 1,380
Net proceeds of equity financing	77,175	-	77,175	77,474
Redemption of deferred share units	-	(112)	(58)	(112)
Proceeds of debt financing	-	-	15,821	-
Repayment of debt	(1,543)	(1,263)	(3,972)	(3,841)
Net cash provided by (used in) financing activities	\$ 75,632	\$ (1,235)	\$ 88,966	\$ 74,901

In the fourth quarter of 2008, DPM successfully completed an equity offering to raise net proceeds of \$77.2 million (gross proceeds of \$81.6 million) through the sale and issuance of 35,556,000 common shares and 20,444,500 common share purchase warrants which give the holder the right to purchase one common share of the Company at the price of \$3.25 per share until November 20, 2015. Proceeds from the offering will be used for ongoing operating and working capital requirements, potential strategic arrangements, capital expenditures, including project capital for the Chelopech mine and processing plant expansion, and general corporate purposes.

AVERAGE METAL PRICES

The following table, summarizing the average metal prices for the London Bullion gold, LME copper, LME zinc and LME silver prices, is used to illustrate the Company's average metal price exposures based on its key reference prices for the periods indicated.

US\$, Average Ended December 31,	Three Months		Twelve Months	
	2008	2007	2008	2007
London Bullion gold (\$/oz)	\$ 796	\$ 788	\$ 872	\$ 697
LME cash copper (\$/lb)	1.77	3.26	3.16	3.23
LME cash zinc (\$/lb)	0.54	1.19	0.85	1.47
LME spot silver (\$/oz)	\$ 10.20	\$ 14.22	\$ 15.02	\$ 13.39

NON-GAAP FINANCIAL MEASURES

We have referred to cash cost per tonne of ore processed because we understand 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 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 between the Company's cash cost measure and Canadian GAAP cost of sales:

<i>\$ thousands, unless otherwise indicated</i>			
For the year ended December 31, 2008	Chelopech	Deno Gold	Total
Ore processed (mt)	900,563	269,033	
Cost of sales (Cdn\$)	\$ 71,426	\$ 38,194	\$ 109,620
Cost of sales (US\$)	\$ 67,423	\$ 36,319	\$ 103,742
Deduct:			
Amortization	(9,811)	(2,560)	
Reclamation costs and other	(2,155)	(1,108)	
Care and maintenance costs	-	(1,732)	
Change in concentrate inventory	(178)	(1,485)	
Total cash cost of production (US\$)	\$ 55,279	\$ 29,434	
Cash cost per tonne of ore processed (US\$)	\$ 61.38	\$ 109.40	

<i>\$ thousands, unless otherwise indicated</i>			
For the year ended December 31, 2007	Chelopech	Deno Gold	Total
Ore processed (mt)	913,440	323,371	
Cost of sales (Cdn\$)	\$ 52,588	\$ 29,900	\$ 82,488
Cost of sales (US\$)	\$ 47,944	\$ 27,363	\$ 75,307
Add/(Deduct):			
Amortization	(6,912)	(1,612)	
Reclamation costs and other	(709)	(170)	
Change in concentrate inventory	2,459	1,678	
Total cash cost of production (US\$)	\$ 42,782	\$ 27,259	
Cash cost per tonne of ore processed (US\$)	\$ 46.84	\$ 84.30	

CONSOLIDATED BALANCE SHEETS
As at December 31, 2008 and December 31, 2007
(in thousands of Canadian dollars, unaudited)

	2008	2007
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 51,362	\$ 49,175
Short-term investments	52,662	-
Accounts receivable and other assets	28,909	39,274
Inventories	32,779	32,396
Total current assets	165,712	120,845
Portfolio investments at market value	4,532	34,567
Equity accounted investments <i>(market value December 2007 - \$31,457)</i>	-	13,665
Other long-term assets	16,014	9,570
Property, plant & equipment	377,443	354,549
Future income tax asset	4,933	5,272
Total assets	\$ 568,634	\$ 538,468
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 34,526	\$ 24,140
Deferred revenue	6,169	-
Current portion of long-term debt and reclamation and other long-term liabilities	6,541	3,604
Total current liabilities	47,236	27,744
Long-term Liabilities		
Long-term debt	20,392	6,114
Reclamation and other long-term liabilities	24,339	13,617
Long-term compensation	689	3,233
Future income tax liability	14,010	16,380
Total long-term liabilities	59,430	39,344
SHAREHOLDERS' EQUITY		
Share capital	331,802	268,669
Warrants	16,658	4,758
Contributed surplus	10,948	9,081
Retained earnings	105,315	184,510
Accumulated other comprehensive earnings (loss)	(2,755)	4,362
Total shareholders' equity	461,968	471,380
Total liabilities and shareholders' equity	\$ 568,634	\$ 538,468

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and twelve months ended December 31, 2008 and December 31, 2007

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

	Three months ended December 31,		Year ended December 31,	
	2008	2007	2008	2007
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 15,868	\$ 22,246	\$ 105,053	\$ 122,417
Cost of sales	35,075	25,593	109,620	82,488
Gross profit (loss)	(19,207)	(3,347)	(4,567)	39,929
Investment and other income (expense)				
Dividends, interest and other income	87	828	2,617	2,211
Gain (loss) on equity accounted investments	-	1,717	(126)	(51)
Property impairment provisions	(48,780)	(188)	(48,780)	(732)
Net realized gains on sale of investments	64	18,811	28,069	53,733
Loss on copper put options	-	(14)	-	(3,192)
Impaired investments written down to market value	(6,009)	(13,022)	(7,532)	(13,022)
Investment and other income (expense)	(54,638)	8,132	(25,752)	38,947
Earnings (loss) before undernoted items	(73,845)	4,785	(30,319)	78,876
Expenses				
Administrative and other expenses	4,315	5,697	19,859	21,184
Stock based compensation expense (recovery)	(957)	(455)	(939)	193
Exploration expense	5,351	7,745	26,811	29,232
Amortization of property, plant and equipment	466	677	2,353	2,013
Financing and other costs	3,468	940	1,680	3,035
Foreign exchange loss (gain)	2,266	(1,472)	3,878	1,957
Total expenses - net	14,909	13,132	53,642	57,614
Earnings (loss) before income taxes	(88,754)	(8,347)	(83,961)	21,262
Provision for (recovery of) income taxes				
Current	(1,268)	1,381	641	4,967
Future	(7,444)	(234)	(5,407)	920
Total provision for (recovery of) income taxes	(8,712)	1,147	(4,766)	5,887
Net earnings (loss) for the period	\$ (80,042)	\$ (9,494)	\$ (79,195)	\$ 15,375
Basic net earnings (loss) per share	\$ (1.03)	\$ (0.15)	\$ (1.20)	\$ 0.27
Diluted net earnings (loss) per share	\$ (1.03)	\$ (0.15)	\$ (1.20)	\$ 0.26

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and twelve months ended December 31, 2008 and December 31, 2007

(in thousands of Canadian dollars, unaudited)

	Three months ended December 31,		Year ended December 31,	
	2008	2007	2008	2007
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ (80,042)	\$ (9,494)	\$ (79,195)	\$ 15,375
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,968	3,229	16,424	12,512
Stock based compensation expense (recovery)	(957)	(455)	(939)	193
Net gains on sale of investments	(64)	(18,811)	(28,069)	(53,733)
Impaired investments written down to market value	6,009	13,022	7,532	13,022
Unrealized loss (gain) on revaluation of debt	2,805	499	(458)	715
Future income taxes	(7,444)	(335)	(5,407)	920
Loss on copper put options	-	14	-	3,192
Accretion expense	391	302	1,396	1,005
Impairment of property, plant and equipment	48,780	188	48,780	732
Other non-cash charges (credits)	3,922	(920)	4,818	(1,289)
Changes in non-cash working capital:				
Decrease (increase) in accounts receivable and other assets	2,008	7,105	6,213	(9,367)
Decrease (increase) in inventories	4,820	(6,902)	(383)	(15,299)
Decrease (increase) in other receivables and advances	(4,470)	(2,541)	1,362	(3,353)
Increase (decrease) in accounts payable	9,555	(12,103)	14,544	(17,261)
Increase (decrease) in deferred revenue	(1,379)	6,246	6,169	-
Increase (decrease) in other liabilities	184	(145)	181	29
Net cash used in operating activities	(10,914)	(21,101)	(7,032)	(52,607)
INVESTING ACTIVITIES				
Purchase of portfolio investments	(3,872)	(1,250)	(3,872)	(18,046)
Proceeds on sale of portfolio investments	1,631	51,324	61,869	125,069
Purchase of short-term investments	(52,662)	-	(52,662)	-
Loan advances	(3,654)	-	(3,654)	-
Purchase of additional interest in company, net of share issue of \$2,464	-	(2,199)	-	(2,199)
Acquisition of property, plant and equipment	(15,479)	(14,386)	(82,160)	(110,209)
Proceeds on sale of property, plant and equipment	18	273	732	273
Net cash provided by (used in) investing activities	(74,018)	33,762	(79,747)	(5,112)
FINANCING ACTIVITIES				
Issue of common shares on exercise of stock options	-	140	-	1,380
Net proceeds of equity financing	77,175	-	77,175	77,474
Redemption of deferred share units	-	(112)	(58)	(112)
Proceeds of debt financing	-	-	15,821	-
Repayment of debt	(1,543)	(1,263)	(3,972)	(3,841)
Net cash provided by (used in) financing activities	75,632	(1,235)	88,966	74,901
Increase (decrease) in cash and equivalents	(9,300)	11,426	2,187	17,182
Cash and equivalents at beginning of period	60,662	37,749	49,175	31,993
Cash and equivalents at end of period	\$ 51,362	\$ 49,175	\$ 51,362	\$ 49,175

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. 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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