



DPM SECOND QUARTER 2007 FINANCIAL RESULTS

(All amounts have been expressed in Canadian dollars except where indicated.)

Toronto, August 1, 2007 – Dundee Precious Metals Inc. (DPM, DPM.WT – TSX) (the “Company” or “DPM”) reported its Second Quarter financial results for 2007.

“The Company is continuing to move in the right direction and we are pleased to see progress being made at all levels of the organization,” said Jonathan Goodman, President and CEO of DPM. “Some of this progress has not happened as quickly as originally anticipated. We believe that DPM’s tremendous resource base, its people, and its financial capacity positions the Company well to achieve its goals and objectives,” he added.

HIGHLIGHTS

- DPM had net earnings of \$20.9 million or \$0.39 per share (\$0.38 per share on a diluted basis) and \$31.9 million or \$0.59 per share (\$0.57 per share on a diluted basis) for the three and six months ended June 30, 2007, compared with net earnings of \$34.3 million or \$0.64 per share (\$0.61 per share on a diluted basis) and \$38.0 million or \$0.71 per share (\$0.68 per share on a diluted basis) for the three and six months ended June 30, 2006, respectively.
- As at June 30, 2007, the Company had working capital of \$115.4 million and an investment portfolio with a market value of \$114.4 million, which in the aggregate, equated to \$3.78 per share, down from \$4.26 per share at December 31, 2006.
- Chelopech reported revenue of \$46.3 million and \$64.9 million on sales of 26,580 tonnes and 37,744 tonnes of gold/copper concentrate for the three and six months ended June 30, 2007. Kapan had revenues of \$6.2 million and \$8.5 million on sales of 1,255 tonnes and 1,945 tonnes of gold/copper concentrate and 1,387 tonnes and 1,776 tonnes of zinc concentrate for the three and six months ended June 30, 2007, respectively.
- Investment activities generated investment income of \$17.3 million and \$36.8 million for the three and six months ended June 30, 2007.
- On June 29, 2007, DPM announced it completed its financing for aggregate gross proceeds to the Company of \$74.3 million. The financing consisted of the sale of 4,800,000 units at \$10.50 per unit and 1,955,000 flow-through shares (including 255,000 flow-through shares issued upon the exercise of the over-allotment option with respect to the flow-through shares by the underwriters) at \$12.25 per flow-through share. Each whole warrant entitles the holder to purchase one common share at \$15.00 for a period of five years from issuance. The exercise of the remaining over-allotment option was completed on July 20, 2007 pursuant to which the underwriters purchased an additional 720,000 units at \$10.50 per unit for gross proceeds of \$7.6 million. In total, including the over-allotment option, the Company issued 5,520,000 units and 1,955,000 flow-through shares for aggregate gross proceeds of \$81.9 million.

SIGNIFICANT CURRENT EVENTS

- The Bulgarian Ministry of Economy and Energy signed an additional agreement extending the Krumovgrad exploration license to June 13, 2008. On July 13, 2007, the five member panel of the Supreme Administrative Court ruled to revoke the “silent refusal” on the part of the Ministry of Environment and Waters (“MoEW”), instructing it to issue a decision on the Krumovgrad Environmental Impact Assessment. This resolution is final and not open to appeal.

- DPM filed a formal complaint with the European Commission against the government of Bulgaria stating that the MoEW has failed to perform its obligations and its inaction is in direct violation of several provisions of community law.
- DPM announced that Chelopech had entered into concentrate sales contracts of between 40,000 tonnes and 75,000 tonnes for 2008, and between 30,000 tonnes and 80,000 tonnes for 2009. Chelopech is continuing to consider additional contracts to match its full production for 2008. These concentrate sales contracts address the short-term commercial and economic issues confronting Chelopech, and ensure continuity of mine operations through 2009, and possibly longer.
- DPM has commenced a new study that will look at more favourable jurisdictions in which to build the autoclave and the metals processing facility currently planned to be built in Bulgaria.
- An updated resource estimate for the Back River Project has been prepared by RSG Global Consulting Pty. Ltd., containing in situ Indicated Resources of 3.415mt at 10.9g/t Au (1.19moz Au) and Inferred Resources of 3.555mt at 10.2g/t Au (1.161moz Au). The new resource estimate represents a 14% increase in tonnes and a 19% increase in contained gold (377,000oz).

A complete set of DPM's unaudited consolidated financial statements and Management's Discussion and Analysis for the second quarter ended June 30, 2007 are posted on its website at www.dundeeprecious.com and have been filed on Sedar at www.sedar.com.

An analyst conference call is scheduled for Thursday, August 2, 2007 at 8:30 a.m. (EST), to present these results and will be webcast live at <http://phx.corporate-ir.net/playerlink.zhtml?c=69218&s=wm&e=1600856>. The audio webcast for this conference call will be archived and available on the Company's website.

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, Dundee Precious owns a 100% interest in the Back River gold exploration project in Nunavut, Canada and an 80% 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.

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