

DUNDEE PRECIOUS METALS INC. ANNOUNCES YEAR END 2001 FINANCIAL RESULTS

TORONTO, Ontario--(Infolink)--April 12, 2001--Dundee Precious Metals Inc. (DPM.A, DPM.WTA - TSE) announced today its results for the year ended January 31, 2001. The net asset value per share at January 31, 2001 was \$11.69 compared to \$13.43 at the end of the previous year. This represents a 13.0% decrease in the net asset value for the year. The net loss for the year ended January 31 was \$12.0 million or \$1.67 per share, compared to a net loss of \$10.7 million or \$1.48 per share for the previous year. Net realized losses on the sale of investments were \$17.2 million for both the 2001 and 2000 years.

The total net assets of the Company were \$82.7 million at January 31, 2001, down from \$96.5 million at January 31, 2000. The decrease in total net assets of \$13.8 million for the year was the result of a net loss of \$12.0 million, unrealized market depreciation of \$1.1 million (net of future income taxes) and the expenditure of \$0.7 million to purchase and cancel 113,000 Class A shares.

Dundee Precious Metals Inc. is a closed-end investment company, managed by Dynamic Mutual Funds Ltd., which provides investors with an opportunity to invest in a managed portfolio of primarily precious metals related companies and mineral companies with the principal objectives of capital appreciation and the provision of a hedge against inflation, while providing a portfolio diversified among issuers and among the countries in which the issuers operate.

FINANCIAL STATEMENTS ATTACHED

DUNDEE PRECIOUS METALS INC.  
STATEMENT OF INVESTMENT PORTFOLIO

As at January 31, 2001 (expressed in thousands of Canadian dollars except par value/share or unit amounts)

Par value/ shares or units		Cost	Market Value	% of Portfolio
CANADIAN EQUITIES AND CONVERTIBLES				
235,500	Aber Resources Ltd.	\$3,506	\$3,026	
980,495	Agnico-Eagle Mines Limited	7,871	8,923	
479,040	Argosy Minerals Inc.	2,002	65	
180,529	Banro Resource Corporation	2,502	119	
513,000	Caldera Resources Inc.	305	62	
2,869,000	Cambior Inc.	1,258	1,521	
266,100	Corner Bay Minerals Inc.	165	493	
4,447,306	Dayton Mining Corporation	7,859	1,601	
2,727,273	Eldorado Gold Corporation, Special Warrants, Feb.21 01	1,500	1,200	
5,000,000	Emerging Africa Gold (EAG) Inc.	325	1,150	
690,000	Etruscan Enterprises Ltd.	4,580	283	
283,030	European Goldfields Ltd.	62	750	
2,830,300	Gabriel Resources Ltd.	2,424	7,557	
520,000	Glamis Gold Ltd.	2,589	1,045	
877,060	Goldcorp Inc., Class "A", Subordinated Voting	6,881	8,069	
5,306,200	Golden Queen Mining Co. Ltd.	3,694	1,327	
32,085,725	Hope Bay Gold Corporation Inc. *	14,310	11,390	

24,142,862	Hope Bay Gold Corporation Inc., Warrants **	-	358	
625,690	Kinross Gold Corporation	3,872	450	
1,000,000	Major Drilling Group International Inc.	6,000	3,250	
727,200	Meridian Gold Inc.	3,638	6,872	
10,042,614	Tahera Corporation	1,268	1,506	
3,800,000	Tahera Corporation, Warrants, Aug.29 04	-	190	
2,817,000	Tahera Corporation, 8.00%, Convertible, Aug.04, 04	2,817	3,380	
3,319,329	Twin Gold Corporation	1,786	1,427	
1,058,133	Ventures Resource Corporation	1,087	85	
1,663,333	Verena Minerals Corporation *	1,219	541	
400,000	Verena Minerals Corporation, Warrants, Jan.31 03	-	20	
		83,520	66,660	74.0%
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AUSTRALIAN EQUITIES				
6,438,460	East African Gold Mines Limited	6,979	6,950	
2,517,854	Ranger Minerals NL	5,138	2,339	
2,560,143	Red Back Mining NL	866	316	
		12,983	9,605	10.7%
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LATIN AMERICAN EQUITIES				
432,530	Buenaventura Ciap de Minas S.A., Sponsored ADR, Series "B"	2,460	10,123	
		2,460	10,123	11.2%
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US EQUITIES				
501,800	Homestake Mining Company	8,204	3,724	
		8,204	3,724	4.1%
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		\$ 107,167	\$ 90,112	100.0%
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\* 22,000,000 and 800,000 shares of Hope Bay Gold Corporation and Verena Minerals Corporation, respectively are not freely traded.

\*\* These warrants are exercisable during the period from March 2001 to August 2003 at prices ranging from \$0.43 to \$0.65.

The accompanying notes are an integral part of these financial statements.

DUNDEE PRECIOUS METALS INC.  
STATEMENTS OF FINANCIAL POSITION

As at January 31 (expressed in thousands of Canadian dollars except per share amounts)

	2001	2000
<b>ASSETS</b>		
Investments at market value (cost 2001 - \$107,167; 2000 - \$118,465)	\$90,112	\$100,143
Cash and short-term deposits	1,701	305
Interest, dividends and other receivables	89	1,908
Income taxes recoverable (Note 6)	13,639	25,008
	\$105,541	\$127,364
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$275	\$316
Bank loan (Note 3)	15,600	19,500
Future income taxes (Note 6)	6,989	11,060
	22,864	30,876
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock, warrants and contributed surplus (Note 4)	85,086	85,840
Retained earnings	9,857	21,816
Unrealized depreciation in market value of investments, net of future income taxes (2001 - \$4,789; 2000 - \$7,154)	(12,266)	(11,168)
<b>NET ASSETS REPRESENTED BY SHAREHOLDERS' EQUITY</b>	<b>82,677</b>	<b>96,488</b>
	\$105,541	\$127,364
<b>NET ASSET VALUE PER SHARE</b>	<b>\$11.69</b>	<b>\$13.43</b>

The accompanying notes are an integral part of these financial statements.

DUNDEE PRECIOUS METALS INC.  
STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

For the years ended January 31 (expressed in thousands of Canadian dollars except per share amounts)

	2001	2000
<b>INVESTMENT INCOME</b>		
Dividends	\$548	\$991
Interest	758	75
	1,306	1,066
Net realized losses on sales of investments	(17,156)	(17,179)

	(15,850)	(16,113)
EXPENSES		
Management fees (Note 5)	960	1,045
Interest on bank loan (Note 3)	949	924
Administrative and other expenses	621	481
Goods and services and other taxes	198	166
	2,728	2,616
OTHER INCOME		
Interest income received on income tax reassessments (Note 6)	1,386	-
LOSS BEFORE TAXES	(17,192)	(18,729)
PROVISION FOR (RECOVERY OF) INCOME TAXES (Note 6)		
Current	1,203	(5,604)
Future	(6,436)	(2,461)
	(5,233)	(8,065)
NET LOSS	\$(11,959)	\$(10,664)
NET LOSS PER SHARE	\$(1.67)	\$(1.48)

RETAINED EARNINGS		
Balance, beginning of year	\$21,816	\$32,480
Net loss	(11,959)	(10,664)
Balance, end of year	\$9,857	\$21,816

The accompanying notes are an integral part of these financial statements.

DUNDEE PRECIOUS METALS INC.  
STATEMENTS OF CHANGES IN NET ASSETS

For the years ended January 31 (expressed in thousands of Canadian dollars except per share amounts)

	2001	2000
Net loss	\$(11,959)	\$(10,664)
Change in unrealized appreciation (depreciation) in market value of investments, net of future income taxes	(1,098)	8,801
Purchase of Class A shares (Note 4)	(754)	(2,319)
Changes in net assets during the year	(13,811)	(4,182)
Net assets, beginning of year	96,488	100,670

Net assets, end of year	\$82,677	\$96,488
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Net asset value per share	\$11.69	\$13.43
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The accompanying notes are an integral part of these financial statements.

DUNDEE PRECIOUS METALS INC.  
STATEMENTS OF CHANGES IN INVESTMENTS

For the years ended January 31 (expressed in thousands of Canadian dollars)

	2001	2000
Investments at market value, beginning of year	\$100,143	\$92,957
Unrealized depreciation in the market value of investments, beginning of year	18,322	32,758
Investments at cost, beginning of year	118,465	125,715
Cost of investments purchased during the year	22,723	35,459
Cost of investments sold during the year		
Proceeds from sales	(16,865)	(25,530)
Net realized losses on sales	(17,156)	(17,179)
	(34,021)	(42,709)
Investments at cost, end of year	107,167	118,465
Unrealized depreciation in the market value of investments, end of year	(17,055)	(18,322)
Investments at market value, end of year	\$90,112	\$100,143

The accompanying notes are an integral part of these financial statements.

DUNDEE PRECIOUS METALS INC.

NOTES TO THE FINANCIAL STATEMENTS

January 31, 2001 and 2000 (tabular amounts in thousands of Canadian dollars)

1. SIGNIFICANT CORPORATE INFORMATION

Dundee Precious Metals Inc. (the "Company") is a closed-end investment company incorporated under the Canada Business Corporations Act in 1983, which invests primarily in precious metals related companies and mineral companies. The objective of the Company is to provide capital appreciation and a hedge against

inflation, while providing a portfolio diversified among issuers and among the countries in which the issuers operate.

The Company is managed by Dynamic Mutual Funds Ltd. (the "Manager").

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Valuation of Investments

Investments are recorded at their market value, determined as follows:

\* Investment securities, having quoted market values and which are publicly traded on a stock exchange, and not otherwise restricted, are valued at the last reported sales price on that day. Listed securities in which no sale is reported, are valued at the average of the closing bid and ask price on that day.

\* Investments in securities not having quoted market values or in restricted securities are valued at estimated fair value as determined by the Manager and may differ from realizable values.

\* Gold and silver bullion are valued at the London morning fixing price. Platinum and palladium are valued at the average closing bid price of at least two New York precious metals dealers.

\* Options are recorded at their market value as reported on recognized exchanges.

### b) Recognition of Investment Appreciation, Depreciation and Income

The difference between the market value and cost of investments held, net of future income tax asset or liability, is shown as unrealized appreciation (depreciation) in the market value of investments and is recorded in shareholders' equity in the statements of financial position. The average cost basis is used to determine the gain or loss on disposal of investments.

Transactions are recorded at trade date. Gains and losses realized on sales are recorded in the statements of operations and retained earnings.

Forward contracts are revalued with unrealized gains and losses being included in unrealized appreciation (depreciation) in the market value of investments and recognized in the statements of operations and retained earnings when positions mature or are closed out. There were no forward contracts outstanding as at January 31, 2001 and 2000.

Option fees paid or received are deferred and are recognized in the statements of operations and retained earnings when options expire or are closed out. Unrealized gains and losses on options are recognized with investments and as a component of unrealized appreciation (depreciation) in the market value of investments in shareholders' equity. There were no options outstanding as at January 31, 2001 and 2000.

Dividend income is recognized on the ex-dividend date. Interest income and expenses are recognized daily on an accrual basis.

### c) Income Taxes

The Company uses the liability method of accounting for income taxes under which future income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using tax rates in effect for the period in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period of the change.

Future tax benefits attributable to these differences, if any, are recognized to the extent that realization of such benefits is more likely than not.

#### d) Foreign Currency Translation

The market values of foreign investments are translated into Canadian dollars at the closing rate of exchange on each valuation date. Translation gains and losses are reflected in shareholders' equity as a component of the net unrealized appreciation (depreciation) in the market value of investments.

Other assets and liabilities in foreign currencies are also translated at closing rates. Translation gains and losses are reflected in the statements of operations and retained earnings.

Purchases and sales of foreign investments, and foreign income and expenses, are translated at the rates of exchange prevailing on the dates of the respective transactions. Any exchange gains or losses on the settlement of the transactions are reflected in the statements of operations and retained earnings.

#### e) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### 3. BANK LOAN

The Company has a revolving term credit facility for an amount no greater than the least of \$25,000,000; 25% of the value of the net assets of the Company; or 100% of the net asset value of cash, cash equivalents and securities traded on a recognized stock exchange that have a trading value of greater than \$2.00 held by the Company. This facility matures on March 12, 2003, but if requested in writing, may be extended each year at the approval of the bank. Currently, the Company pays interest on this facility at a Corporate Bankers' Acceptance rate plus 0.90%. However, the Company has the option of borrowing at a Canadian chartered bank's prime lending rate plus 1/4 of 1%. The Company has provided the bank with a security interest in all of the assets of the Company.

### 4. CAPITAL STOCK, WARRANTS AND CONTRIBUTED SURPLUS

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	2001		2000	
	Number	Amount	Number	Amount
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Class A shares				
Balance, beginning of year	7,183,972	\$82,977	7,411,672	\$85,607
Shares purchased and cancelled	(113,000)	(1,305)	(227,700)	(2,630)
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Balance, end of year	7,070,972	81,672	7,183,972	82,977
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Class A share purchase warrants	2,520,000	2,520	2,520,000	2,520
	-----		-----	
Common shares	3,000	1	3,000	1
	-----		-----	
Contributed surplus		893		342
		-----		-----
		\$85,086		\$85,840
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a) Share Capital

The authorized share capital is comprised of an unlimited number of Class A shares and 3,000 common shares.

Each holder of the Class A and common shares rank equally as to voting and dividend rights. The holders of Class A shares are entitled, on a wind up of the Company, to receive \$9.425 per Class A share before any distribution to common shareholders. Thereafter, the holders of both the Class A shares and common shares will rank equally.

The Manager owns all of the common shares.

The number of shares used to calculate net loss per share during 2001 was 7,167,447 (2000 - 7,186,972).

b) Warrants

Each warrant entitles the holder to purchase one Class A share at any time up to February 20, 2004 at \$25.00 per share.

c) Shares Purchased

During 2001, the Company purchased and cancelled 94,100 Class A shares under its normal course issuer bid. The difference between the stated capital of \$1,086,855 of these shares and the cash consideration paid of \$621,127 (\$6.60 per share) was allocated to contributed surplus. The Company also purchased and cancelled 18,900 Class A shares for \$133,245 from shareholders who dissented to the changes made in 2000 to the Company's investment parameters. The purchase price was calculated based on the formula prescribed in the information circular. The difference between the stated capital of \$218,295 of these shares and the cash consideration paid of \$133,245 (\$7.05 per share) was allocated to contributed surplus.

During 2000, the Company purchased and cancelled 166,000 Class A shares under its normal course issuer bid. The difference between the stated capital of \$1,917,300 of these shares and the cash consideration paid of \$1,445,439 (\$8.71 per share) was allocated to contributed surplus. The Company also purchased and cancelled 61,700 Class A shares for \$872,438 which were subject to a dispute as to valuation arising at the time of a 1997 amendment to the articles of incorporation. The difference between the stated capital of \$712,635 of these shares and the cash consideration paid of \$872,438 (\$14.14 per share) was allocated to contributed surplus.

#### 5. MANAGEMENT AND PERFORMANCE FEES

The Manager provides management and advisory services to the Company under an investment management agreement. In return for these services the Manager is paid an annual fee and may receive a performance fee. The Manager is paid an annual management fee of 1% per annum payable at the rate of 1/12 of 1% of the Company's total asset value determined on the last business day of each month. Additionally, the Manager may be entitled to a performance fee of up to 2% of the Company's average total assets for the year dependent upon the Company outperforming gold bullion. There were no performance fees paid or payable for the years ended January 31, 2001 and 2000.

#### 6. INCOME TAXES

The reconciliation of the expected combined federal and provincial statutory income tax rate of 43.80% (2000 - 44.62%) to the effective tax rate on earnings is as follows:

Combined Federal and Provincial Statutory income tax rates	43.80%	44.62%
	2001	2000
Income tax at statutory tax rates	\$(7,530)	\$(8,357)
Adjusted for the effect of:		
Non-taxable portion of capital loss	2,869	306
Effect of expected income tax rate reductions on future income tax assets and liabilities	(1,784)	-
Other items	1,212	(14)
Provision for (recovery) of income taxes	\$(5,233)	\$(8,065)

Significant components of the Company's future income tax liabilities at January 31 are as follows:

	2001	2000
Future income tax assets		
Tax loss carryforward	\$4,131	\$-
Future tax on unrealized depreciation in the market value of investments	4,789	7,154
Write-down of investments	649	-

	\$9,569	\$7,154
Future income tax liabilities		
Lower of cost or market inventory adjustment	\$16,558	\$18,214
	\$6,989	\$11,060

The Company reached a settlement with the Canada Customs and Revenue Agency ("CCRA") and the Ontario Ministry of Finance for the taxation years up to and including January 31, 1995, relating to the tax treatment of investment gains. The Company has accounted for income taxes based on the criteria used in the settlement. The CCRA audited the taxation years January 31, 1996 to January 31, 1999 and has proposed modifying the previously agreed upon criteria for this period. The Company is in discussions with the CCRA.

Income taxes recoverable is comprised of tax losses applied to reduce previous taxes paid.

During the year ended January 31, 2001, the Company received \$3,086,000 from the Ontario Ministry of Finance representing interest related to the settlement of previous years' tax reassessments. This amount was in excess of the \$1,700,000 recorded as interest receivable in previous years. The difference of \$1,386,000 was recorded as income in the current year.

#### 7. RELATED PARTY TRANSACTIONS

The Company may from time to time use Dundee Securities Corporation ("Dundee"), an affiliate of the Manager, as an agent in the purchase and sale of securities. All transactions are conducted at normal commercial rates. During 2001, commissions paid to Dundee amounted to \$7,000 (2000 - \$11,000).

#### 8. COMPARATIVE FIGURES

Certain of the prior years' comparative figures have been restated to conform to the current year's financial statement presentation.

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