



## DPM COMPLETES ACQUISITION OF 80% INTEREST IN ARMENIAN DENO GOLD

Toronto, August 23, 2006 – Dundee Precious Metals Inc. (DPM – TSX) (“Dundee Precious”, “DPM” or “the Company”) is pleased to announce that it has completed the transaction previously announced on August 10, 2006, with Vatrin Investment Limited (“Vatrin”) with respect to the acquisition of 80% of the Kapan Mining Project, located in Southern Armenia, for US\$22 million, plus an additional US\$10 million investment commitment for mine expansion.

The Kapan Mine is located approximately 1.5km from the town of Kapan and some 320km south of the Armenian capital of Yerevan. It has annual production of 300,000 tonnes of ore from its current underground operations, which DPM intends to expand in order to maximize the present mine milling capacity of over 1 million tonnes/year. The concentrate produced at Kapan is readily saleable due to the lack of impurities or deleterious elements.

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 owns a 100% interest in the Back River gold exploration project in Nunavut, Canada and an 80% interest in the Kapan Mining Project in Armenia. The Company also holds a significant and strategic portfolio of investments in the precious metals and mineral related sector.

### FORWARD- LOOKING STATEMENTS

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company’s most recent annual information form under the heading “*Risk Factors*” which has been filed electronically by means of the Canadian Securities Administrators’ website located at [www.sedar.com](http://www.sedar.com). The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

For further information please contact:

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