



DRILLING INTERCEPTS HIGH GRADE ZONE AT CHELOPECH

Toronto, August 8, 2005 – Dundee Precious Metals Inc. (DPM – TSX) (“Dundee Precious”, “DPM” or “the Company”) is pleased to announce drill hole intercepts of what appears to be a new mineralization zone at its Chelopech Mine in Bulgaria.

“These are encouraging preliminary results that clearly reflect the exploration upside potential at Chelopech,” said Jonathan Goodman, President and CEO of DPM, “Chelopech is a large deposit that has been mined for over 40 years and we are confident that our exploration team will continue a successful program that will add to its more than 10 year mine life” he added.

In March 2005, the Technical Services Department at Chelopech Mine undertook a thorough review and ranking of drill intersections, and prospective near-mine areas, surrounding the known Chelopech orebodies. Data was derived from the historical database of more than 400,000 drilled metres. The review process has identified and ranked a series of more than eight targets, which contain high grade copper and gold intersections, of which the highest ranking target is termed Block 149.

Block 149 is situated north of the current Block 150 orebody and is located, in plan, within 350m of the current Chelopech main western decline (see diagram “A”).

Plan showing the relationship between current mine development and the Block 149 target.

The Block 149 target was defined by surface drill hole 196A, completed in the 1974, which returned an intersection of 13m at 2.3% Cu and 20.4g/t Au. The intersection is centred at about 225mRL (mine development is currently at 297mRL).

The first two underground diamond drill holes which have been drilled to test the Block 149 target have returned the following intercepts:

- Hole 149_1: 14m at 3.3% Cu, 24.0 g/t Au (drill hole intercept centre at 175mRL)
- Hole 149_2: 12m at 5.2% Cu, 30.8 g/t Au (drill hole intercept centre at 125mRL)

The drill holes have shown that the Block 149 target appears to be hosted within a sub-vertical structure, with a true width of approximately 10m. The massive sulphide mineralisation comprises the copper minerals luzonite, tennantite, bornite and minor chalcopyrite and, unusual for Chelopech, abundant visible gold. The intersections are also characterised by consistently high grade assays, rather than isolated high grade outliers.

A program of follow-up underground drilling is underway to define the extent of the high grade mineralisation and to enable a resource estimate to be completed. It is planned that detailed pattern drilling be undertaken from a drill site developed from an access off the main western decline.

Assay, density, mineralogical and geotechnical work, following international standard practice, has been undertaken for the drilled core.

Chelopech Mine maintains a rigorous program of quality assurance. The mine laboratory and sample preparation facilities were completely renovated and modernized during 2004 and the laboratory is managed independently by SGS.

Gold and silver are analysed using 50gm fire assay with an AAS finish. Other elements are analysed by multi-acid digest with an AAS finish. Sulphur analyses are completed using a Lyco furnace. A thorough sequence of duplicate and replicate

assaying is routinely completed for QAQC purposes, along with routine submission and assaying of internationally accredited laboratory reference samples purchased from Geostats Ltd of Australia.

In addition, the Chelopech laboratory takes part in the Geostats' 'round robin'. Randomly selected sample pulps are routinely sent to external assay laboratories for check assaying.

Bulk density measurements have been routinely completed since the start of 2003 at the (ISO9002 rated) Eurotest facility in Sofia, using the industry standard wax coating water immersion method. Density samples are submitted for measurement on the basis of one sample for every three metres of drill core.

The entire drilling database has been compiled and is maintained in a full relational database using Acquire.

This press release has been compiled under the supervision of Dr Julian Barnes, Executive Vice President Exploration, Dundee Precious Metals Ltd (Dundee) and complies with the requirements of the National Instrument 43-101.

These exploration results are based on data gathered by Dundee in the period April to July 2005. Mr Alex Arizanov, Chief Geologist, Chelopech Mine EAD is the qualified person (QP) responsible for the preparation of these results and has directly supervised the programme. Mr Arizanov has an MSc in Geology from the Mining and Geology University of Sofia, and has been Senior and Chief Geologist at the Chelopech Mine for 11 years and is a full Member of the Australian Institute of Mining and Metallurgy and has relevant experience in the mineral deposit described in this release.

Both Dr Barnes and Mr Arizanov consent to the filing of the written disclosure in this press release with the securities regulatory authorities referred to above.

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 "*Risks Factors*" which has been filed electronically by means of the Canadian Securities Administrators' website located at 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.

Dundee Precious is a Canadian operating 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 development project, both located in Bulgaria and is engaged in mineral exploration activities in the region. In addition, Dundee Precious has the option to earn a 60% interest in the Back River gold project in Nunavut, Canada. The Company also holds a significant and strategic portfolio of investments in the precious metals and mineral related sector.

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[Diagram "A"](#)

