



**DUNDEE PRECIOUS METALS PURCHASES
OPTION ON BACK RIVER EXPLORATION PROJECT IN NUNAVUT
FROM MIRAMAR MINING CORPORATION**

Toronto, February 3, 2005 – Dundee Precious Metals Inc. (DPM – TSX) (“Dundee Precious”, “DPM” or “the Company”) is pleased to announce that it has entered into a letter agreement (the “Agreement”) with Miramar Mining Corporation (“Miramar”) to purchase its option to earn a 60% interest in the George Lake and Goose Lake properties in Nunavut (the “Back River Project” or “the Properties”).

“We are very excited with the potential of the Back River Project and are looking forward to commencing drilling. Miramar’s geological team has done an excellent job and we intend to continue their efforts towards delineating these deposits. In addition, this gives us our first project in Canada and in Nunavut. As investors we have been very active in Nunavut and we are looking forward to being just as active as explorers,” said Jonathan Goodman, President and CEO of Dundee Precious.

Back River Project

The Back River Project in Nunavut comprises several properties held under option from Kinross Gold Corporation (“Kinross”), where Dundee Precious could earn a 60% interest for expenditures of \$25 million (the “Option”). The most important of these properties comprise the Goose and George Lake deposits, where previous estimates of mineral resources prepared for prior owners total 2.0 million ounces of gold as set out below:

Goose Lake/George Lake – Mineral Resource at a 5 g/t Au Cut-Off

Deposit	Indicated			Additional Inferred		
	Tonnes	Grade * (g/t)	Ounces	Tonnes	Grade * (g/t)	Ounces
George Lake	2,620,000	9.9	836,000	1,289,000	10.1	419,000
Goose Lake	1,750,000	9.6	540,000	595,000	9.5	182,000
Total	4,370,000	9.8	1,376,000	1,884,000	9.9	601,000

* High Grade Assays cut to 34.29 g/t

Goose Lake and George Lake resources reported by Watts Griffis and McQuat Limited 2002

The 11,000m drill program at Goose Lake, completed in 2004, made considerable progress towards its objective of expanding the Goose Lake resource by confirming the potential of the Goose Lake hinge zone to host significant high grade, near surface gold mineralization and to better understand the significant gold mineralization found in the greywackes in the core of the fold. New resource estimates are expected to be completed and announced in early 2005. In addition, an improved understanding of the geologic controls on gold mineralization suggests excellent potential for additional discoveries on the properties.

Transaction Details

Dundee Precious has agreed to purchase Miramar's interest in the Back River Project on the following basis:

1. On closing, Dundee Precious will reimburse Miramar its aggregate out of pocket costs incurred on acquiring the Option and exploring the Back River Project, plus 5%. The final amount, subject to adjustment, will be approximately \$10 million;
2. On the earlier of: (i) the total mineral resources on the Goose Lake property being increased to 1,500,000 ounces of gold over and above those announced on November 17, 2003, or (ii) a decision being made to place a mine into commercial production on any of the Properties, Dundee Precious will issue to Miramar 150,000 common shares of Dundee Precious, or the cash equivalent thereof;
3. Reimbursement of certain general and administrative costs associated with the Back River Project;
4. On the exercise by Dundee Precious of the Option on the Properties with Kinross, DPM would issue to Miramar 187,500 common shares of Dundee Precious, or the cash equivalent thereof; and
5. For a period of 12 months after execution of the Agreement, Miramar will provide office space as needed by Dundee Precious and Dundee Precious will reimburse Miramar for the costs thereof.

Option Agreement

The essential terms of the Option agreement with Kinross allow Dundee Precious to earn a 60% interest in the Properties and related rights and facilities on the following basis:

1. DPM incurs C\$10 million in expenditures by August 31, 2005, the majority of which has already been incurred to date by Miramar;
2. DPM incurs cumulative C\$25 million in expenditures by August 31, 2006, after which expenditures are shared pro rata;
3. Provided DPM incurs cumulative C\$15 million in expenditures by August 31, 2006, it can extend the earn-in period to August 31, 2008 by increasing the 60% earn-in requirement to C\$28 million;
4. DPM will be the operator during the earn-in phase and will be eligible to charge an industry standard management fee;
5. On delivery of a positive feasibility study, Kinross will have a one time opportunity to increase its interest to 50% by repaying DPM twice its pro rata share of expenditures for the 10% being purchased (C\$8.33 million), upon which Kinross will become the operator and be eligible to charge the joint venture an industry standard management fee;
6. If Kinross becomes the operator, it will be responsible for obtaining, on a reasonable best efforts basis, at least 65% third party project financing, and will provide 100% of the appropriate completion guarantees and cost overrun facilities in order to obtain that financing. The joint venturers would be responsible for their proportionate share

of the equity requirements related to the development. DPM will pledge its interest in the project as required; and

7. Execution of formal agreements containing industry standard representations and warranties.

The transaction with Miramar is expected to close on or about February 18, 2005.

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. 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 Metals Inc. is an 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 Ada Tepe, a gold exploration property, both located in Bulgaria. The Company is engaging in mineral exploration activities in the region and holds a significant portfolio of investments in the precious metals and mineral related sector.

For further information please contact:

DUNDEE PRECIOUS METALS INC.

Jonathan Goodman
President & Chief Executive Officer
Tel: (416) 365-2408
Email: jgoodman@dundeeprecious.com

C. Bruce Burton
Chief Financial Officer
Tel: (416) 365-5143
Email: cburton@dundeeprecious.com

Gabriela M. Sanchez
Vice President Investor Relations
Tel: (416) 365-2549
Email: gsanchez@dundeeprecious.com