KRUMOVGRAD GOLD PROJECT FEASIBILITY STUDY COMPLETED INDICATING LOW CASH COSTS, 1.9 YEAR AFTER TAX PAYBACK AND GOLD ANNUAL PRODUCTION OF 150,000 OZ PER YEAR FOR FIRST FOUR YEARS

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

Toronto, July 5, 2005 – Dundee Precious Metals Inc. (DPM – TSX) ("Dundee Precious", "DPM" or "the Company") has received and approved the definitive Feasibility Study ("FS"), prepared by Ausenco Limited of Perth, Australia, for the construction and operation of its 100% owned Krumovgrad Gold Project situated in southeastern Bulgaria.

"The results of the study confirm the economics of the deposit and allow us to now proceed with the plans for the construction of the mine, the public hearings for the Environmental Impact Assessment and the permitting process," said Jonathan Goodman, President and CEO of Dundee Precious. "The Krumovgrad Gold Project has been designed to become a showcase for environmental responsibility, community relations and mine management that will allow us to create value for our shareholders and at the same time bring new economic opportunities into a great community," he added.

HIGHLIGHTS:

Item	Unit	
Gold price	$/oz	$430
Silver price	$/oz	$6.5
Initial Mine life	Years	6.0
After tax pay back period	Years	1.9
Annual gold production first four years	Au oz/year/first four years	150,000
Total gold production	Au oz/life of mine	746,000
Total silver production	Ag oz/life of mine	348,000
Total equivalent gold ounces	Au eq oz/ life of mine	751,000
Plant throughput:		
Upper Zone	t/ore/year/life of mine	850,000
Wall Zone	t/ore/year/life of mine	750,000
Metallurgical recovery – Gold	%/life of mine	94.0%
Metallurgical recovery – Silver	%/life of mine	83.6%
Waste to ore stripping ratio	Average/life of mine	3.84
Cash operating costs/tonne ore treated	$/t ore/life of mine	$16.82
Total cash costs/tonne ore treated	$/t ore/life of mine	$17.88
Cash operating costs/oz gold equivalent	$/oz Au/life of mine	$109.00
Total cash costs/oz gold equivalent	$/oz Au/life of mine	$116.00
Mining costs	$/t ore/life of mine	6.29
Processing costs	$/t ore/life of mine	8.24
G&A Costs	$/t ore/life of mine	1.87
Bullion handling costs	$/t ore/life of mine	0.42
Royalty	$/t ore/life of mine	1.06
Initial capital costs	$M	$75.0
Initial working capital	$M	$1.3
Closure and rehabilitation costs	$M	$8.7
Sustaining capital	$M	$5.7
Internal rate of return, after tax	%	39.0%
Net present value, after tax (9% discount)	$M	$66.2

MINEABLE RESERVES:

Category	Tonnes (million)	Gold (Au)		Silver (Ag)	
		Grade (g/t)	Ounces (000)	Grade (g/t)	Ounces (000)
Proven	2.22	6.62	472	3.36	240
Probable	2.65	3.78	322	2.08	177
Total P&P	4.86	5.08	794	2.66	416

Probable ore includes 0.71 million tonnes of low grade ore mined throughout the life, but only processed at the completion of the mining operation.

Mining Method

The method selected is a conventional open pit, drill, blast, load and haul operation, using a hydraulic excavator to carry out selective mining, similar to many small tonnage open pit gold mining operations throughout the world. The mining equipment will be owner operated and will be maintained by the equipment supplier.

A three stage pit design has been optimized based on practical push back dimensions, ore requirements, minimizing stripping requirements early in the mine life and the mining rates.

The mine is expected to produce a total of 4.8 million tonnes of ore (including the low grade stockpile) over the operating life, which will be processed at an average rate of 850,000 tonnes of ore per year for the Upper Zone material, reducing to 750,000 tonnes for the Wall Zone material.

Metallurgy

A comprehensive programme of metallurgical testwork was designed and undertaken on selected drill core samples in recognized laboratory facilities in Australia and Canada. The testwork determined that the ore is free milling (i.e. non refractory), and high gold recoveries are achievable with conventional grinding and extraction by cyanidation. All appropriate design criteria, metal recoveries by ore type, and anticipated reagent consumption rates have been determined from the testwork results for the process plant design.

The results have confirmed that gold recovery will be in excess of 94% for each ore type. Silver recovery will range between 80 and 88%, depending on the ore type.

Process Plant

The optimal process selected as a result of the testwork program comprises conventional crushing of the ore and grinding in a SAG (semi autogenous grinding) and ball mill circuit. The harder siliceous components of the ore that can build up as critical size material in the SAG mill will be removed by a recycle crusher circuit. The ground ore will then flow through a CIL (carbon in leach) circuit, consisting of seven, 700 cubic metre tanks. The gold and silver dissolved in leaching will be recovered from the carbon in an elution circuit and treated by electrowinning and smelting into doré bars.

Tailings from the CIL circuit will be thickened and treated in a cyanide destruction circuit prior to discharge to the tailings management facility. The cyanide content after destruction is targeted to be approximately 1 part per million (ppm), well below the proposed European Union regulatory requirement of 10 ppm for feed to tailings dams.

The process plant will operate 24 hours per day, 7 days per week and is designed to process 106 t/h at 91.3% operating availability. Throughput capacity will be 850,000 tonnes of Upper Zone ore per year, reducing slightly for the harder Wall Zone ore to 750,000 tonnes per year.

The proposed process plant and tailings management facility are to be located in a valley adjacent to the open pit.

Permitting

Bulgaria's legal framework for conducting business has been evolving since enactment of the Commerce Act in 1991 and with their recent application to join the European Union further positive changes are taking place. This desire for change has created a collaborative environment for the government/regulatory agencies and the investor to work together to satisfy objectives of mutual benefit.

Due to the magnitude of the total investment required to implement the Krumovgrad Gold Project, on March 24, 2005 Dundee was awarded the status of a Class 1 Investor. Under Bulgarian legislation, this entitles the investor to a reduction in the regulatory time frames.

A cornerstone of the permitting process is the submission and approval of a project Environmental Impact Assessment (EIA) which was submitted to the Ministry of Environment and Waters on April 29, 2005. Subject to completion of a public hearing, the EIA could be approved by the end of the third quarter 2005.

Once completed, application for a number of key pre-construction approvals are required, before construction can proceed, including:

- Registration of the Commercial Discovery;
- Granting of a Mining Concession;
- An Approved Detailed Development Plan; and
- Obtaining a Complex Permit.

On the basis of the Class 1 Investor Designation it is anticipated that a Concession could be granted by year end 2005 followed by Construction Permit approval which should allow construction to commence by March 2006.

The mine will employ 300 people at its peak during construction and 230 people on an ongoing basis. The initial six year life does not take into account satellite deposits which could add extra years of production. These will be investigated more fully during the next year.

Dundee purchased the Krumovgrad Gold Project from Navan Mining plc (in Administration) on September 30, 2003. The purchase price plus the expenditures made to date by Dundee Precious is approximately US$36 million.

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.

The Executive Summary and Project Summary of the Krumovgrad Gold Project Feasibility Study are being filed with SEDAR and will be available on the SEDAR website at www.sedar.com and on DPM's website at www.dundeeprecious.com. An analyst conference call will be webcast live at : http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=69218&eventID=1092706 on Wednesday, July 6, 2005 at 8:30 a.m. (EST).

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