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FOR: DUNDEE PRECIOUS METALS INC.

TSE SYMBOL: DPM.A , DPM.WTA

October 2, 2000

Dundee Precious Metals Inc. Announces Additional Equity Interest In Hope Bay Gold Corporation

TORONTO, ONTARIO--The directors of Dundee Precious Metals Inc. (DPM.A, DPM.WTA - TSE) have unanimously approved Dundee Precious Metals providing Hope Bay Gold Corporation Inc. with equity financing through a \$5.0 million private placement of units at \$0.50 per unit, each unit to consist of one Hope Bay common share and one Hope Bay share purchase warrant having an exercise price of \$0.65 per share and exercisable until January 31, 2001.

Dundee Precious Metals board of directors has also unanimously approved the company exchanging a previous \$6.0 million loan to Hope Bay into 12 million common shares of Hope Bay and 12 million warrants to purchase common shares of Hope Bay at an exercise price of \$0.65 per share. These warrants will expire on July 31, 2003. This transaction eliminates the conversion of the loan into a 3.5% net smelter return royalty on the Hope Bay property.

Assuming the completion of the above transactions and before the exercise of its warrants, Dundee Precious Metals will hold 32,085,725 common shares of Hope Bay, representing an approximate 25.8% interest. Dundee Precious Metals will hold approximately 38.2% of Hope Bay on a partially diluted basis after the exercise of its warrants or approximately 32% on a fully diluted basis.

The above transactions are subject to the execution of definitive documentation and all required legal, regulatory and shareholder approvals.

Dundee Precious Metals Inc. is a Toronto Stock Exchange listed investment company, managed by a subsidiary of Dundee Wealth Management Inc., providing investors with an opportunity to participate in a portfolio consisting primarily of precious metals related investments with the principal objectives of capital appreciation and the provision of a hedge against long term inflation.

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FOR FURTHER INFORMATION PLEASE CONTACT:

Dundee Precious Metals Inc.
Jonathan Goodman
President and CEO
(416) 365-2408

INDUSTRY: PCS
SUBJECT: NWS

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