



**DUNDEE PRECIOUS METALS ANNOUNCES  
FOURTH QUARTER AND YEAR END FINANCIAL RESULTS**

**Management's Discussion and Analysis**

**April 24, 2003**

We are pleased to present the fourth quarter report of Dundee Precious Metals Inc. for the three and twelve month periods ended January 31, 2003.

The following chart provides a summary of the net asset value per share and the share price for Dundee Precious Metals Inc. (the "Company"), compared to the London Gold AM Fix benchmark, for the periods listed below:

	<b>January 31 2003</b>	<b>October 31 2002</b>	<b>January 31 2002</b>
Net Asset Value Per Share	\$27.30	\$20.32	\$16.62
Share Price (DPM.A)	\$21.40	\$15.10	\$11.20
London Gold AM Fix (US \$)	\$370.35	\$316.35	\$281.50

***Total Net Assets***

At January 31, 2003, the total net assets of the Company was \$188.2 million compared to total net assets of \$140.1 million at October 31, 2002 and \$116.3 million at January 31, 2002. The increase in total net assets of \$48.1 million, during the fourth quarter, was the result of an increase of unrealized market appreciation of \$49.6 million (net of future income taxes) and a net loss of \$1.4 million.

The year-to-date increase in total net assets, of \$71.9 million, was the result of unrealized market appreciation of \$51.6 million (net of future income taxes), net income of \$22.0 million and the expenditure of \$1.7 million to purchase and cancel 102,000 Class A shares.

### ***Results of Operations***

In reporting the Company's results of operations, the reported income reflects only dividend, interest and other income, and net realized gains and losses on the sale of investments. The results of operations do not include unrealized gains and losses in the investment portfolio, therefore earnings are only a partial measure of the Company's performance. Accordingly, the performance of the Company is best measured by the change in the net asset value per share.

Net loss before taxes was \$0.8 million during the three months ended January 31, 2003 compared to a net gain before taxes of \$5.9 million during the same period in the prior year. The net loss before taxes, for the current quarter consisted of net realized gain on the sale of investments of \$1.2 million, expenses of \$2.6 million reduced by dividend, interest and other income of \$0.6 million. During the same period in the prior year, the Company's net income before taxes consisted of net realized gains on the sale of investments of \$7.1 million, expenses of \$1.5 million, dividend, interest and other income of \$0.1 million and interest income received on income tax reassessments of \$0.2 million. Increasing the loss for the three month period ended January 31, 2003 was an income tax expense of \$0.6 million, compared to an income tax recovery of \$0.3 million for the same period in the prior year.

Net income before taxes of \$27.6 million, for the year ended January 31, 2003, was \$29.6 million higher than the 2002 loss before taxes of \$2.0 million. Net income before taxes was comprised of realized gains on the sale of investments of \$32.6 million, expenses of \$6.7 million and interest, dividend and other income of \$1.7 million. This compares to net realized gains of \$1.8 million, expenses of \$5.1 million, dividend, interest and other income of \$0.8 million and interest income received on income tax reassessments of \$0.5 million for the year ended January 31, 2002. Partially offsetting the income in 2003 and loss in 2002 was an income tax provision of \$5.6 million and income tax recovery of \$1.2 million, respectively. Net income after taxes was \$22.0 million for the year ended January 31, 2003, \$22.7 million higher than the previous year's net loss after taxes of \$0.7 million.

### ***Investment Income***

During the three and twelve month periods ended January 31, 2003 the combined interest, dividend and other income was \$0.6 and \$1.7 million, respectively, compared to \$0.2 and \$0.8 million for the same periods in the previous year. The portfolio investment in Quest Ventures Ltd. accounted for the majority of this change.

The Company realized gains on the sale of investments during the current quarter and year-to-date of \$1.2 million and \$32.6 million, respectively. This compares to realized gains of \$7.1 million and \$1.8 million for the three and twelve month periods ended January 31, 2002. Year to date, the realized gains on the sale of Meridian Gold Inc. (\$12.6 million), Goldcorp Inc. (\$9.8 million), Agnico-Eagle Mines Limited (\$6.9 million) and Buenaventura Ciap de Minas (\$4.0 million) accounted for most of the net realized gain on the sale of investments.

### ***Expenses***

Total expenses before income taxes for the fourth quarter was \$2.6 million compared to \$1.5 million for the same period in the previous year. On a year-to-date basis, total expenses of \$6.7 million, are up 32.0% from \$5.1 million in the prior year. Increases in management and performance fees of \$0.8 million and \$1.5 million, respectively, partially offset by a saving of \$0.6 million in interest on the bank loan, accounted for the most significant components of this change. Management fees, which are calculated monthly based on net assets, increased by 67.6%. The Manager is entitled to a performance fee of up to 2% of the Company's average total assets for the year depending upon the Company outperforming gold bullion, its benchmark. In each of the current and prior years, the Company exceeded the benchmark resulting in the maximum fee being earned.

### ***Investment Portfolio***

At January 31, 2003, the investment portfolio had unrealized gains of \$74.4 million, net of future income taxes, compared to unrealized gains of \$22.7 million in the previous year. Unrealized gains are not recognized in the statement of operations but in shareholders' equity.

At January 31, 2003, the Company's portfolio is comprised of investments based in Canada (88.7%), Australia (5.1%) and Latin America (6.2%). Approximately 70.2% of the portfolio was invested in gold related companies and 29.8% was invested in other minerals related companies.

*Dundee Precious Metals Inc., is a closed-end investment company, managed by Dynamic Mutual Funds Ltd., which provides investors with an opportunity to invest in a portfolio of primarily precious metals related and mineral investments. The principal objectives of the Company are to provide investors with capital appreciation and the provision of a hedge against inflation, while providing a portfolio diversified among issuers and geography.*

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**DUNDEE PRECIOUS METALS INC.**  
**STATEMENT OF INVESTMENT PORTFOLIO**

As at January 31, 2003 (expressed in thousands of Canadian dollars except share or unit amounts) (unaudited)

Par value/ shares or units		Cost	Carrying Value	% of Portfolio
<b>CANADIAN EQUITIES AND CONVERTIBLES</b>				
100,000	Altius Minerals Corporation, Restricted	\$ 105	\$ 175	
50,000	Altius Minerals Corporation, Purchase Warrants, May 21 04	-	25	
3,666,667	American Bonanza Gold Mining Corp., Restricted	550	1,210	
3,666,667	American Bonanza Gold Mining Corp., Purchase Warrants, Oct. 18 04	-	587	
500,000	Anatolia Minerals, Restricted	281	710	
500,000	Anatolia Minerals, Purchase Warrants, Feb. 27 04	-	367	
2,500,000	Apollo Gold Corp.	3,168	9,225	
625,000	Apollo Gold Corp., Purchase Warrants, Mar. 21 04	-	778	
479,040	Argosy Minerals Inc.	2,002	56	
3,327,945	Ariane Gold Corp.	2,324	2,097	
1,033,333	Atikwa Minerals Limited, Special Warrants	140	289	
63,329	Banro Resource Corporation	878	199	
7,264,700	Cambior Inc.	5,649	14,893	
1,600,000	Campbell Res. Inc.	960	928	
800,000	Campbell Res. Inc., Purchase Warrants, May 15 03	-	8	
200,000	Canadian Royalties Inc.	455	350	
2,762,973	Case Resources Inc. (3)	950	2,044	
500,000	Cumberland Resources Ltd.	1,405	1,390	
10,230,617	Diagem International Resource Corp. (1)	1,362	2,455	
3,875,000	Diagem International Resource Corp., Purchase Warrants (1)	-	164	
2,500,000	Eastmain Resource Inc.	750	925	
1,250,000	Eastmain Resource Inc., Purchase Warrants, May 14 03	-	63	
8,203,473	Eldorado Gold Corporation	3,761	18,458	
1,363,636	Eldorado Gold Corporation, Purchase Warrants, Feb. 20 03	-	1,977	
533,030	European Goldfields Ltd.	837	1,173	
2,425,000	FNX Mining Company Inc.	970	17,218	
3,830,300	Gabriel Resources Ltd.	5,923	17,045	
1,000,000	GlobeStar Mining Corporation, Restricted	500	950	
1,000,000	GlobeStar Mining Corporation, Purchase Warrants, Dec. 27 03	-	300	
5,306,200	Golden Queen Mining Co. Ltd. (3)	3,695	4,776	
800,000	Greystar Resources Ltd.	1,000	1,432	
2,000,000	Greystar Resources Ltd., Purchase Warrants, Jun. 11 03	-	116	
1,562,500	Hedman Resources Ltd., Restricted	500	938	
1,562,500	Hedman Resources Ltd., Purchase Warrants, June 13 04	-	344	
1,100,000	Manhattan Minerals Corp.	990	1,254	
1,764,000	Manhattan Minerals Corp., Restricted	-	1,111	
550,000	Manhattan Minerals Corp., Purchase Warrants, Sep. 18 03	-	6	
\$900	Manhattan Minerals Corp. Convertible Note	900	1,356	
2,400,000	Major Drilling Group International Inc.	8,441	9,624	
850,000	Metallic Ventures, Class A Preferred Shares	1,669	2,550	

**DUNDEE PRECIOUS METALS INC.**  
**STATEMENT OF INVESTMENT PORTFOLIO**

As at January 31, 2003 (expressed in thousands of Canadian dollars except share or unit amounts) (unaudited)

Par value/ shares or units		Cost	Carrying Value	% of Portfolio
<b>CANADIAN EQUITIES AND CONVERTIBLES (CONT'D)</b>				
700,000	Metallica Resources Inc.	\$ 1,260	\$ 1,015	
350,000	Metallica Resources Inc., Purchase Warrants, Apr. 16 03	-	4	
13,216,113	Miramar Mining Corporation (4)	21,169	24,053	
1,171,139	Miramar Mining Corporation, Warrants (4)	-	46	
12,500	Nichromet Extractions Inc., Class A Common Shares (2)	175	175	
2,698,413	Northgate Exploration Ltd.	4,838	5,262	
99,207	Northgate Exploration Ltd., Warrants, Dec. 28 06	-	63	
833,333	Northgate Exploration Ltd., Special Warrants	538	500	
130,000	Opti Canada, Class C Common Shares, Restricted (2)	1,885	1,885	
7,827,258	Pacific Rim Mining Corporation	7,859	5,009	
1,250,000	Pele Mountain Resources Inc., Restricted	250	413	
625,000	Pele Mountain Resources Inc., Purchase Warrants, Jun. 18 04	-	31	
500,000	Placer Dome Inc.	6,757	8,630	
\$3,000	Quest Ventures Ltd., participating secured loan agreement, Mar. 31 03	3,000	3,544	
368,421	Ranchgate Energy Inc.	350	431	
700,000	Rio Narcea Gold Mines Ltd.	1,092	1,575	
4,000,000	Rio Narcea Gold Mines Ltd., Special Warrants	3,200	9,900	
600,000	South Atlantic Ventures Ltd., Restricted	1,200	1,185	
300,000	South Atlantic Ventures Ltd., Purchase Warrants, Dec. 16 04	-	15	
1,704,546	Stratic Energy Corporation, Special Warrants	375	937	
12,609,228	Tahera Corporation	1,718	2,837	
3,800,000	Tahera Corporation, Purchase Warrants, Aug. 29 04	-	285	
\$2,817	Tahera Corporation, 8.00%, Convertible, Aug. 04 04	2,817	5,070	
937,500	TecnoPetrol Inc., Restricted	150	731	
468,750	TecnoPetrol Inc., Purchase Warrants Apr. 9 04	-	253	
100,000	Tempest Energy Corp., Restricted	400	520	
1,400,000	Titanium Corporation Inc.	2,492	2,870	
600,000	Titanium Corporation Inc., Escrow Shares	738	1,045	
869,329	Twin Mining Corporation	468	339	
1,222,033	Verena Minerals Corporation	896	171	
1,000,000	Western Canadian Coal Corp., Restricted	549	530	
500,000	Western Canadian Coal Corp., Purchase Warrants, Nov. 22 04	1	25	
1,825,000	Wolfden Resources Inc.	2,573	2,883	
		116,915	201,798	88.7%
<b>AUSTRALIAN EQUITIES</b>				
6,715,504	East African Gold Mines Limited (2)	7,701	9,852	
3,957,016	Revesco Group	316	390	
3,957,016	Revesco Group, Purchase Options, Nov. 11 11	117	174	
3,129,063	Red Back Mining NL	963	1,219	
		9,097	11,635	5.1%

**DUNDEE PRECIOUS METALS INC.**  
**STATEMENT OF INVESTMENT PORTFOLIO**

As at January 31, 2003 (expressed in thousands of Canadian dollars except share or unit amounts) (unaudited)

Par value/ shares or units		Cost	Carrying Value	% of Portfolio
<b>LATIN AMERICAN EQUITIES</b>				
332,530	Compañía de Minas Buenaventura SA, Sponsored ADR, Series "B"	\$ 1,891	\$ 14,049	
		1,891	14,049	6.2%
		\$ 127,903	\$ 227,482	100.0%

*The accompanying notes are an integral part of these financial statements.*

- (1) 355,617 shares of Diagem International Resource Corp. are not freely tradeable.  
The Diagem purchase warrants are exercisable between February 2003 and March 2004 at prices ranging from \$0.23 to \$0.33.
- (2) Shares of a private company which are not freely tradeable.
- (3) 346,306 and 2,800,000 shares of Case Resources Inc. and Golden Queen Co. Ltd., respectively, are not freely tradeable.
- (4) Hope Bay Gold Corporation Inc. shares and warrants were converted into Miramar Mining Corporation securities following the amalgamation of these two entities. The purchase warrants are exercisable between April 2003 to August 2003 at prices ranging from \$1.63 to \$2.47.

**DUNDEE PRECIOUS METALS INC.**  
**STATEMENTS OF FINANCIAL POSITION**

**As at January 31**  
**(expressed in thousands of Canadian dollars except per share amounts) (unaudited)**

	<b>2003</b>	<b>2002</b>
<b>Assets</b>		
Investments at carrying value (Cost - \$127,903; 2002 - \$92,513)	\$ 227,482	\$ 122,869
Cash	910	5,087
Receivable for investment securities sold	-	1,548
Interest, dividends and other receivables	372	66
Income taxes recoverable	-	7,361
	<b>228,764</b>	<b>136,931</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 675	565
Performance fees payable	3,744	2,278
Bank loan (Note 2)	3,800	-
Income taxes payable	6,101	-
Future income taxes	26,253	17,832
	<b>40,573</b>	<b>20,675</b>
<b>Shareholders' Equity</b>		
Capital stock, warrants and contributed surplus (Note 3)	82,738	84,444
Retained earnings	31,033	9,073
Unrealized appreciation in market value of investments, net of future income taxes of \$25,159 (2002 - \$7,617)	74,420	22,739
<b>Net Assets Represented By Shareholders' Equity</b>	<b>188,191</b>	<b>116,256</b>
	<b>\$ 228,764</b>	<b>\$ 136,931</b>
<b>Net Asset Value Per Share</b>	<b>\$ 27.30</b>	<b>\$ 16.62</b>

*The accompanying notes are an integral part of these financial statements.*

**DUNDEE PRECIOUS METALS INC.**  
**STATEMENTS OF OPERATIONS AND RETAINED EARNINGS**  
**For the Three and Twelve Months ended January 31**

(expressed in thousands of Canadian dollars except per share amounts) (unaudited)

	Three Months		Twelve Months	
	2003	2002	2003	2002
<b>Investment Income</b>				
Dividends	\$ 94	\$ 62	\$ 480	\$ 437
Interest income	154	88	759	335
Other Income	325	-	445	-
	573	150	1,684	772
Net realized gain on sale of investments	1,217	7,136	32,607	1,804
	1,790	7,286	34,291	2,576
<b>Expenses</b>				
Management fees	560	301	1,882	1,123
Performance fees	1,645	751	3,744	2,278
Interest on bank loan	108	124	173	757
Administrative and other expenses	188	184	552	630
Goods and services and other taxes	115	154	379	312
	2,616	1,514	6,730	5,100
<b>Other Income</b>				
Interest income received on income tax reassessments	2	159	2	499
<b>Income (Loss) Before Taxes</b>	(824)	5,931	27,563	(2,025)
<b>Provision for (Recovery of) Income Taxes</b>				
Current	8,033	(241)	14,724	321
Future	(7,434)	(80)	(9,121)	(1,562)
	599	(321)	5,603	(1,241)
<b>Net Income (Loss)</b>	\$ (1,423)	\$ 6,252	\$ 21,960	\$ (784)
<b>Net Income (Loss) Per Share</b>	\$ (0.23)	\$ 0.89	\$ 3.16	\$ (0.11)
<b>Retained Earnings</b>				
Balance, beginning of period	\$ 32,456	\$ 2,821	\$ 9,073	\$ 9,857
Net income (loss)	(1,423)	6,252	21,960	(784)
Balance, end of period	\$ 31,033	\$ 9,073	\$ 31,033	\$ 9,073

The accompanying notes are an integral part of these financial statements.

**DUNDEE PRECIOUS METALS INC.**  
**STATEMENTS OF CHANGES IN INVESTMENTS**  
**For the Three and Twelve Months ended January 31**

(expressed in thousands of Canadian dollars) (unaudited)

	Three Months		Twelve Months	
	2003	2002	2003	2002
Investments at carrying value, beginning of period	\$ 166,733	\$ 115,287	\$ 122,869	\$ 90,112
Unrealized (appreciation) depreciation in the carrying value of investments, beginning of period	(33,309)	(10,076)	(30,356)	17,055
Investments at cost, beginning of period	133,424	105,211	92,513	107,167
Cost of investments purchased during the period	3,195	4,190	86,076	16,052
Cost of investments sold during the period				
Proceeds from sales	(9,927)	(24,024)	(83,293)	(32,510)
Net realized gain on sale of investments	1,211	7,136	32,607	1,804
	(8,716)	(16,888)	(50,686)	(30,706)
Investments at cost, end of period	127,903	92,513	127,903	92,513
Unrealized appreciation in the carrying value of investments, end of period	99,579	30,356	99,579	30,356
Investments at carrying value, end of period	\$ 227,482	\$ 122,869	\$ 227,482	\$ 122,869

*The accompanying notes are an integral part of these financial statements.*

**STATEMENTS OF CHANGES IN NET ASSETS**  
**For the Three and Twelve Months ended January 31**

(expressed in thousands of Canadian dollars except per share amounts) (unaudited)

	Three Months		Twelve Months	
	2003	2002	2003	2002
Net income (loss)	\$ (1,423)	\$ 6,252	\$ 21,960	\$ (784)
Change in unrealized appreciation in carrying value of investments, net of future income taxes	49,526	15,493	51,681	35,005
Purchase of Class A shares (Note 3)	-	(444)	(1,706)	(642)
Changes in net assets during the period	48,103	21,301	71,935	33,579
Net assets, beginning of period	140,088	94,955	116,256	82,677
Net assets, end of period	\$ 188,191	\$ 116,256	\$ 188,191	\$ 116,256
Net asset value per share	\$ 27.30	\$ 16.62	\$ 27.30	\$ 16.62

*The accompanying notes are an integral part of these financial statements.*

**DUNDEE PRECIOUS METALS INC.**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
For the twelve month periods ended January 31, 2003 and 2002

(tabular amounts in thousands of Canadian dollars) (unaudited)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

The financial statements of Dundee Precious Metals Inc. (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting principles and methods of application as those disclosed in Note 2 to the Company's financial statements for the year ended January 31, 2002. These interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2002.

**2. BANK LINE OF CREDIT**

The Company has a revolving term credit facility with a Canadian chartered bank (the "Bank") for an amount no greater than the lesser of \$25,000,000, 25% of the value of the net assets of the Company, or 100% of the net asset value of cash, cash equivalents and securities held by the Company that are traded on a recognized stock exchange and have a trading value of greater than \$2.00. This facility matures on March 12, 2004 but, if requested in writing, may be extended each year for a further year with the approval of the bank.

**3. CAPITAL STOCK, WARRANTS AND CONTRIBUTED SURPLUS**

Total capital stock, warrants and contributed surplus outstanding at January 31, 2003 was:

	Number	Amount
<b>Class A shares</b>		
Balance, January 31, 2002	6,991,972	\$80,760
Shares purchased and cancelled	(102,000)	(1,178)
Balance, January 31, 2003	6,889,972	79,582
<b>Class A share purchase warrants</b>	2,520,000	2,520
<b>Common shares</b>	3,000	1
<b>Contributed surplus</b>		635
		<b>\$82,738</b>

**a) Warrants**

Each warrant entitles the holder to purchase one Class A share at any time up to February 20, 2004 at \$25.00 per share.

**b) Shares Purchased**

During the twelve month period ended January 31, 2003 the Company purchased and cancelled 102,000 Class A shares under its normal course issuer bid. The difference between the stated capital of \$1,178,100 of these shares and the cash consideration paid of \$1,705,869 (\$16.72 per share) was allocated to contributed surplus.

**c) Per Share Information**

The weighted average number of common shares outstanding during the twelve month periods ended January 31, 2003 and 2002 was 6,951,897 and 7,038,089, respectively.