



DUNDEE PRECIOUS ACQUIRES OPTION TO PURCHASE BULGARIAN MINING ASSETS OF NAVAN MINING PLC

IMMEDIATE RELEASE

Toronto, August 7, 2003 - Dundee Precious Metals Inc. (DPM.A, DPM.WT.A-TSX) (DPMI) announced today that its wholly-owned subsidiary, Dundee Precious (Barbados) Inc. (DPBI), has acquired an option to purchase the Bulgarian companies of Navan Mining plc which own the Chelopech gold-copper mine and exploration properties located in the Rhodope Metallogenic Belt. The most advanced prospect is the Ada Tepe deposit which is located on the Krumovgrad license. The option expires August 15, 2003.

The purchase price for the Bulgarian company which owns the exploration properties consists of US\$10 million payable on completion of the transaction, US\$4 million payable in equal quarterly payments between December 31, 2004 and December 31, 2005, and US\$12.5 million payable when the Bulgarian Government has granted the approvals necessary for mining at Ada Tepe. In addition, a 1% gross royalty is payable on the exploration properties other than the Krumovrad license. DPBI may also acquire the Bulgarian companies which own the Chelopech Mine and approximately US\$25 million in inter-corporate advances by the Navan Group companies to the Bulgarian companies for a nominal amount.

The following tables reflect the indicated and inferred resources of the Ada Tepe deposit as at October 25, 2002. Using the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code") as estimated by Dr. Julian F.H. Barnes of RSG Global. Dr. Barnes is a "qualified person" within the meaning of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101"). Using a 0.5 g/t cutoff, the Ada Tepe resource estimate is as follows:

ZONE	RESOURCE CATEGORY ⁽¹⁾	TONNES (Mtonnes)	GOLD		SILVER ⁽²⁾	
			Grade (g/t)	Ounces (x 1000)	Grade (g/t)	Ounces (x 1000)
WALL	Indicated	1.49	7.3	350	4.3	207
TOTAL INDICATED	Indicated	1.49	7.3	350	4.3	207
WALL	Inferred	0.51	3.5	57	2.5	40
UPPER - NORTH	Inferred	1.75	1.7	96	0.9	89
UPPER - SOUTH	Inferred	6.47	2.4	498	0.8	213
TOTAL INFERRED	Inferred	8.74	2.3	651	1.2	342

Using a 1.0 g/t cutoff, the Ada Tepe resource estimate is as follows:

ZONE	RESOURCE CATEGORY ⁽¹⁾	TONNES (Mtonnes)	GOLD		SILVER ⁽²⁾	
			Grade (g/t)	Ounces (x 1000)	Grade (g/t)	Ounces (x 1000)
WALL	Indicated	1.48	7.3	350	4.3	207
TOTAL INDICATED	Indicated	1.48	7.3	350	4.3	207
WALL	Inferred	0.40	4.2	54	2.9	37
UPPER - NORTH	Inferred	0.77	3.0	74	0.9	30
UPPER - SOUTH	Inferred	3.50	3.8	431	0.9	153
TOTAL INFERRED	Inferred	4.67	3.7	559	1.5	220

Using a 1.5 g/t cutoff, the Ada Tepe resource estimate is as follows:

ZONE	RESOURCE CATEGORY ⁽¹⁾	TONNES (Mtonnes)	GOLD		SILVER ⁽²⁾	
			Grade (g/t)	Ounces (x 1000)	Grade (g/t)	Ounces (x 1000)
WALL	Indicated	1.44	7.5	348	4.4	205
TOTAL INDICATED	Indicated	1.44	7.5	348	4.4	205
WALL	Inferred	0.31	5.1	51	3.3	33
UPPER - NORTH	Inferred	0.48	4.0	63	0.9	11
UPPER - SOUTH	Inferred	2.32	5.1	385	1.0	119
TOTAL INFERRED	Inferred	3.12	5.0	498	1.6	163

- (1) Mineral resources, which are not mineral reserves, do not have a demonstrated economic viability.
- (2) The silver grades represent the data contained within those "parent" blocks which return a gold grade above the stated cut off grade.

The foregoing resource estimates are based on 12,440 metres of reverse circulation and diamond drilling in 145 holes and 10,218 metres of surface channel sampling. A total of 4,546 metres of reverse circulation drilling and 7,894 metres of diamond drilling have been completed to date at Ada Tepe.

Resource estimates for Ada Tepe were prepared using multiple indicator kriging ("MIK") and ordinary kriging as the principal estimation methodologies for gold and silver, using a "parent" block size of 25 metres Easting by 25 metres Northing by 5 metres RL. The mineralization has been subdivided into three zones: the Wall zone, the Upper North zone and the Upper South zone. The Wall zone resource was estimated using ordinary kriging for both gold and silver. Gold estimates for the Upper North and Upper South zones were

produced using MIK. Post processing of the MIK results was undertaken to produce "parent" block or E-type estimates, followed by a selective mining unit ("SMU") emulation of 5 metres Easting, 5 metres Northing and 2.5 metres RL using a change of support from the initial MIK estimate for the parent block size estimate. The Upper North and Upper South zone silver resource was estimated using ordinary kriging for the parent block size, without a SMU emulation.

Inverse distance squared and nearest neighbour estimation was employed as a check estimate for gold and silver.

Assuming completion of the transaction, DPMI intends to spend approximately US\$5 million over the next two years to complete a 25 metre x 25 metre drill-out of the Ada Tepe deposit in order to upgrade the resource category that was determined by RSG Global, complete a bankable feasibility study and assess the potential of the four satellite prospects which are located within a three kilometre radius of the Ada Tepe deposit. In addition, it is estimated that a capital expenditure of approximately US\$45 million will be required to permit and build a 150,000 ounce per year production facility at Ada Tepe within the next four years. It is anticipated that a further US\$550,000 will be spent over two years to explore the Perunika, Nedelino, Dospat and Brestovo licence areas which are also located in the Rhodope Metallogenic Belt. Work will include a systematic and comprehensive stream sediment geochemical programme, mapping and surface trenching. The total area of this land package is 840 square kilometres.

The following table reflects the measured, indicated and inferred resources of the Chelopech gold-copper mine as at April 2003, using the classifications adopted by the Canadian Institute of Mining, Metallurgy and Petroleum on August 20, 2000 as estimated by Dr. Julian F.H. Barnes of RSG Global. Dr. Barnes is a "qualified person" within the meaning of NI 43-101.

RESOURCE CATEGORY	GOLD EQUIV. CUT OFF	TONNES	GOLD EQUIV.	COPPER		GOLD		SILVER		SULPHUR	ARSENIC
				Grade	Metal	Grade	Metal	Grade	Metal		
	(g/t)	(*1000)	(g/t)	(%)	(tonnes)	(g/t)	(ounces)	(g/t)	(ounces)	(%)	(%)
Measured	2	5,729	5.7	1.3	7,600	3.1	571,000	13	2,330,000	14	0.38
	3	4,909	6.3	1.5	7,100	3.4	536,000	14	2,170,000	15	0.43
	4	3,831	7.1	1.6	6,300	3.8	467,000	15	1,860,000	16	0.49
Indicated	2	23,340	5.4	1.2	27,000	3.1	2,328,000	9	6,410,000	13	0.34
	3	18,830	6.2	1.3	25,000	3.5	2,124,000	9	5,670,000	13	0.39
	4	14,040	7.1	1.5	21,000	4.0	1,816,000	10	4,650,000	14	0.45
Measured and Indicated	2	29,069	5.5	1.2	34,600	3.1	2,899,000	9	8,740,000	13	0.35
	3	23,739	6.2	1.4	32,100	3.5	2,660,000	10	7,840,000	14	0.39
	4	17,871	7.1	1.5	27,300	4.0	2,283,000	11	6,510,000	15	0.46
Inferred	2	89,070	3.9	0.9	76,000	2.2	6,329,000	7	20,350,000	11	0.22
	3	47,800	5.2	1.1	53,000	2.9	4,529,000	8	12,870,000	11	0.30
	4	27,370	6.5	1.4	38,000	3.7	3,273,000	9	8,150,000	12	0.38

(1) Mineral resources, which are not mineral reserves, do not have a demonstrated economic viability.

The resource estimates for the Chelopech gold-copper mine were based on various available data sources including geological knowledge and interpretation, variogram models and the ranges of the first structure in multi-structure models, drilling density and estimation statistics. Copper, gold, silver and sulphur grades have been estimated into a 3-D sub-blocked block model of the Chelopech deposit by ordinary kriging, while arsenic grades have been estimated by linear regression from the ordinary kriged copper estimates. The block model was constructed using appropriate 3-D extents and block dimensions defined with detailed consideration of the average data spacing, the modelled geological framework, the configuration of the existing mine development and anticipated requirements for underground mine planning.

The bulk density for the resource estimation was based on the density formula that is in use at the Chelopech gold-copper mine. Following recommendations from RSG Global a total of 322 density samples were collected from existing diamond drill core. The bulk density of the samples were measured in triplicate at an independent ISO 9002 accredited analytical laboratory in Sofia, Bulgaria. Statistical analysis has been undertaken on the comparison between the densities based on the "mine density" formula using the assay data for the intervals represented by the 322 density samples and the new set of density data. Comparative grade tonnage reporting, using the current mine density formula and regressions based on the new density data, indicate that the differences are minimal and not material. Additional density data will be collected to further refine the density measurements of the Chelopech gold-copper deposit.

The Chelopech gold-copper mine has a nominal output of 800,000 tonnes per annum for production of 70,000 tonnes of gold-copper concentrate but is currently operating at an output of approximately 500,000 tonnes per annum for production of 44,000 tonnes of concentrate. Performance of the mine has deteriorated to the current level due to lack of capital investment and the mine currently sustains an operating loss of approximately US\$500,000 per month. Assuming completion of the transaction, DPMI intends to invest

US\$25 million over the next 2.5 years to construct a new production ramp, up-grade equipment and carry out the development work necessary in order to operate the mine at a nominal output of 1,500,000 tonnes per annum. A second phase investment program would involve the building of an autoclave and metal recovery facility which would enable production of gold doré and copper cathode at the mine.

In connection with acquiring the option, Jonathan Goodman, President of DPML, stated:

"This marks a new era for DPML. We believe that these are quality assets and we are very excited about the prospects of the country and these assets."

Dundee Precious Metals Inc. is a publicly traded, closed-end investment company, managed by Dynamic Mutual Funds Ltd., which is part of the Dundee Bancorp Group of Companies. The Dundee Bancorp Group has a long history in the gold mining business as the originator of many gold mining initiatives including International Corona Corporation, Kinross Gold Corporation and Repadre Capital Corporation. Management is confident that the Bulgarian assets of Navan have the attributes to be next on that list.

The foregoing technical and scientific information has been taken from information prepared by Dr. Julian F. H. Barnes of RSG Global. Dr. Barnes, a "qualified person" within the meaning of NI 43-101, and RSG Global are at arm's length to DPML.

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