



**DUNDEE PRECIOUS METALS PROPOSES TO CONVERT INTO AN
OPERATING GOLD MINING COMPANY, SPLIT ITS SHARES ON A 5 FOR 1 BASIS
AND ELIMINATE DUAL CLASS SHARE STRUCTURE**

FOR IMMEDIATE RELEASE

Toronto, February 24, 2004 - Dundee Precious Metals Inc. (DPM.A – TSX) (“Dundee Precious” or the “Company”) announced today that, subject to shareholder approval, it plans to convert the Company from a closed-end precious metals investment company to an operating gold mining company.

Jonathan Goodman, the Company’s President and CEO noted, “In our last Annual Report we said that we would be leaving all our options open as to how we ultimately finance our Bulgarian gold mining assets. We are now of the view that the opportunities available outweigh the risks and that it is in every shareholders interest to convert to an operating gold mining company at this time. The primary motivation for this change is to provide shareholders with advantages that will accrue from the quality of the Company’s gold mining assets in Bulgaria. We feel that we were fortunate to acquire these assets and the best opportunity for shareholders to benefit from this purchase is to change the mandate of the Company.”

On September 30, 2003, the Company, through a wholly-owned subsidiary, acquired certain Bulgarian companies holding mining assets of Navan Mining plc. These assets included Chelopech, an operating gold/copper mine in Central Bulgaria, which is operating at about 500,000 tonnes of ore per year from underground workings.

The Company plans to spend approximately US\$40 million in capital to upgrade these operations such that production capability will be 1.5 million tonnes per annum. The Company is currently infill drilling this deposit to bring the resources to a higher degree of confidence and to optimise the ultimate throughput rate.

The resources at Chelopech are as follows:

Chelopech Project Mineral Resources

Mineral Resource Category ⁽¹⁾	Tonnes	Gold Equiv. (g/t)	Copper		Gold		Silver	
			Grade	Metal	Grade	Metal	Grade	Metal
			(%)	(tonnes)	(g/t)	(ounces)	(g/t)	(ounces)
Measured	3,831	7.1	1.6	6,300	3.8	467,000	15	1,860,000
Indicated	14,040	7.1	1.5	21,000	4.0	1,816,000	10	4,650,000
Measured and Indicated	17,871	7.1	1.5	27,300	4.0	2,283,000	11	6,510,000
Inferred	27,370	6.5	1.4	38,000	3.7	3,273,000	9	8,150,000

- (1) The Mineral Resource estimate for the Chelopech Copper-Gold Project has been prepared by Ben Palich and Dr. Julian F. H. Barnes of RSG Global. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on CIM Standards.
- (2) The Mineral Resources were estimated using a gold equivalent cut-off grade of 4.0 g Au/t.
- (3) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Exploration activities exist around a potential open pit mine– Ada Tepe – in eastern Bulgaria, which is currently undergoing a feasibility study to determine its capital costs and potential. Initial scoping estimates are that the mine will produce about 150,000 ounces of gold per year for a six year life at a low cash cost. The resources at Ada Tepe are as follows:

Ada Tepe Mineral Resources

Zone	Resource Category ⁽¹⁾	Tonnes	Gold		Silver ⁽²⁾	
			Grade	Ounces	Grade	Ounces
			(g/t)		(g/t)	
Wall	Indicated	1,480	7.3	350,000	4.3	207,000
Total Indicated	Indicated	1,480	7.3	350,000	4.3	207,000
Wall	Inferred	400	4.2	54,000	2.9	37,000
Upper – North	Inferred	770	3.0	74,000	0.9	30,000
Upper – South	Inferred	3,500	3.8	431,000	0.9	153,000
Total Inferred	Inferred	4,670	3.7	559,000	1.5	220,000

- (1) The Mineral Resource estimate for the Ada Tepe Project has been prepared by Brett Gossage and Dr. Julian F. H. Barnes of RSG Global. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on CIM Standards.
- (2) The Mineral Resources were estimated using a gold equivalent cut-off grade of 1.0 g Au/t.
- (3) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
- (4) The silver grades represent the data contained within those “parent” blocks which return a gold grade above the stated cut-off grade.

These two assets will form the initial base of Dundee Precious' operating activities. It is the Company's intention to concentrate on the development of these assets. The Company currently has over CDN\$60 (US\$45) million in cash and a strategic portfolio of marketable securities. The Company believes that this transformation will benefit shareholders in the following ways:

- the ability to realize the full potential of its Bulgarian gold mining assets while maintaining 100% ownership
- the discount at which the Dundee Precious Class A share price currently trades to published net asset value should be reduced
- a simplified organizational and share structure

In order to convert from a closed-end precious metals investment company to an operating gold mining company, it was determined to be in the Company's best interests to negotiate the termination of the investment management contract currently in place with the manager – Goodman & Company, Investment Counsel Ltd. (the "Manager"). The Manager has agreed to facilitate this objective subject to a termination settlement payment which has been determined by an independent financial advisor to an independent committee of the board of directors of the Company to be fair, from a financial point of view, to the disinterested shareholders.

The contract to manage the affairs of the Company has been in existence for over 20 years. The Manager has been fully responsible for the management and investment of the Company's assets in accordance with the Company's policies. The investment management agreement provides for successive, five year renewal periods. The contract was last renewed in July 2003 and the contract renewal period runs until January 31, 2009. The agreement does not provide for a right of early termination during a five-year renewal term, except for cause, which then would require the consent of at least two thirds of the shares represented at a duly called meeting of shareholders.

The Manager holds 100% of the Company's 3,000 outstanding Common Shares and its affiliate Dundee Bancorp Inc. holds 845,311, representing approximately 9%, of the outstanding Class A Shares of the Company. Both the Manager and Dundee Bancorp Inc. are in favour of terminating the investment management contract to allow the Company to pursue its new mandate. As part of the consideration of termination, the Manager has agreed to convert the Company's 3,000 outstanding Common Shares owned by the Manager into 3,000 Class A Shares for no additional consideration, allowing the Company to continue with one class of shares.

The Company has entered into a termination agreement with the Manager as of today's date. This agreement provides for the issuance of 925,000 Class A Shares of the Company and the granting of an option entitling the Manager to purchase up to 500,000 Class A Shares of the Company at a price of \$36.57 per share, which is the published, fully diluted net asset value per share as of February 20, 2004. This option is only exercisable for two business days following approval of the proposed changes at the special meeting of the Company's shareholders.

The termination of the investment management contract is a related party transaction within the meaning of Ontario Securities Commission Rule 61-501 and Policy Q-27 of the L'Autorité des Marché Financiers in Québec because of the ownership position of both the Manager and its affiliate, Dundee Bancorp Inc.

The proposed transaction is exempt from the valuation and shareholder approval requirements of the regulatory process. However, termination of the investment management contract will be conditional upon a majority of disinterested Dundee Precious Class A Shareholders voting in favour of the terms arrived at to terminate the investment management contract and the receipt of all requisite regulatory approvals including, but not limited to, The Toronto Stock Exchange.

The Company is also proposing to re-designate the Class A Shares as Common Shares and split its shares on a five for one basis.

The board of directors of the Company constituted a committee of independent directors to consider and review these matters. The independent committee was chaired by William Wilson, the Company's Chairman, and included Peter Steen, Ronald Singer, John Lydall, Peter Nixon and Peter Cavelti, all being independent directors of Dundee Precious. BMO Nesbitt Burns Inc. was engaged as financial advisor by the independent committee, and has provided an opinion on the fairness, from a financial point of view, to the disinterested shareholders of the consideration to be paid to the Manager for agreeing to the termination of the investment management agreement.

The independent committee determined that proceeding with a change of the Company's mandate and entering into the termination agreement is in the best interests of shareholders and recommended approval. In the opinion of BMO Nesbitt Burns Inc., the consideration to be paid to the Manager for agreeing to terminate the investment management agreement is fair, from a financial point of view, to the disinterested shareholders of Dundee Precious.

Mr. Jonathan Goodman will continue as CEO overseeing the Company's operations. In addition, the Company has secured a strong team of financial and mining professionals in Canada and Bulgaria.

"The Company is fortunate to be able to retain Jonathan Goodman's expertise and professional training to oversee the development of the Company's Bulgarian gold mining assets for the benefit of shareholders" stated William Wilson, Chairman of the Company and the independent committee.

The independent directors of Dundee Precious have unanimously recommended that shareholders approve the change of the Company's mandate and the termination of the investment management agreement. A special meeting of the Company's shareholders has been scheduled for April 15, 2004.

This press release uses the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. “Inferred Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995: Except for the statements of historical fact contained herein, the information presented constitutes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including but not limited to those with respect to the price of gold, silver and copper, the timing and amount of estimated future production, costs of production, reserve determination and reserve conversion rates involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Dundee Precious Metals Inc. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, risks related to international operations, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of gold, silver and copper. Although Dundee Precious Metals Inc. has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.

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