

**DUNDEE PRECIOUS METALS REPORTS
 SECOND QUARTER 2009 RESULTS**

(All monetary figures are expressed in Canadian Dollars unless otherwise stated)

Toronto, Ontario, July 30, 2009 – Dundee Precious Metals Inc. (“DPM” or the “Company”) (TSX: DPM; DPM.WT; DPM.WT.A) today announced its unaudited results for the second quarter ended June 30, 2009. DPM reported second quarter net earnings of \$3.3 million (basic and diluted net earnings per share of \$0.03). This compares with a second quarter 2008 net loss of \$14.1 million (basic and diluted net loss per share of \$0.23).

“Second quarter results were characterized by strong operating performance at Chelopech that is expected to continue into the future and a restart of operations at Deno Gold with a considerably improved cost structure,” noted Jonathan Goodman, DPM President & CEO. “In addition, the Company is now positioned to ramp-up construction on the Chelopech mine and mill expansion project in the third quarter of this year, which will position it as a low cost producer.”

The following table summarizes the Company’s financial and operating results for the periods indicated:

<i>\$ millions, except per share amounts</i> Ended June 30,	Three Months		Six Months	
	2009	2008	2009	2008
Net Revenue	\$ 32.7	\$ 32.7	\$ 59.7	\$ 72.5
Cost of Sales	23.2	28.8	46.6	50.7
Gross Profit from Mining Operations	9.5	3.9	13.1	21.8
Investment and Other Income (Expense)	1.1	(1.4)	0.2	1.0
Net Earnings (Loss)	3.3	(14.1)	(2.8)	(5.7)
Basic Net Earnings (Loss) Per Share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)
Diluted Net Earnings (Loss) Per Share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)
Net Cash Provided By (Used in) Operating Activities	(2.2)	21.7	(14.9)	14.3
Capital Expenditures	(7.7)	(27.6)	(16.2)	(47.4)
Proceeds on Sale of Short-term Investments	34.7	-	29.1	-
Proceeds on Sale of Exploration Property	7.0	-	7.0	-
Other Investing Activities	(1.1)	16.9	(2.4)	20.0
Financing Activities	(1.6)	(1.3)	(2.5)	(1.9)
Net Increase (Decrease) in Cash	\$ 29.1	\$ 9.7	\$ 0.1	\$ (15.0)
Concentrate Produced (mt)				
Chelopech	18,902	11,987	35,207	26,170
Deno Gold	3,173	2,704	3,173	4,589
Cash Cost per tonne Ore Processed (US\$/t) ¹				
Chelopech	\$ 62.34	\$ 68.03	\$ 55.25	\$ 63.52
Deno Gold	\$ 66.66	\$ 110.65	\$ 66.66	\$ 109.05

¹ A reconciliation of the Company’s cash cost per tonne ore processed to cost of sales under Canadian GAAP for the second quarters of 2009 and 2008 is shown in the table entitled “Non-GAAP Financial Measures.”

SECOND QUARTER 2009 - FINANCIAL HIGHLIGHTS

- Second quarter of 2009 financial results, relative to second quarter of 2008, benefited from improved operating performance at Chelopech and Deno Gold, an 86% reduction in exploration expense and a 23% reduction in administrative expense.
- Net earnings in the second quarter of 2009 were \$3.3 million compared to a net loss of \$14.1 million in the corresponding prior year period. The increase in earnings was primarily due to higher gross profit from mining operations and a decrease in exploration and administrative expenses. The increase in gross profit from mining operations was primarily due to higher deliveries of concentrates produced at Chelopech, lower production costs at Chelopech and reduced operating loss at Deno Gold. These positive variances were partially offset by a 45% decrease in copper price in the second quarter of 2009 relative to the corresponding prior year period.
- The Chelopech operations reported net revenue of \$34.1 million on corresponding concentrate deliveries of 17,685 tonnes. Chelopech cash cost per tonne of ore processed¹ in the period was 8% lower than the corresponding prior year period due to the favourable impact of a 13% depreciation of the average Euro to U.S. dollar exchange rate, higher volumes of material processed, lower employment expenses and reduced spending on services as a result of cost savings initiatives. These favourable variances were partially offset by higher royalties reflecting the new royalty rates effective July 31, 2008, higher spending on backfill resulting from higher volumes of backfill placed in stopes and higher prices for and usage of certain materials.
- Following its restart in April 2009 and despite lower than planned copper grades due to excess mine dilution experienced in several high grade copper veins, Deno Gold achieved full production of 30,000 tonnes of ore mined in the month of June. Immediate action has been taken to address the copper grade shortfalls and further modifications are being introduced to realize additional manpower savings. Deno Gold's operating loss in the period was \$3.0 million lower than the prior year corresponding period due to improved and more efficient operations. Deno Gold cash cost per tonne of ore processed¹ in the period was 40% lower than the corresponding prior year period due to a 20% devaluation of the Armenian dram relative to the U.S. dollar, improved operating performance and reductions in headcount and external contractors. Improved grades and metal recovery rates resulted in a 17% increase in concentrate production compared to the second quarter of 2008.
- Working capital requirements in the second quarter of 2009 increased by \$8.4 million due primarily to an increase in inventories as a result of a build-up of concentrate inventories at Deno Gold following the restart of operations, an increase in accounts receivable resulting from increased revenue in the period and a decrease in accounts payable.
- As at June 30, 2009, DPM had cash, cash equivalents and short-term investments of \$74.9 million compared to \$104.0 million at December 31, 2008.

¹ A reconciliation of the Company's cash cost per tonne ore processed to cost of sales under Canadian GAAP for the second quarters of 2009 and 2008 is shown in the table entitled "Non-GAAP Financial Measures."

SIGNIFICANT ITEMS

- In the second quarter of 2009, activities related to the Chelopech mine and mill expansion project progressed in the areas of the paste fill plant, upgrade to the tailings facility and modifications to the process circuit to allow tailings reclaim.
- On June 9, 2009, DPM completed its previously announced sale of the Back River exploration project in Nunavut to Sabina Silver Corporation ("Sabina"). Pursuant to the transaction, the Company received in exchange for the Back River project a cash payment of \$7 million, 17 million Sabina common shares and 10 million Special Warrants, each exercisable for one common share and ½ common share purchase warrant upon Sabina achieving certain exploration and production milestones or upon the occurrence of certain other events. On June 30, 2009, the Sabina investment was valued at \$24.1 million, of which a) \$16.0 million related to Sabina common shares and b) \$8.1 million related to Sabina Special Warrants.
- The Company is currently evaluating value enhancing strategic opportunities available to it in respect of its Serbian assets.

A complete set of DPM's Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the second quarter ended June 30, 2009 will be posted on the Company's website at www.dundeeprecious.com and will be filed on Sedar at www.sedar.com.

CONFERENCE CALL

DPM will be holding an analyst call to present its Second Quarter 2009 Financial Results on Friday, July 31, 2009 at 8.30 a.m. (EST).

The call will be webcast live (audio only) at:
<http://events.onlinebroadcasting.com/dundee/073109/index.php>

The audio webcast for this conference call will be archived and available on the Company's website at www.dundeeprecious.com.

OVERVIEW

DPM is a Canadian-based, international mining company engaged in the acquisition, exploration, development and mining of precious metal properties. Its common shares and share purchase warrants (symbols: DPM; DPM.WT; DPM.WT.A) are traded on the Toronto Stock Exchange ("TSX"). DPM's business objectives are to identify, acquire, finance, develop and operate low-cost, long-life mining properties.

The Company's operating interests include its 100% ownership of Chelopech Mining EAD ("Chelopech"), a gold, copper, silver concentrates producer, owner of the Chelopech mine located approximately 70 kilometres east of Sofia, Bulgaria, and a 95% interest in VatrIn Investment Limited ("VatrIn"), a private entity which holds 100% of Deno Gold Mining Company CJSC ("Deno Gold"), its principal asset being the Kapan mine, a gold, copper, zinc, silver concentrates producer located about 320 kilometres south east of the capital city of Yerevan in Southern Armenia. DPM's interests also include a 100% interest in the Krumovgrad development stage gold property located in south eastern Bulgaria, near the town of Krumovgrad, and numerous exploration properties in one of the larger gold-copper-silver mining regions in Serbia.

SUMMARIZED FINANCIAL RESULTS

Net Revenue

Net revenue from the sale of concentrates of \$32.7 million in the second quarter of 2009 was comparable to the net revenue in the second quarter of 2008. The benefits of higher deliveries of concentrates produced at Chelopech due to increased volume of ore mined and processed, higher metal grades and metal recovery rates in the second quarter of 2009 relative to the prior year period and the favourable impact of a weaker Canadian to U.S. dollar exchange rate were offset by a 45% decrease in copper price and lower deliveries of concentrates produced at Deno Gold. A weaker Canadian to U.S. exchange rate in the second quarter of 2009, compared to the corresponding prior year period, increased revenue by \$4.7 million. Deliveries of concentrates produced at Chelopech of 17,685 tonnes in the second quarter of 2009 were 49% higher than second quarter of 2008 deliveries of 11,891 tonnes. Deliveries of concentrates produced at Deno Gold of 905 tonnes in the second quarter of 2009 were lower than deliveries of 3,592 tonnes in the second quarter of 2008 due to a build-up of concentrate inventories following the restart of operations in April 2009. Net favourable mark-to-market adjustments and final settlements of \$1.3 million, related to the open positions of provisionally priced concentrate sales, were recorded in the second quarter of 2009 compared to net unfavourable mark-to-market adjustments and final settlements of \$1.5 million in the second quarter of 2008. In the second quarter of 2009, DPM recorded unrealized and realized losses on its copper derivatives of \$0.3 million and \$2.5 million, respectively. The copper derivative contracts were entered into to mitigate substantially all the copper price exposure and associated earnings volatility as a result of the time lag between the receipt of provisional sales revenue associated with the contractual sales of concentrates and the specified final pricing period.

Net revenue from the sale of concentrates of \$59.7 million in the first six months of 2009 was \$12.7 million or 18% lower than the corresponding prior year period due primarily to a 50% decrease in copper price and lower deliveries of concentrates produced at Deno Gold partially offset by higher deliveries of concentrates produced at Chelopech and the favourable impact of a weaker Canadian to U.S. dollar exchange rate, which increased revenue by \$9.7 million in the period. Deliveries of concentrates produced at Chelopech of 34,258 tonnes in the first six months of 2009 were 13% higher than the corresponding prior year period deliveries of 30,420 tonnes due to increased production in 2009. Deliveries of concentrates produced at Deno Gold of 905 tonnes in the first six months of 2009 were lower than deliveries of 4,464 tonnes in the corresponding prior year period due to a build-up of concentrate inventories in the second quarter of 2009. Deno Gold was on care and maintenance in the first quarter of 2009. Net favourable mark-to-market adjustments and final settlements of \$5.9 million, related to the open positions of provisionally priced concentrate sales, were recorded in the first six months of 2009 compared to net favourable mark-to-market adjustments and final settlements of \$1.3 million recorded in the corresponding prior year period. In the first six months of 2009, DPM recorded unrealized and realized losses on its copper derivatives of \$0.3 million and \$3.8 million, respectively.

The average London Bullion gold price² in the second quarter of 2009 of US\$922 per ounce was 3% higher than the second quarter of 2008 average price of US\$896 per ounce. The average London Metal Exchange (“LME”) cash copper price² in the second quarter of 2009 of US\$2.12 per pound was 45% lower than the second quarter of 2008 average price of US\$3.83 per pound. The average LME cash zinc price² in the second quarter of 2009 of US\$0.67 per pound was 30% lower than the second quarter of 2008 average price of US\$0.96 per pound.

The average London Bullion gold price² in the first six months of 2009 of US\$915 per ounce was comparable to the corresponding prior year period average price of US\$912 per ounce. The average LME cash copper price² in the first six months of 2009 of US\$1.83 per pound was 50% lower than the corresponding prior year period average price of US\$3.68 per pound. The average LME cash zinc price² in

² Refer to the quarterly information section for the average metal prices used to illustrate the Company's average metal price exposure based on its key reference prices.

the first six months of 2009 of US\$0.60 per pound was 42% lower than the corresponding prior year period average price of US\$1.03 per pound.

Cost of sales

Cost of sales of \$23.2 million in the second quarter of 2009 was \$5.6 million or 20% lower than the corresponding prior year period due primarily to lower production costs at Chelopech and Deno Gold and lower deliveries of concentrates produced at Deno Gold partially offset by the unfavourable impact of a weaker Canadian to U.S. dollar exchange rate and higher deliveries of concentrates produced at Chelopech. A weaker Canadian to U.S. dollar exchange rate in the second quarter of 2009, relative to the corresponding prior year period, increased cost of sales by \$3.3 million in the period.

Cost of sales of \$46.6 million in the first six months of 2009 was \$4.1 million or 8% lower than the corresponding prior year period due primarily to lower deliveries of concentrates produced at Deno Gold and lower production costs at Chelopech partially offset by the unfavourable impact of a weaker Canadian to U.S. dollar exchange rate and higher deliveries of concentrates produced at Chelopech. A weaker Canadian to U.S. dollar exchange rate in the first half of 2009, relative to the corresponding prior year period, increased cost of sales by \$6.7 million in the period.

Cash cost per tonne of ore processed¹ at Chelopech in the second quarter and first half of 2009 of US\$62.34 and US\$55.25 were, respectively, 8% and 13% lower than the corresponding prior year periods due to the favourable impact of a weaker Euro to U.S. dollar exchange rate, higher volumes of material processed, lower employment expenses and reduced spending on services resulting from cost savings initiatives implemented in late 2008 and first quarter of 2009. These favourable variances were partially offset by higher royalties reflecting the new royalty rates effective July 31, 2008, higher spending on backfill resulting from higher volumes of backfill placed in stopes and higher prices for and usage of certain materials.

Gross profit

Chelopech recorded a gross profit from mining operations of \$11.9 million in the second quarter of 2009 compared to a gross profit of \$9.2 million in the second quarter of 2008. The increase in gross profit from mining operations of \$2.7 million was due to a 49% increase in deliveries of concentrates, higher gold contained in concentrate produced due to higher grades and recoveries and lower production costs partially offset by a 45% decrease in copper price. Net favourable mark-to-market adjustments and final settlements of \$2.4 million, related to the open positions of provisionally priced concentrate sales, were recorded in the second quarter of 2009 compared to net unfavourable mark-to-market adjustments and final settlements of \$0.3 million in the second quarter of 2008. Net losses of \$2.8 million related to the copper derivatives were recorded in the second quarter of 2009.

Chelopech recorded a gross profit from mining operations of \$19.2 million in the first half of 2009 compared to a gross profit of \$29.6 million in the corresponding prior year period. The decrease in gross profit from mining operations of \$10.4 million was due to a 50% decrease in copper price partially offset by a 13% increase in deliveries of concentrates due to higher metal grades and recovery rates, lower production costs and net favourable mark-to-market adjustments and final settlements, net of losses on copper derivatives. Net favourable mark-to-market adjustments and final settlements of \$6.3 million, related to the open positions of provisionally priced concentrate sales, were recorded in the first six months of 2009 compared to net favourable mark-to-market adjustments and final settlements of \$1.2 million in the first half of 2008. Offsetting the net favourable mark-to-market adjustments and final settlements recorded in the first half of 2009 were net losses related to the copper derivatives of \$4.1 million.

¹ A reconciliation of the Company's cash cost per tonne ore processed to cost of sales under Canadian GAAP for the second quarters of 2009 and 2008 is shown in the table entitled "Non-GAAP Financial Measures."

Deno Gold recorded a gross loss from mining operations of \$2.4 million in the second quarter of 2009 compared to a gross loss from mining operations of \$5.3 million in the corresponding prior year period due to improved and more efficient operations. Net unfavourable mark-to-market adjustments and final settlements of \$1.1 million related to the open positions of provisionally priced concentrate sales were recorded in the second quarter of 2009 compared to net unfavourable mark-to-market adjustments and final settlements of \$1.2 million in the second quarter of 2008.

Deno Gold recorded a gross loss from mining operations of \$6.0 million in the first six months of 2009 compared to a gross loss from mining operations of \$7.8 million in the first six months of 2008. Deno Gold was on care and maintenance in the first quarter of 2009. Net unfavourable mark-to-market adjustments and final settlements of \$0.4 million related to the open positions of provisionally priced concentrate sales were recorded in the first six months of 2009 compared to net favourable adjustments and final settlements of \$0.1 million in the corresponding prior year period.

Investment and other income (expense)

Investment and other income was \$1.1 million in the second quarter of 2009 compared to an investment and other expense of \$1.4 million. DPM recorded a gain on sale of the Back River project of \$0.7 million in the second quarter of 2009. Included in the second quarter of 2008 were net realized losses on sale of investments of \$1.3 million and write-down of investments of \$1.0 million.

Investment and other income was \$0.2 million in the first half of 2009 compared to investment and other income of \$1.0 million in the corresponding prior year period.

Administrative expense

Administrative expenses were \$3.9 million and \$8.0 million in the second quarter and first half of 2009, respectively, compared to \$5.1 million and \$10.1 million in the corresponding prior year periods. The decrease in both periods was primarily due to lower employment costs and associated expenses and lower spending on outside services as a result of the cost savings initiatives introduced in the first quarter of 2009.

Exploration expense

Exploration expense was \$1.2 million and \$2.8 million in the second quarter and first half of 2009 compared to \$8.9 million and \$14.0 million in the corresponding prior year periods, respectively, due to a decrease in the level of exploration activities in Serbia following the suspension of activities in the fourth quarter of 2008.

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period end exchange rates, whereas non-monetary assets and liabilities and related expenses denominated in foreign currencies are translated at the exchange rate in effect at the transaction date. Income and expense items are translated at the exchange rate in effect on the date of the transaction. Exchange gains and losses resulting from the translation of these amounts are included in the consolidated statement of earnings. In the second quarter and first half of 2009, DPM recorded foreign exchange losses of \$0.3 million and \$3.0 million, respectively, compared with foreign exchange losses of \$1.2 million and \$0.7 million in the corresponding prior year periods.

Income tax recovery

DPM's effective tax recovery rate of 10% for the first six months of 2009 was lower than the statutory rate of 33.0% due primarily to the unrecognized tax benefits relating to operating losses and non-deductible stock compensation and write-down of investments partially offset by the benefit of profits earned in jurisdictions having a lower tax rate. Following the sale of the Back River project, a reversal of the flow-through shares liability of \$6.0 million was recognized as recovery in the period. In addition, there was an increase in the valuation allowance on investments and property of \$6.1 million in the period.

Operating cash flow (shortfall)

The following table summarizes the Company's cash flow (shortfall) from operating activities for the periods indicated:

<i>\$ thousands</i> Ended June 30,	Three Months		Six Months	
	2009	2008	2009	2008
Net earnings (loss)	\$ 3,316	\$ (14,118)	\$ (2,784)	\$ (5,690)
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,749	3,613	9,317	7,142
Net losses (gains) on sale of investments	-	1,289	47	(496)
Write-downs of investments to market value	-	951	1,130	951
Losses on copper derivatives	523	-	1,847	-
Other	(2,438)	(289)	(1,706)	(65)
Total non-cash charges to earnings	2,834	5,564	10,635	7,532
Increase (decrease) in non-cash working capital	(8,376)	30,225	(22,781)	12,481
Net cash provided by (used in) operating activities	\$ (2,226)	\$ 21,671	\$ (14,930)	\$ 14,323

Cash used in operating activities in the second quarter of 2009 was \$2.2 million compared with cash provided in operating activities of \$21.7 million in the second quarter of 2008. The increase in cash used in operating activities in the second quarter of 2009 relative to the corresponding prior year period was primarily due to an increase in working capital requirements partially offset by higher gross profit from mining operations. The non-cash working capital requirements of \$8.4 million in the second quarter of 2009 was primarily due to an increase in inventories as a result of a build-up of concentrate inventories at Deno Gold following the restart of the operations in April 2009, an increase in accounts receivable due to increased revenue in the period and a decrease in accounts payable.

Cash used in operating activities in the first half of 2009 was \$14.9 million compared with cash provided by operating activities of \$14.3 million in the first half of 2008. The increase in cash used in operating activities in the first half of 2009 relative to the corresponding prior year period was primarily due to an increase in working capital requirements and lower gross profit from mining operations. The non-cash working capital requirements of \$22.8 million in the first half of 2009 was primarily due to a decrease in accounts payable, an increase in accounts receivable and an increase in inventories.

The following table summarizes the Company's investing activities for the periods indicated:

\$ thousands Ended June 30,	Three Months		Six Months	
	2009	2008	2009	2008
Proceeds on sale of exploration property	\$ 7,000	\$ -	\$ 7,000	\$ -
Proceeds on sale of investments at fair value	-	16,214	2,304	19,191
Proceeds on sale of short-term investments	34,695	-	29,137	-
Loan advances	(1,120)	-	(4,887)	-
Capital expenditures	(7,698)	(27,637)	(16,168)	(47,360)
Proceeds on sale of property, plant and equipment	43	709	137	709
Net cash provided by (used in) investing activities	\$ 32,920	\$ (10,714)	\$ 17,523	\$ (27,460)

Capital expenditures at Chelopech in the second quarter and first half of 2009 of \$5.9 million and \$12.0 million were, respectively, 53% and 51% lower than the corresponding prior year periods due to a reduction in non-critical expenditures, including those related to the expansion project. Capital expenditures at Deno Gold in the second quarter and first half of 2009 of \$1.3 million and \$3.8 million were, respectively, 83% and 72% lower than the corresponding prior year periods due primarily to the suspension of exploration activities in the fourth quarter of 2008.

In the second quarter and first half of 2009, DPM advanced \$1.1 million (US\$1.0 million) and \$4.9 million (US\$4.0 million) to Namibia Custom Smelters (Pty) Limited ("NCS"), a subsidiary of Weatherly International plc, as per the agreement DPM signed with NCS in December 2008 to advance up to US\$7.0 million of loans to NCS. The total commitment of US\$7.0 million had been advanced as at June 30, 2009.

Financing Activities

The following table summarizes the Company's financing activities for the periods indicated:

\$ thousands Ended June 30,	Three Months		Six Months	
	2009	2008	2009	2008
Redemption of deferred share units	\$ -	\$ -	\$ -	\$ (58)
Repayment of debt	(1,409)	(1,271)	(2,120)	(1,834)
Repayment of lease	(209)	-	(416)	-
Net cash used in financing activities	\$ (1,618)	\$ (1,271)	\$ (2,536)	\$ (1,892)

AVERAGE METAL PRICES

The following table, summarizing the average metal prices for the London Bullion Market Association ("LBM") gold, LME copper Grade A, LME special high grade ("SHG") zinc and LBM silver prices, is used to illustrate the Company's average metal price exposures based on its key reference prices for the periods indicated.

US\$ Average Ended June 30,	Three Months		Six Months	
	2009	2008	2009	2008
London Bullion gold (\$/oz)	\$ 922	\$ 896	\$ 915	\$ 912
LME settlement copper (\$/lb)	2.12	3.83	1.83	3.68
LME SHG zinc (\$/lb)	0.67	0.96	0.60	1.03
LBM spot silver (\$/oz)	\$ 13.73	\$ 17.17	\$ 13.17	\$ 17.43

NON-GAAP FINANCIAL MEASURES

We have referred to cash cost per tonne of ore processed because we understand that certain investors use this information to assess the Company's performance and also determine the Company's ability to generate cash flow for investing activities. This measurement captures all of the important components of the Company's production and related costs. In addition, management utilizes this metric as an important management tool to monitor cost performance of the Company's operations. This measurement has no standardized meaning under Canadian GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. This measurement is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

The following table provides, for the periods indicated, a reconciliation between the Company's cash cost measure and Canadian GAAP cost of sales:

\$ thousands, unless otherwise indicated

For the quarter ended June 30, 2009	Chelopech	Deno Gold	Total
Ore processed (<i>mt</i>)	257,721	67,787	
Cost of sales (<i>Cdn\$</i>)	\$ 21,390	\$ 1,740	\$ 23,130
Cost of sales (<i>US\$</i>)	\$ 17,834	\$ 1,536	\$ 19,370
Add (deduct):			
Amortization	(2,991)	(661)	
Reclamation costs and other	(497)	(128)	
Change in concentrate inventory	1,720	3,772	
Total cash cost of production (<i>US\$</i>)	\$ 16,066	\$ 4,519	
Cash cost per tonne of ore processed (<i>US\$</i>)	\$ 62.34	\$ 66.66	

\$ thousands, unless otherwise indicated

For the quarter ended June 30, 2008	Chelopech	Deno Gold	Total
Ore processed (<i>mt</i>)	201,887	74,955	
Cost of sales (<i>Cdn\$</i>)	\$ 15,346	\$ 13,454	\$ 28,800
Cost of sales (<i>US\$</i>)	\$ 14,905	\$ 13,069	\$ 27,974
Add/(Deduct):			
Amortization and other	(2,423)	(733)	
Change in concentrate inventory	1,251	(4,042)	
Total cash cost of production (<i>US\$</i>)	\$ 13,733	\$ 8,294	
Cash cost per tonne of ore processed (<i>US\$</i>)	\$ 68.03	\$ 110.65	

CONSOLIDATED BALANCE SHEETS

As at June 30, 2009 and December 31, 2008

(in thousands of Canadian dollars, unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 51,419	\$ 51,362
Short-term investments	23,525	52,662
Accounts receivable and other assets	35,983	28,605
Inventories	37,477	32,779
Total Current Assets	148,404	165,408
Investments at fair value	25,809	4,532
Restricted cash	10,653	5,852
Other long-term assets	10,555	10,162
Property, plant and equipment	351,181	377,443
Future income tax assets	775	5,237
Total Assets	\$ 547,377	\$ 568,634
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 22,900	\$ 34,526
Deferred revenue	7,872	6,169
Current portion of long-term debt, reclamation and other long-term liabilities	5,154	6,541
Total Current Liabilities	35,926	47,236
Long-term Liabilities		
Long-term debt	18,682	20,392
Reclamation and other long-term liabilities	27,450	24,339
Long-term compensation	831	689
Future income tax liabilities	7,971	14,010
Total Long-term Liabilities	54,934	59,430
SHAREHOLDERS' EQUITY		
Share capital	331,802	331,802
Warrants	16,658	16,658
Contributed surplus	11,473	10,948
Retained earnings	102,531	105,315
Accumulated other comprehensive loss	(5,947)	(2,755)
Total Shareholders' Equity	456,517	461,968
Total Liabilities and Shareholders' Equity	\$ 547,377	\$ 568,634

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three and six months ended June 30, 2009 and June 30, 2008

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Mining operations				
Gold/copper/zinc concentrates net revenue	\$ 32,690	\$ 32,719	\$ 59,737	\$ 72,471
Cost of sales	23,130	28,800	46,578	50,716
Gross profit	9,560	3,919	13,159	21,755
Investment and other income (expense)				
Dividends, interest and other income	378	912	982	1,590
Loss on equity accounted investments	-	(105)	-	(126)
Property impairment provisions	-	-	(309)	(13)
Net realized gains (losses) on sale of investments	-	(1,289)	(47)	496
Gain on sale of exploration property	704	-	704	-
Impaired investments written down to market value	-	(951)	(1,130)	(951)
Investment and other income (expense)	1,082	(1,433)	200	996
Earnings before undernoted items	10,642	2,486	13,359	22,751
Expenses				
Administrative and other expenses	3,937	5,126	7,967	10,064
Stock based compensation expense	310	483	624	621
Exploration expense	1,208	8,936	2,784	13,976
Amortization of property, plant and equipment	578	589	1,128	1,238
Financing and other costs	632	379	957	1,185
Foreign exchange loss	276	1,177	2,976	686
Total expenses - net	6,941	16,690	16,436	27,770
Earnings (loss) before income taxes	3,701	(14,204)	(3,077)	(5,019)
Provision for (recovery of) income taxes				
Current	844	797	1,181	2,565
Future	(459)	(883)	(1,474)	(1,894)
Total provision for (recovery of) income taxes	385	(86)	(293)	671
Net earnings (loss) for the period	\$ 3,316	\$ (14,118)	\$ (2,784)	\$ (5,690)
Basic net earnings (loss) per share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)
Diluted net earnings (loss) per share	\$ 0.03	\$ (0.23)	\$ (0.03)	\$ (0.09)

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and six months ended June 30, 2009 and June 30, 2008

(in thousands of Canadian dollars, unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 3,316	\$(14,118)	\$ (2,784)	\$ (5,690)
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	4,749	3,613	9,317	7,142
Stock based compensation expense	310	483	624	621
Gain on sale of exploration property	(704)	-	(704)	-
Net losses (gains) on sale of investments	-	1,289	47	(496)
Impaired investments written down to market value	-	951	1,130	951
Unrealized loss on revaluation of debt	176	68	12	277
Future income tax recovery	(459)	(883)	(1,474)	(1,894)
Losses on copper derivatives	523	-	1,847	-
Accretion expense	408	343	803	674
Impairment of property, plant and equipment	-	-	309	13
Other non-cash charges (credits)	(2,169)	(300)	(1,276)	244
Changes in non-cash working capital:				
(Increase) decrease in accounts receivable and other assets	(3,917)	12,531	(7,525)	(3,559)
(Increase) decrease in inventories	(4,007)	708	(5,186)	(2,131)
(Increase) decrease in other receivables and advances	715	4,203	(541)	3,142
Increase (decrease) in accounts payable	(3,478)	3,227	(14,323)	5,459
Increase (decrease) in deferred revenue	(579)	9,562	1,703	9,562
Increase (decrease) in other liabilities	2,890	(6)	3,091	8
Net cash provided by (used in) operating activities	(2,226)	21,671	(14,930)	14,323
INVESTING ACTIVITIES				
Proceeds on sale of exploration property	7,000	-	7,000	-
Proceeds on sale of investments at fair value	-	16,214	2,304	19,191
Proceeds on sale of short-term investments	34,695	-	29,137	-
Loan advances	(1,120)	-	(4,887)	-
Acquisition of property, plant and equipment	(7,698)	(27,637)	(16,168)	(47,360)
Proceeds on sale of property, plant and equipment	43	709	137	709
Net cash provided by (used in) investing activities	32,920	(10,714)	17,523	(27,460)
FINANCING ACTIVITIES				
Redemption of deferred share units	-	-	-	(58)
Repayment of debt	(1,409)	(1,271)	(2,120)	(1,834)
Repayment of lease	(209)	-	(416)	-
Net cash used in financing activities	(1,618)	(1,271)	(2,536)	(1,892)
Increase (decrease) in cash and cash equivalents	29,076	9,686	57	(15,029)
Cash and cash equivalents at beginning of period	22,343	24,460	51,362	49,175
Cash and cash equivalents at end of period	\$ 51,419	\$ 34,146	\$ 51,419	\$ 34,146

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of gold, copper, zinc and silver the estimation of mineral reserves and resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: the actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold, copper, zinc and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, fluctuations in metal prices, as well as those risk factors discussed or referred to in Management’s Discussion and Analysis under the heading “Risks and Uncertainties” and other documents filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

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