



**DUNDEE PRECIOUS METALS
PROVIDES THIRD QUARTER 2014 PRODUCTION UPDATE**

Toronto, Ontario, October 8, 2014 – **Dundee Precious Metals Inc.** (TSX: DPM; DPM.WT.A) (“DPM” or “the Company”) provides an update on third quarter mine and smelter production.

Production Update

Preliminary mine and metals production for the Chelopech and Kapan mines and concentrate smelted at the Tsumeb smelter are provided below for the periods indicated.

Preliminary Production						
	Chelopech		Kapan		Tsumeb	
Ended September 30, 2014	Three months	Nine months	Three months	Nine months	Three months	Nine months
Ore milled (tonnes)	505,211	1,526,124	105,738	295,632	-	-
Metals contained in copper and zinc concentrates produced						
Gold (ounces)	25,643	81,749	5,098	14,434	-	-
Copper (million pounds)	10.0	30.0	0.6	1.6	-	-
Zinc (million pounds)	-	-	3.0	9.1	-	-
Silver (ounces)	64,800	166,500	101,392	298,627	-	-
Concentrate smelted (tonnes)	-	-	-	-	35,092	144,564

The Chelopech mine performed as expected in the quarter and remains on track to achieve its 2014 annual guidance. Gold recoveries continued to improve through the quarter as stability with the new pyrite flotation circuit was optimized but remained marginally below expected levels while copper recoveries were in line with expectation. During the fourth quarter, the Chelopech mine is expected to deliver higher metals production as a result of mining higher grade zones as part of the planned mining sequence in 2014.

At the Kapan mine, third quarter production remained below expectation as additional training activities continued to receive extended attention following the fatality in the second quarter. The primary impact was in mining dilution performance where improvements to equipment use and a focus on dilution are expected to produce improved performance in the fourth quarter. Kapan’s forecast 2014 metals production is expected to be at or slightly below the lower end of existing guidance.

At the Company’s Tsumeb Smelter, the annual maintenance shutdown was completed on August 11, 2014, 5 days later than expected as a result of strike action in South Africa that delayed the fabrication and delivery of certain material. Year to date, the smelter has been operating at an annualized rate of approximately 220,000 tonnes, in line with expectations. The smelter remains on track to achieve its 2014 guidance.

The Company's 2014 production and cost guidance will be reviewed and updated in conjunction with the release of third quarter financial results on November 5, 2014.

About Dundee Precious Metals

Dundee Precious Metals Inc. is a Canadian based, international gold mining company engaged in the acquisition, exploration, development, mining and processing of precious metals. The Company's principal operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver, located east of Sofia, Bulgaria; the Kapan operation, which produces a copper concentrate and a zinc concentrate, both containing gold and silver, located in southern Armenia; and the Tsumeb smelter, a concentrate processing facility located in Namibia. DPM also holds interests in a number of developing gold properties located in Bulgaria, Serbia, and northern Canada, including interests held through its 50.1% owned subsidiary, Avala Resources Ltd. and its 12.1% interest in Sabina Gold & Silver Corp.

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 such mineral estimates, the timing and amount of estimated future production and output, 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, reclamation expenses, the potential or anticipated outcome of title disputes or claims 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 that 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, uncertainties inherent with conducting business in foreign jurisdictions where corruption, civil unrest, political instability and uncertainties with the rule of law may impact the Company's activities; fluctuations in metal prices; unanticipated title disputes; claims or litigation; limitation on insurance coverage; as well as those risk factors discussed or referred to in the Company's MD&A under the heading "Risks and Uncertainties" and under the heading "Cautionary Note Regarding Forward Looking Statements" which include further details on material assumptions used to develop such forward looking statements and material risk factors that could cause actual results to differ materially from forward looking statements, and other documents (including without limitation the Company's 2013 AIF) filed from time to time with the securities regulatory authorities in all provinces and territories of Canada and available on SEDAR at www.sedar.com. 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. Unless required by securities laws, 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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