



**DUNDEE PRECIOUS METALS  
ANNOUNCES KRUMOVGRAD MUNICIPAL COUNCIL APPROVAL  
AND PRODUCTION UPDATE**

**Toronto, Ontario, July 10, 2014 – Dundee Precious Metals Inc.** (TSX: DPM; DPM.WT.A) (“DPM” or “the Company”) announces a positive development in the Krumovgrad gold project (the “Project”) permitting process and provides an update on mine and smelter production.

**Krumovgrad Gold Project**

On July 7, 2014, the Krumovgrad Municipal Council (“Council”) approved the terms of reference (“TOR”) submitted by the Company for preparation of a detailed development plan (“DDP”) for the land the Project is sited on and voted to allow DPM to proceed with preparation of the DDP. This is a critical step in the local land use, land acquisition and construction permitting process and is a prerequisite to allowing construction of the Project to proceed. The TOR approval process had been the subject of delays and Administrative Court deliberations and this decision is the result of intensive discussion between the Company and the Council. Community leaders are now indicating that the Company has addressed the concerns of the community and that the Project should proceed with appropriate monitoring of compliance with community requirements. It is anticipated that the Company will be in a position to commence construction within six to twelve months.

“This is an encouraging development for the advancement of our Krumovgrad Project in Bulgaria,” stated Rick Howes, DPM’s President and CEO. “We believe this decision by the Krumovgrad Municipal Council represents a significant shift in the views of the local community towards this project and a strong recognition of the benefits it can bring to the region.”

**Q2 Production Update**

Preliminary mine and metals production for the Chelopech and Kapan mines and the Tsumeb smelter for the quarter ending June 30, 2014 is provided below.

<b>Preliminary Q2 2014 Production</b>			
	<b>Chelopech</b>	<b>Kapan</b>	<b>Tsumeb</b>
Ore milled (tonnes)	549,299	92,916	-
<b>Metals contained in concentrate produced</b>			
Gold (ounces)	34,080	4,755	-
Copper (million pounds)	11.1	0.5	-
Zinc (million pounds)	-	3.0	-
Silver (ounces)	57,855	110,757	-
Concentrate smelted (tonnes)	-	-	60,322

The Chelopech mine performed well, with second quarter metals production well above first quarter levels. However, gold recoveries in the copper concentrate have not yet reached the

levels expected from the new flotation circuits. Further optimization of the new circuits is ongoing and will likely continue over the balance of the year. As a result, Chelopech gold production is expected to be below the middle of the range of 2014 guidance. In the interim, additional gold is reporting to the pyrite concentrate, which partially offsets this impact.

At the Kapan mine, on May 27, 2014, an underground driller was struck by falling rock and died as a result of the injuries sustained. Operations were immediately suspended and, over the course of a three week period, an investigation was initiated, involving company officials, government representatives and outside experts, to ensure there was a comprehensive understanding of the incident, and any recommended changes to the mine's work and safety procedures were implemented prior to resuming operations. As a result, second quarter production is below expectation. The Company is evaluating the impact, if any, on mine production for the balance of 2014 and expects any revisions to the 2014 guidance released in May to be issued with the Company's second quarter financial results on July 30, 2014.

The Company's Tsumeb smelter has been operating at a rate of approximately 220,000 tonnes per year during the second quarter, in line with expectations, and remains on track to achieve its 2014 guidance. The annual maintenance shutdown commenced on July 7 and operations are expected to return to full capacity in early August 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 53.1% owned subsidiary, Avala Resources Ltd., its 45.5% interest in Dunav 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](http://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.

For further information please contact:

**DUNDEE PRECIOUS METALS INC.**

**Rick Howes**

President and

Chief Executive Officer

Tel: (416) 365-2836

[rhowes@dundeeprecious.com](mailto:rhowes@dundeeprecious.com)

**Lori Beak**

Senior Vice President, Investor

& Regulatory Affairs and

Corporate Secretary

Tel: (416) 365-5165

[lbeak@dundeeprecious.com](mailto:lbeak@dundeeprecious.com)