



DUNDEE PRECIOUS METALS REACHES AGREEMENT ON TSUMEB SMELTER OBLIGATIONS

IMMEDIATE RELEASE

Toronto, January 14, 2010 – Dundee Precious Metals Inc. (TSX: DPM; DPM.WT; DPM.WT.A) (“DPM” or “the Company”) is pleased to announce that it has agreed with Louis Dreyfus Commodities Metals Suisse SA (“LDC”), the smelter tolling agent, in principle, subject to contract and completion of DPM’s acquisition of the Tsumeb smelter and related assets (the “Transaction”), to settle approximately US\$11.4 million of metals exposure and debt to LDC, estimated at US\$17 million, through the payment of US\$2 million in cash and US\$9.4 million in common shares of DPM, based on a deemed price of Cdn.\$3.50 per share. The smelter will then have approximately US\$5.6 million in debt remaining to LDC. LDC will continue to have exclusive rights to source the balance of the concentrate for the Tsumeb smelter through to 2020, other than the Chelopech long term supply contract.

Please refer to the news release issued by DPM earlier today for further information on the Transaction.

Dundee Precious Metals Inc. is a Canadian based, international mining company engaged in the acquisition, exploration, development and mining of precious metals. DPM owns the Chelopech Mine, a producing gold/copper mine, and the Krumovgrad Gold Project, a mining development project, both located in Bulgaria, as well as a 95% interest in the Kapan Mine in Armenia. In addition, it is engaged in mineral exploration activities in Serbia.

FORWARD-LOOKING STATEMENTS

This news release may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as “plan,” “expect,” “project,” “intend,” “believe,” “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices and other factors described above and in the Company’s most recent annual information form under the heading “Risk Factors” which has been filed electronically by means of the Canadian Securities Administrators’ website located at www.sedar.com. The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management’s estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

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