



DUNDEE

PRECIOUS METALS INC.

TSX - DPM

*Denver Gold Forum
September 20, 2010*



www.dundeprecious.com

FORWARD-LOOKING STATEMENTS



This presentation contains “forward-looking information” or “forward-looking statements” that involve a number of risks and uncertainties. Forward-looking information and forward-looking statements include, but are not limited to, statements with respect to the future prices of gold and other metals, 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; 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 this news release under and in the Company’s annual information form under the heading “Risk Factors” 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. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

STRONG FINANCIAL POSITION



All monetary figures are expressed in U.S. dollars unless otherwise stated

	At June 30, 2010
Cash and Short-Term Investments:	\$101M
Plus Restricted Cash:	\$9.7M
Plus Strategic Investments (@ Sept 15, 2010):	\$140M
Total Debt:	\$21.5M
Debt to Total Capitalization:	4.0%
Top 5 Institutional Shareholders:	<50%

Analyst Coverage	
BMO	John Hayes
Cormark Securities	Mike Kozak
Dundee Securities	Paul Burchell
Union Securities	Brian Mok

DPM – TSX @ September 15, 2010

C\$5.18

Shares Issued @ August 31, 2010

125M

Fully Diluted/Cash on Dilution

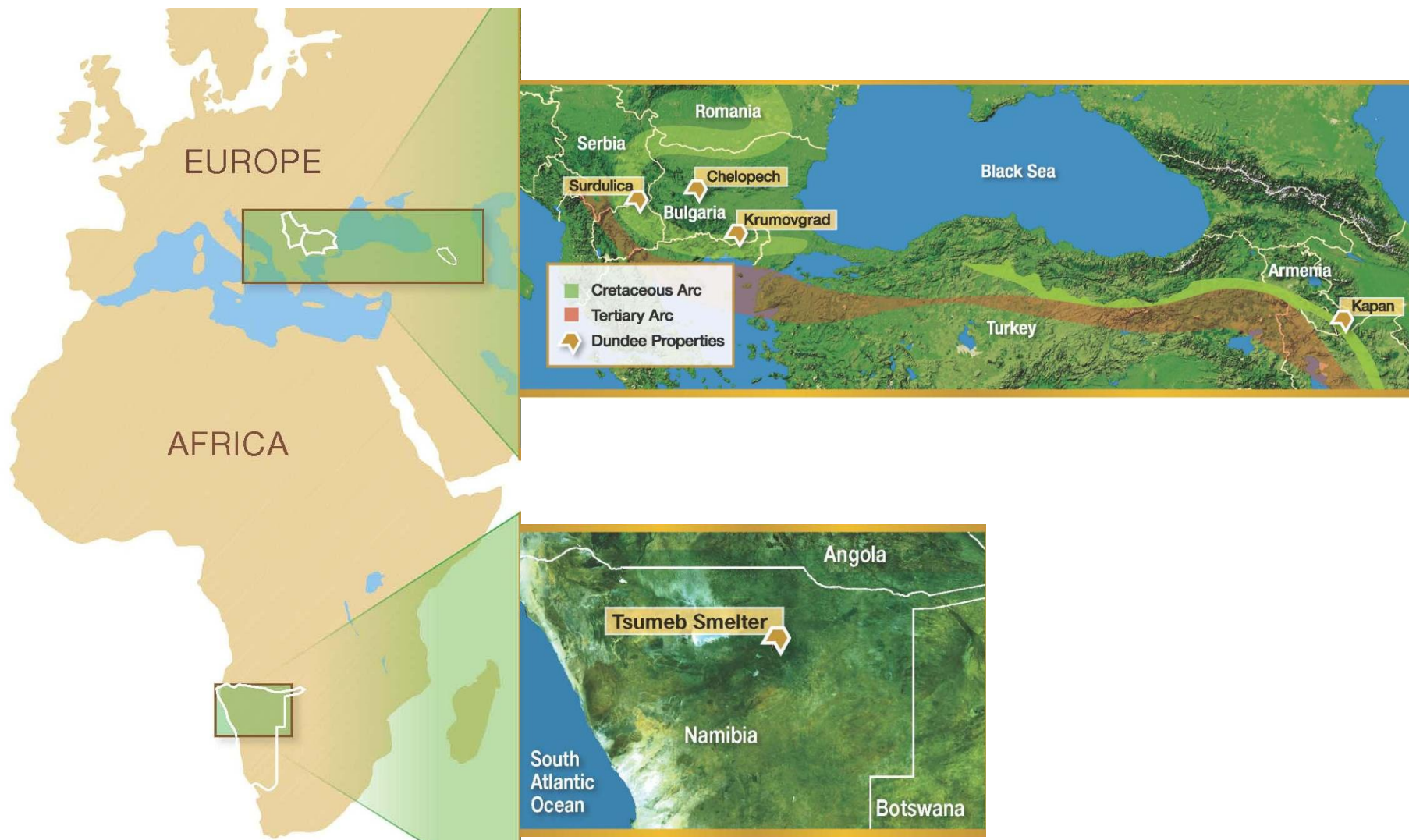
145M/C\$66M

Market Cap @ September 15, 2010

C\$648M



DPM PROPERTIES



CHELOPECH MINING



DPM Ownership		100%
Location		Bulgaria
Resources Measured & Indicated (at Sept. 08)	Gold (oz) (3.8 g/t)	4,230,000
	Copper (lbs) (1.3% Cu)	971,500,000
Reserves (at Oct. 09)	Gold (oz) (3.6 g/t)	2,700,000
	Copper (lbs) (1.2% Cu)	640,000,000
Production	2008	Gold (oz) Copper (lbs) 71,472 19,909,524
	2009	Gold (oz) Copper (lbs) 88,433 26,155,662
	H1 2010	Gold (oz) Copper (lbs) 33,542 13,002,300
Cash Cost *	2008	Gold (\$US/oz) \$309
	2009	Gold (\$US/oz) \$369
	H1 2010	Gold (\$US/oz) \$408
Mine Type		Underground
Estimated Mine Life		10 + yrs

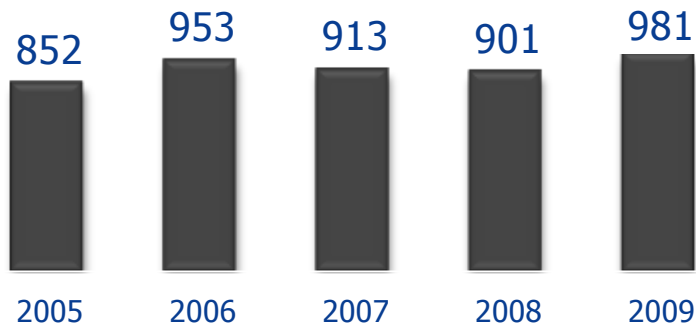
* Cash cost of sales/oz gold (net of by product credits).
Reconciliation included in Appendices

CHELOPECH – Pre Expansion Operations

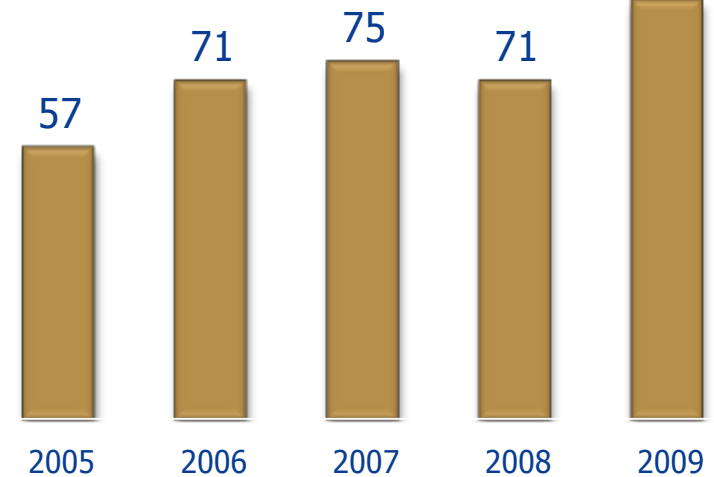


Ore Processed

(000' tonnes per year)

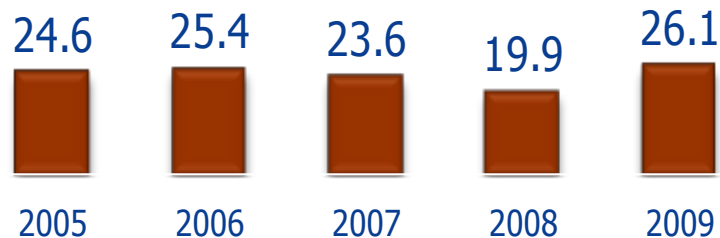


Gold Production (000' oz)

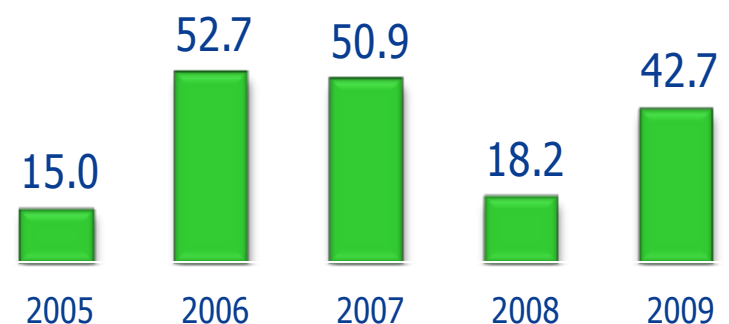


Copper Production

(lbs in millions)



Gross Profit (in US\$ millions)



CHELOPECH – Steps to Mine & Mill Expansion



Expansion of mine/mill production capacity to 2 MT ore/year include:	Status	
1. Construction of paste fill plant	Construction	<input checked="" type="checkbox"/>
	Commissioning	Underway
2. Installation of new SAG mill; modernization & upgrade of the existing concentrator	Completion & Commissioning	Q4 2010
3. Installation of an underground crushing and conveying system	Hard Rock Tunneling	30%
	Completion	End 2011
4. Training of workforce to achieve increased production rate	Ongoing	



Step 1. Paste Plant Complete: Commissioning Underway

Q2 and Q3 2010





Step 2. SAG Mill Assembly

Early stage construction



Q3 2010

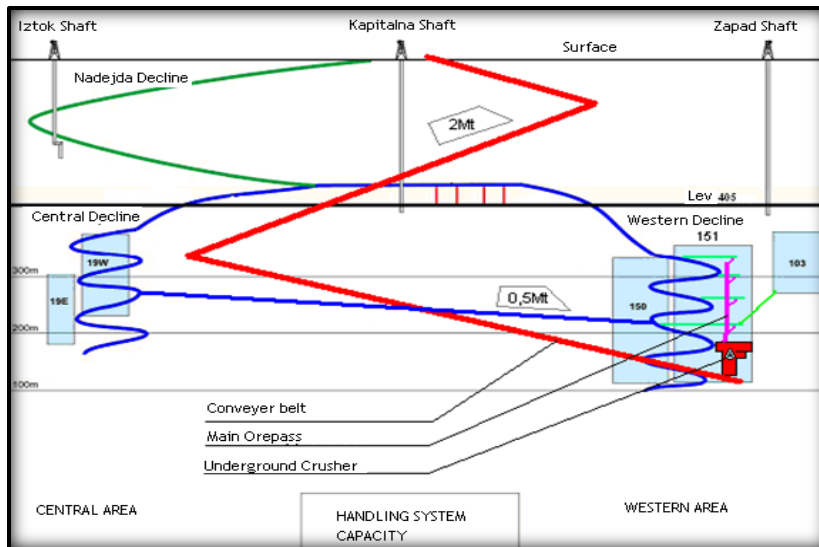




Step 3. Underground Crushing and Conveying Project

- Tunnelling works in progress from 3 headings
- At June 30, 2010, 30% of required 4,295 m of hard rock tunnelling completed
- Works on engineering, transfer stations, crushing station, mechanical, electrical and instrumentation commenced

Vyara Portal Construction
Q3 2010

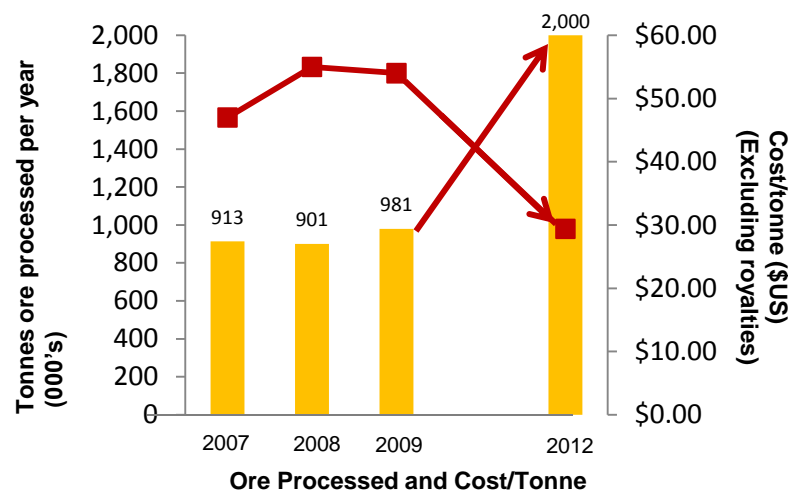


CHELOPECH – Mine/Mill Expansion



	2009	2012 Mine/Mill Expansion
Total ore processed	980,928 tonnes	2 million tonnes per year
Capital cost to complete		~\$82.7M (at June 30, 2010)
Cash cost/tonne (excl. royalties)	\$55.23	\$29.40 *
Concentrate production	71,657 tonnes	150,000 tonnes
Gold production	88,433 oz	140,000 oz
Copper production	26 million lbs	50 million lbs
Expected completion date		Q4 2011

* Based on January 2010 NI 43-101 Technical report for the Chelopech Project. Exchange rate of US\$1.35/Euro, US\$800/oz gold, US\$1.75/lb copper and US\$11/oz silver





Near Mine Exploration Strategy

- +500kt discoveries close to infrastructure to replace annual production

Deeps Exploration Strategy

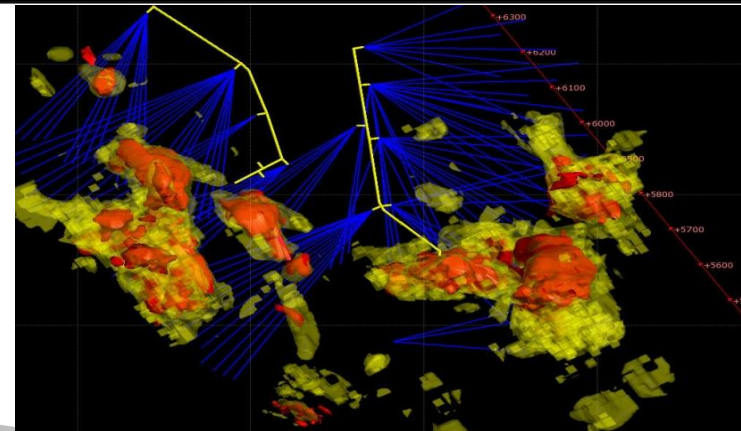
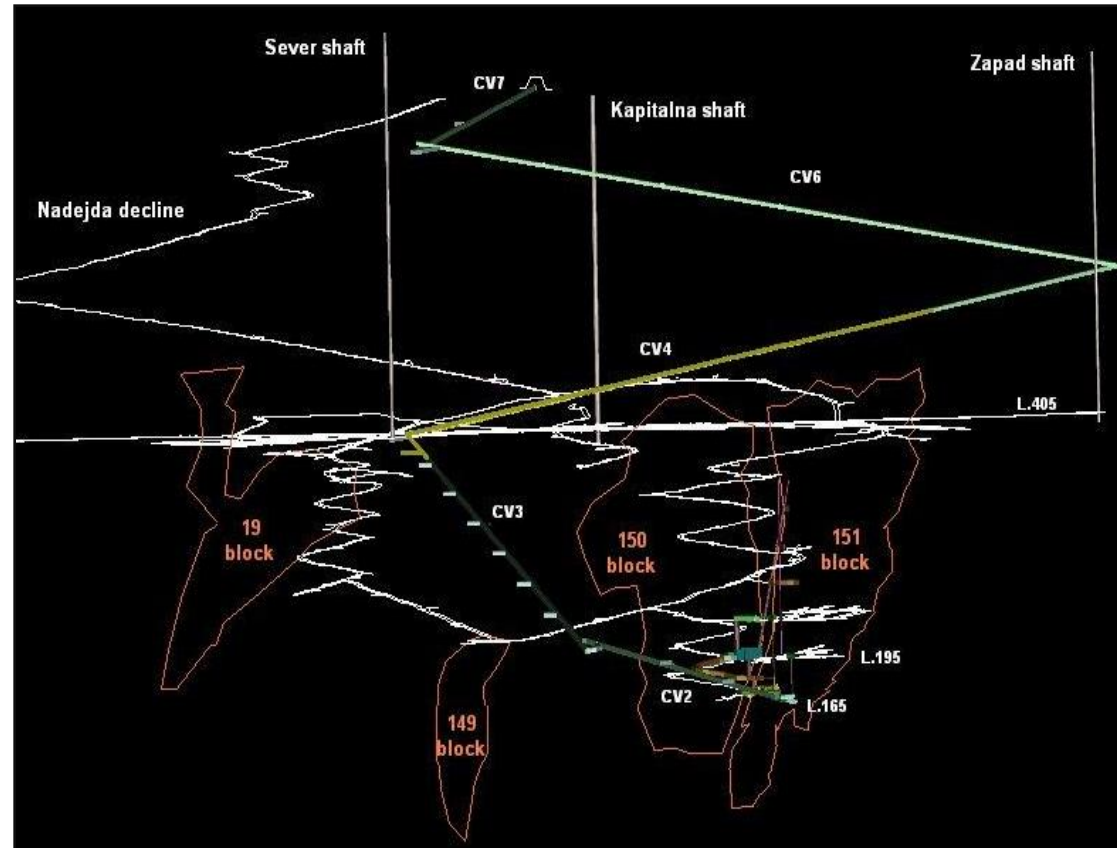
- Extend known mineralization at depth

Greenfields Exploration Strategy

- +5Mt discoveries based on geological model

Progress

- Western Deeps program commenced in Q2 2010
- Greenfields drilling to commence October 2010
- DHEM programs
- Leapfrog Modeling
- 3D structural- geological model
 - Terraspec Analysis
 - Multi-element Geochemistry



EXPLORATION RESULTS

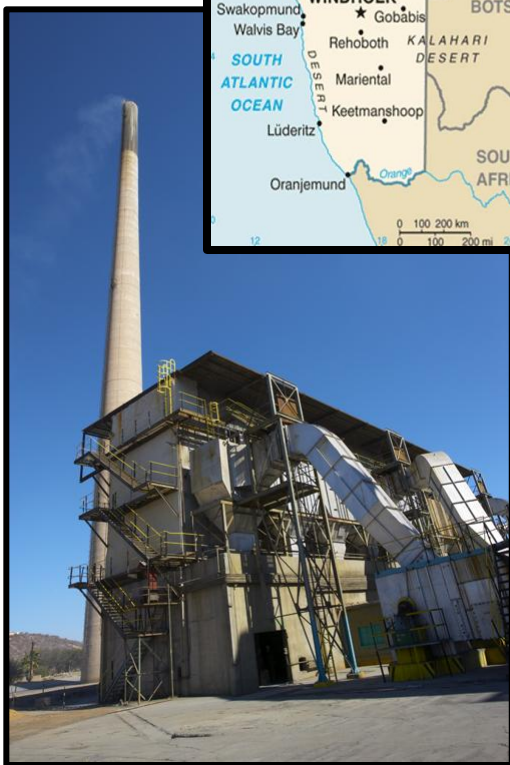


Significant Intercept Results Received in Q2 2010						
Block	Hole_ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
145	EXT149_225_08	90	97.5	7.5	1.02	2.3
145	EXT149_260_03	126	139.5	13.5	1.15	10.75
145	EXT149_260_03	175.5	186	10.5	0.61	24.13
147	149_225_61	235.5	249	13.5	0.17	32.89
147	149_225_63	219	228.4	9.4	3.21	17.17
147	149_225_75	243	247.5	4.5	0.94	8.82
147	149_225_77	193.5	201	7.5	1.55	7.05

TSUMEB SMELTER, NAMIBIA



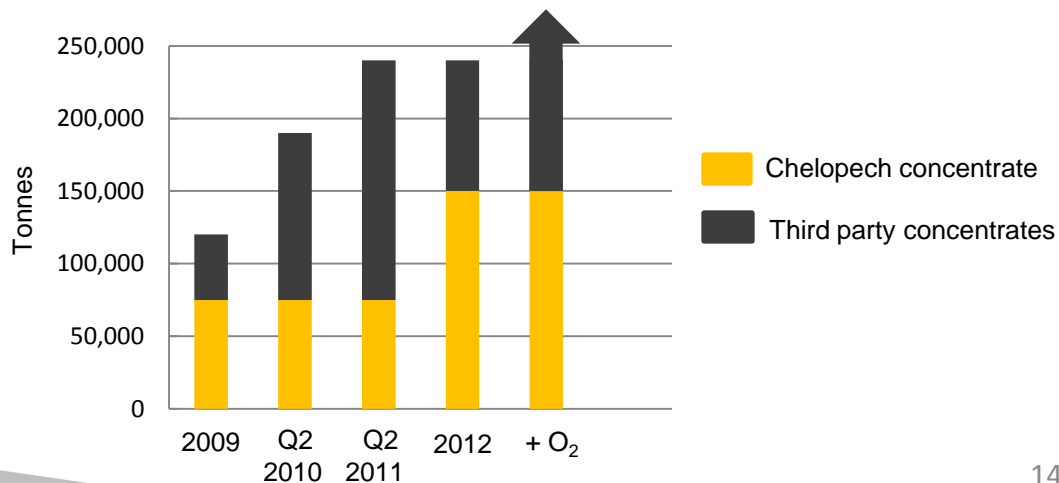
Acquired March 24, 2010 for \$33M cash and shares and settled \$17M in third party obligations



STRATEGY

- Secures downstream processing of Chelopech concentrate
- Increased profitability
- Broadens scope for future acquisitions
- Long term development potential:
 - Further expansion of smelter (70% fixed costs)
 - Sulphuric acid plant to supply uranium industry

Smelter Capacity





2010 DELIVERABLES

- Improved recoveries and costs
- Complete key environmental improvements
- Oxygen plant expansion
- Hazardous waste disposal site permitted and construction



underway





Permits



Funded



Smelter

Underway

Build it

In 2012 @ 2 mtpy Chelopech will produce:

140,000 oz of gold

50 million lbs of copper

@ \$1,000 gold and \$3.00 copper

Result = EBITDA of approx. \$150 million

NEW KRUMOVGRAD GOLD PROJECT



New Scope of Work:

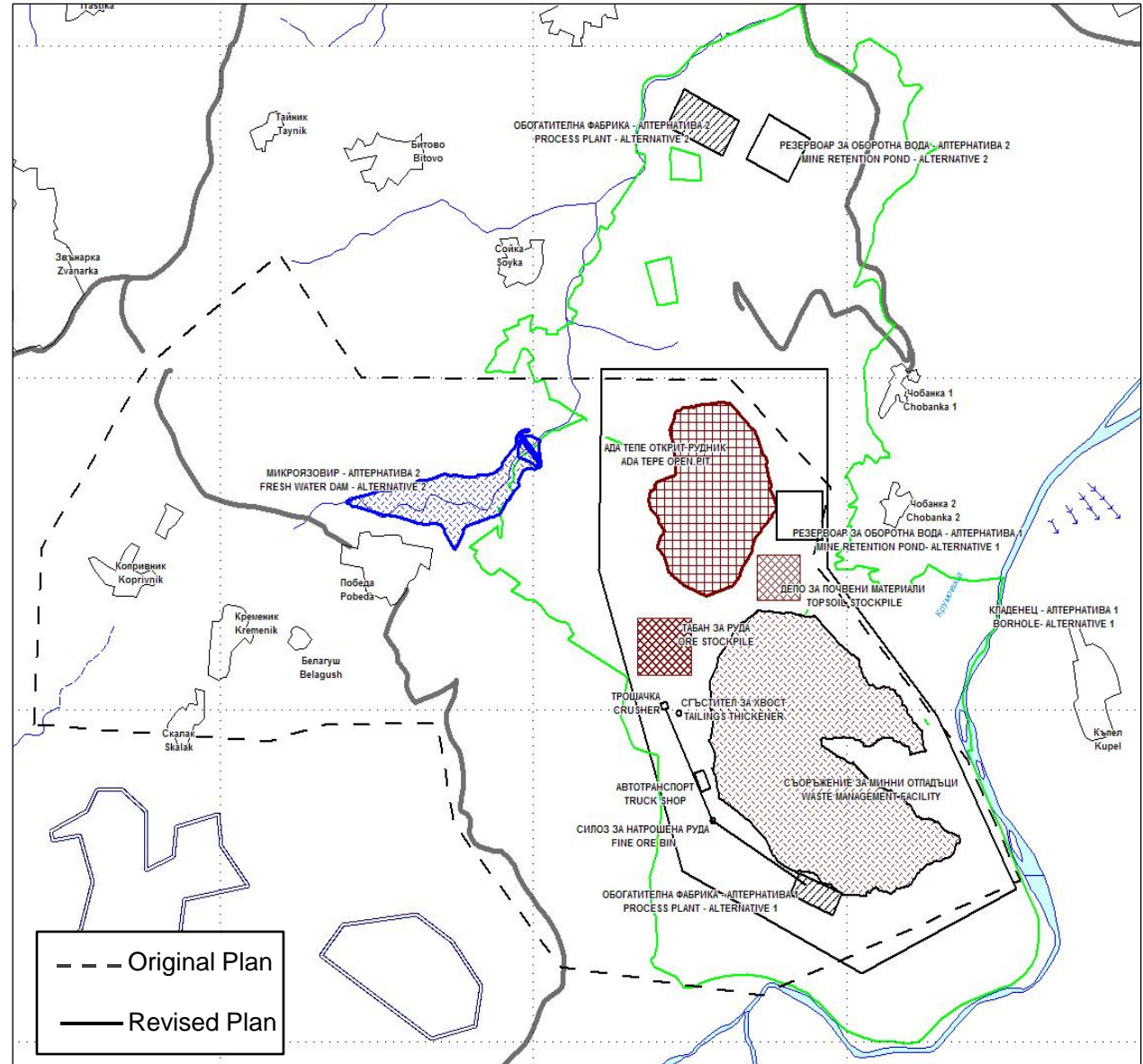
- Flotation technology & finer grind, no cyanide
- Significantly smaller footprint
- Small integrated tailings and mine waste facility
- Only EIA approval required
- Future production rate estimated at ~100,000 oz/yr for 7-8 years
- DFS & EIA underway
- No cyanide use results in:
 - simpler permitting process; no IPPC or Seveso permits
 - lower capital and operating costs
 - Positive feedback from local community

DPM Ownership	100%
Location	Bulgaria
M&I Resource at 0.7 g/t COG	7 MT
M&I Resources (oz Au)	868,000
Proposed Mine Type	Open Pit
Estimated Mine Life	8 – 9 yrs
Gold Recoveries	85%

NEW KRUMOVGRAD GOLD PROJECT



- **Reduced footprint:**
 - 145 ha new plan vs. 300 ha in original plan
- **One land owner**
 - State forestry



ARMENIA – DENO GOLD MINE



- Mine restarted in April 2009
- Four consecutive quarters of profitability
- Expansion of underground mine and mill rate from 400,000 tpa to 600,000 tpa to be completed Q4 2010
- Inferred resource indicates open pit potential of 49 MT @ 1.4 g/t Au, 19 g/t Ag, 0.78% Zn and 0.19% Cu at 1.75 g/t AuEq cut off (see appendices)
- Drill off open pit resource from post-expansion cash flow

DPM Ownership		95%	
Location		Armenia	
Production	2008	Gold (oz) Copper (lbs)	12,236 1,999,068
	2009	Gold (oz) Copper (lbs)	14,837 1,527,200
	H1 2010	Gold (oz) Copper (lbs)	12,124 1,189,659
Cash Cost *	2008	\$US/tonne	\$109.40
	2009	\$US/tonne	\$72.27
	H1 2010	\$US/tonne	\$63.27
Mine Type		Underground	

ARMENIA – DENO GOLD MINE EXPANSION



Q1 2010

Early stage expansion construction



Q3 2010

16m³ cells and 3.5 m³ copper cleaner cell installation complete



STRONG STRATEGIC INVESTMENTS



Maximize value strategically and continue to participate in future upside potential

Company	Holdings	% Held	Market Value @ September 15, 2010
Sabina Gold & Silver Corp. (TSX:SBB)	18.5M	14%	\$76M
Sabina Gold & Silver Corp. Special Warrants	10M		\$32M
Avala Resources Ltd. (TSX-V:AVZ)	73M	50%	\$28M
Other Investments			\$4M
Queensland Minerals Ltd. (TSX-V:QML)		47.5% (on completion of earn-in)	
TOTAL			\$140M





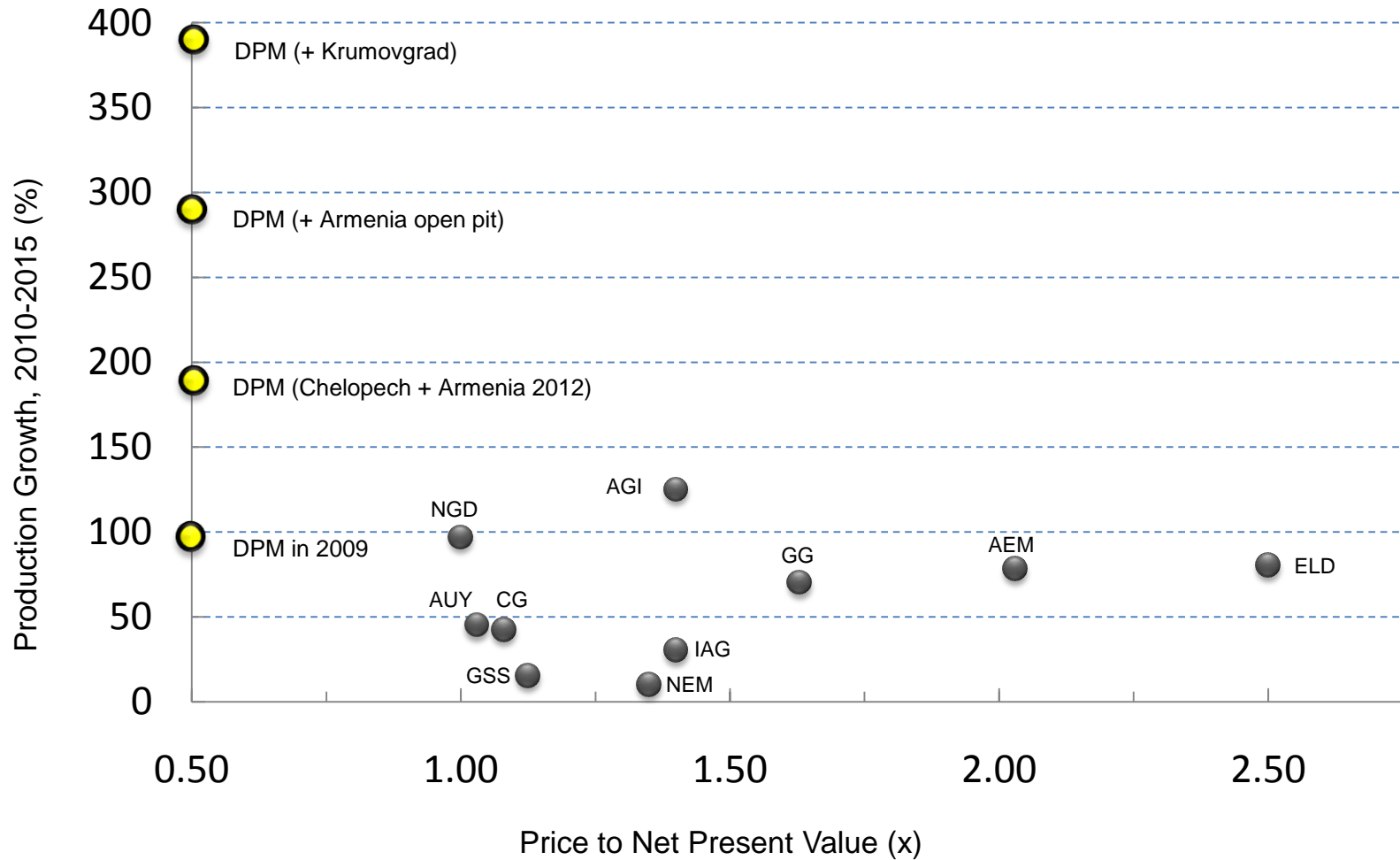
Gold stocks trade at 11x EBITDA*

DPM trades at 4.0x 2012 Chelopech EBITDA only

**This excludes: Value of Krumovgrad (100,000 – 120,000 low cost oz/yr potential)
Value of Deno Gold Assets (Cash flow producing)
Value of Strategic Investments (\$140M)
EBITDA from the smelter (Estimated \$15 - \$25 M/yr)**



BMO Research P/NPV Vs. Production Growth



BMO, August 25, 2010



Company	2009 Annual Gold Production (oz)	Market Cap (US\$) (at September 15, 2010)
<i>Dundee Precious Metals</i>	<i>100,000</i>	<i>\$631 million</i>
European Gold Fields	< 100,000	\$1.9 billion
Gammon Gold	137,000	\$1 billion
Aurizon	160,000	\$1 billion
Alamos	170,000	\$1.9 billion
New Gold	300,000	\$2.3 billion
Eldorado	340,000	\$10 billion
After Assets are Developed:		
<i>Dundee Precious Metals</i>	<i>300,000 +</i>	<i>\$ + +</i>

INVEST IN DPM



- ✓ **Strong Balance Sheet**
- ✓ **Valuable Assets**
- ✓ **Robust Growth**
- ✓ **Committed Management Team**
- ✓ **Highly Undervalued**



ADDITIONAL INFORMATION

CHELOPECH MINE: Mineral Reserves & Resources



Chelopech Mineral Reserves – October 2009					
Category	Tonnes (M)	Gold		Copper	
		Grade (g/t)	Ounces (M)	Grade (%)	Pounds (M)
Proven	10.9	3.8	1.3	1.4	340
Probable	12.2	3.4	1.3	1.1	300
Total	23.1	3.6	2.7	1.2	640

Chelopech Mineral Resources – Sept. 2008							
Category	Tonnes (M)	Gold		Copper		Silver	
		Grade (g/t)	Ounces (M)	Grade (%)	Pounds (M)	Grade (g/t)	Ounces (M)
Measured	15.70	4.1	2.07	1.47	508.9	10.8	5.45
Indicated	19.08	3.52	2.16	1.10	462.6	7.42	4.55
M&I	34.78	3.78	4.23	1.27	971.5	8.94	10.00
Inferred	9.79	2.72	0.86	0.87	187.8	11.44	3.60

3.2g/t AuEq Cut-Off Grade; Cut-off Grade AuEq formula: $Au (g/t) + 2.5 \times Cu (\%)$.
 Mineral Resources are inclusive of Mineral Reserves.

CHELOPECH – Cash Cost Reconciliation



US\$	<u>Year 2009 Actual</u>	<u>Year 2008 Actual</u>	<u>H1 2010</u>
Cost of Sales:	\$ 74,499	\$ 67,245	\$38,945
Less amortization	(12,401)	(9,811)	(6,238)
Less reclamation and other costs	(1,841)	(2,155)	(593)
Plus other charges, including freight	38,317	26,006	20,400
Less by-product credits	(64,198)	(59,376)	(40,037)
Cash cost of sales after by-product credits	\$ 34,376	\$ 21,909	\$12,477
Gold oz (payable metal)	93,081	70,878	30,603
Cash cost of sales/oz gold, (net of by-product credits)	\$ 369¹	\$ 309²	\$408³

¹Based on US\$2.34/lb copper

²Based on US\$3.16/lb copper

³Based on US\$3.23/lb copper



Calculated at US\$430/oz Au

Metal	Measured & Indicated			Inferred Resources		
	Tonnes (million)	Grade (g/t)	Ounces ('000)	Tonnes (million)	Grade g/t	Ounces ('000)
1 g/t Au cut off						
Gold	5.22	5.0	835	0.21	1.6	11
Silver	5.22	3.0	440	0.21	1.0	8



Shahumyan Deposit – September 2008 Inferred Mineral Resource – Ordinary Kriging Estimate

Cutoff (AuEq - g/t)	Tonnage (Mt)	Gold Equiv. (g/t)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)
0.50	335.8	1.19	0.11	0.48	8.39	0.41
0.75	226.5	1.47	0.13	0.61	10.32	0.49
1.00	147.1	1.80	0.15	0.79	12.62	0.57
1.25	98.3	2.14	0.17	0.99	14.99	0.65
1.50	69.8	2.45	0.18	1.19	17.00	0.72
1.75	49.2	2.80	0.19	1.43	19.14	0.78
2.00	36.3	3.13	0.19	1.68	20.87	0.83

10mE x 10mN x 10mRL Block Size – 5m Capped Input Composite Data

Note: AuEq US\$ price assumptions: Cu \$5,511.6/t (\$2.50/lb), Au \$850/oz, Ag \$16/oz and Zn \$2,204.6/t (\$1.00/lb).



DENO GOLD – Cash Cost Reconciliation



US\$ thousands, unless otherwise indicated

For the periods ended	H1 2010	Year 2009 Actual	Year 2008 Actual
Ore processed (<i>mt</i>)	181,701	218,235	269,033
Cost of sales (<i>US\$</i>)	\$ 11,733	\$ 21,072	\$ 36,319
Add (deduct):			
Amortization	(1,931)	(3,170)	(2,560)
Reclamation costs and other	(428)	(752)	(1,108)
Care and maintenance costs	-	(3,074)	(1,732)
Change in concentrate inventory	3,035	1,696	(1,485)
Total cash cost of production (<i>US\$</i>)	\$ 12,409	\$ 15,772	\$ 29,434
Cash cost per tonne of ore processed (<i>US\$</i>) (royalties not applicable in 2009)	\$ 68.29	\$ 72.27	\$ 109.40
Cash cost per tonne of ore processed, excluding royalties (<i>US\$</i>)	\$ 63.27	\$ -	\$ -