



**DUNDEE PRECIOUS METALS ANNOUNCES RECORD
FOURTH QUARTER PRODUCTION AT CHELOPECH AND TSUMEB**

Toronto, Ontario, January 14, 2015 – Dundee Precious Metals Inc. (TSX: DPM; DPM.WT.A) (“DPM” or “the Company”) provides an update on fourth quarter and year end mine and smelter production.

Production Update

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

Production									2014 Consolidated Guidance ¹
	Chelopech		Kapan		Tsumeb		Consolidated		
Ended December 31, 2014	Three Months	Full Year	Three Months	Full Year	Three Months	Full Year	Three Months	Full Year	
Ore milled (‘000s tonnes)	550	2,076	107	403	-	-	657	2,479	2,320 - 2,490
Metals contained in copper and zinc concentrates produced									
Gold (‘000s ounces)	43	124	6.5	21	-	-	49	145	145.0 - 149.0
Copper (million pounds)	14.3	44.3	0.6	2.1	-	-	14.9	46.4	45.1 - 49.0
Zinc (million pounds)	-	-	2.9	12.0	-	-	2.9	12.0	11.6 - 15.9
Silver (‘000s ounces)	69	236	129	427	-	-	198	663	640 - 698
Concentrate smelted (‘000s tonnes)	-	-	-	-	54	198	54	198	190 - 220
Payable gold in pyrite concentrate sold (‘000s ounces)	12	27	-	-	-	-	12	27	27.0 - 33.0

1. As disclosed in the Company’s Management’s Discussion and Analysis for the period ended September 30, 2014 and issued on November 5, 2014.

On a consolidated basis, the Company’s 2014 results, related to ore mined/milled, metals production and concentrate smelted, were in line with the guidance announced on November 5, 2014.

The Chelopech mine achieved record gold and copper production in the quarter as a result of mining higher grade zones, which was part of the 2014 planned mining sequence. Gold production in copper concentrate hit this record high due to elevated feed grades and increased processed tonnage. Annual gold production at Chelopech was slightly below November 2014 guidance as a result of lower than expected gold recoveries.

At the Tsumeb smelter, concentrate smelted was in line with guidance and copper blister production hit a record high during the quarter due to improved performance and efficiency of the existing converters. This performance reflects the introduction of a higher copper grade feed mix, and is consistent with the throughput levels expected until the new converters are commissioned and in-process inventories normalized, which is anticipated to be achieved in late 2015, as previously announced.

The construction of the smelter's acid plant remains on track to be completed in the first quarter of 2015 followed by commissioning and acid production in the second and third quarters, respectively.

At the Kapan mine, fourth quarter gold production exceeded expectation as lower tonnage was offset by higher grades. Mill production was as expected for the quarter. Annual ore milled was below guidance due to the rebuilding of development inventory, and the implementation and training associated with the introduction of new mining practices and equipment after the fatality in May 2014. All metals produced for the year were in line with the latest guidance provided. Kapan metals production is expected to return to normal levels in the second half of 2015.

The Krumovgrad approval process continues to advance following the approval of the Terms of Reference for the main detailed development plan by the Municipal Council and the subsequent receipt of positive coordination letters from the relevant authorities, including the Ministry of Culture. The Company is targeting the third quarter of 2015 for the receipt of the construction permit, and expects to commence commercial production in the first quarter of 2018.

The Company has derivative contracts in place to provide price protection on 90% of its 2015 projected payable copper production at an average fixed price of US\$3.21/pound.

The Company's Fourth Quarter and Full Year 2014 operating and financial results, together with 2015 guidance, are expected to be released on February 12, 2015.

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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