DUNDEE CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

DUNDEE CORPORATION
Management's Discussion and Analysis

Dundee Corporation (the "Corporation" or "Dundee Corporation") is a public Canadian independent holding company, listed on the Toronto Stock Exchange ("TSX") under the symbol "DC.A". Through its operating subsidiaries, the Corporation is engaged in diverse business activities in the areas of investment advisory, corporate finance, energy, resources, agriculture, real estate and infrastructure. The Corporation also holds, directly and indirectly, a portfolio of investments mostly in these key areas, as well as other select investments in both publicly listed and private enterprises.

Dundee Corporation's overriding strategic priority is to allocate and invest capital in a manner that consistently generates long-term value creation. Historically, Dundee Corporation has built a track record of success through the creation, advancement, development and active management of numerous mining companies. Through the creation of an in-house team of experts, the Corporation intends to leverage this track record and expand its capabilities to fund, finance and support companies in the mining industry.

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of March 28, 2019 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2018 (the "2018 Audited Consolidated Financial Statements"), which have been prepared using International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars unless otherwise specified. Tabular dollar amounts, unless otherwise specified, are in thousands of dollars, except for per share or per unit amounts. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "*Cautionary Note Regarding Forward Looking Statements*" section later in this MD&A for further information.

STRATEGY

Dundee Corporation is a holding company that owns and manages a portfolio of publicly listed and privately held businesses. The Corporation's key activities are focused on the active management and oversight of its portfolio of merchant capital investments. The Corporation has significant amounts of its own capital invested in these assets, ensuring that its interests are appropriately aligned for the benefit of its clients, its partners and the Corporation's shareholders. Dundee Corporation's overriding strategic priority is to allocate and invest capital in a manner that consistently generates long-term value creation.

The Corporation's merchant capital investments include both domestic and international assets. These investments include physical assets that are primarily resource, real estate, agriculture and infrastructure assets, and these assets are owned or co-owned within the Corporation's core operating entities and are being managed by Dundee Corporation on behalf of the entity and its co-investors. Merchant capital investments also include debt or equity securities, which include sometimes significant positions in entities engaged in financial services, resources and real estate, and represent investments in physical assets such as those described above. These debt or equity securities are held on behalf of the Corporation and are managed by dedicated teams of investment professionals within the Dundee group of companies.

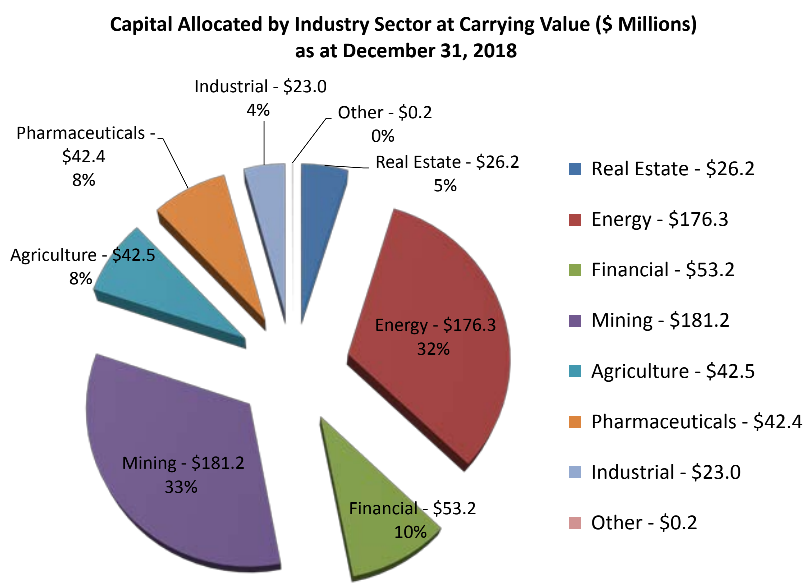
Dundee Corporation has traditionally been the sole source of capital for its investee companies. More recently, the Corporation has placed increased emphasis on investing its capital alongside industry or financial partners. In so doing, the Corporation has helped to mitigate its risk by no longer being the sole source of capital for its businesses, while partnering with third parties who in addition to providing capital, can also lend industry expertise and support for management teams at investee companies.

During 2018, the Corporation continued to focus on the rationalization of its merchant capital portfolio. As part of this process, the Corporation is focused on investments which it considers core to its expertise and realigned with its ability to generate sustainable growth and value for shareholders. This involved the ongoing disposition of various non-core assets and the exiting of certain businesses, allowing for the redeployment of capital into other holdings, as well as the reallocation of management time.

Historically, Dundee Corporation has built a track record of success through the creation, advancement, development and active management of numerous mining companies. Through the creation of an in-house team of experts, the Corporation intends to leverage this track record and expand its capabilities to fund, finance and support companies in the mining industry. In order to more effectively implement a mining centric focus, the Corporation has strategically scaled back its efforts in the development of a wealth management segment.

The Corporation continues to take steps at the corporate level to transition and reposition its cost profile. These steps are consistent with the broader strategic goal of transforming the operating structure to adopt a leaner organizational framework that is more reflective of a holding company structure. In 2018, the Corporation made additional reductions in its head count, resulting in decreased general and administrative expenses. Furthermore, the Corporation completed efforts to significantly reduce costs associated with leased premises, the benefit of which will be realized in 2018 and forward.

DUNDEE CORPORATION'S CAPITAL ALLOCATED BY INDUSTRY SECTOR



UNDERSTANDING THE ALLOCATION OF DUNDEE CORPORATION'S CAPITAL

		Carrying Value December 31, 2018	Carrying Value December 31, 2017
1	**Operating Subsidiaries** Operating subsidiaries are not recorded as individual investments in the Corporation's consolidated financial statements. Instead, the accounts of the operating subsidiary are consolidated with those of the Corporation on a line-by-line basis. For example, the revenue generated by an operating subsidiary is reported as revenue of the Corporation in the consolidated statement of operations.	$ 230,824	$ 275,137
2	**Equity Accounted Investments** Investments that are accounted for using the equity method are separately disclosed in the Corporation's consolidated statement of financial position as "Equity accounted investments". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee.	44,060	104,761
3	**Investments** All other investments are designated as "Investments" in the Corporation's consolidated statement of financial position. These investments may include investments in equity or debt securities of public or private companies in a variety of sectors. These investments are reported in the Corporation's consolidated financial statements at their estimated fair value.	270,144	385,193
4	**Corporate Account Balances** Corporate account balances represent balances of the Corporation's capital that are not directly attributable to a particular investment. These balances include cash held by the Corporation directly, offset by the Corporation's direct obligations, including obligations in respect of its credit facilities and Preference Shares, series 5.	1,726	(28,531)
	SHAREHOLDERS' EQUITY	**$ 546,754**	**$ 736,560**
	Less: Shareholders' equity attributable to holders of:		
	Preference Shares, series 2	(84,053)	(84,053)
	Preference Shares, series 3	(43,015)	(43,015)
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO CLASS A SUBORDINATE SHARES AND CLASS B SHARES OF THE CORPORATION	**$ 419,686**	**$ 609,492**
	Number of Class A Subordinate Shares and Class B Shares of the Corporation outstanding		
	Class A Subordinate Shares	57,985,136	55,701,603
	Class B Shares	3,114,804	3,114,804
		61,099,940	58,816,407
	SHAREHOLDERS' EQUITY ON A PER SHARE BASIS*	**$ 6.87**	**$ 10.36**

* *Before accounting for deferred income tax assets and liabilities in respect of the Corporation's investments in operating subsidiaries, which are not recognized in the Corporation's consolidated financial statements as per International Accounting Standard 12.*

PERFORMANCE MEASURES

The Corporation believes that important measures of its operating performance, as well as that of its subsidiaries, include certain metrics that are not defined under IFRS and as such, may not be comparable to similar performance measures used by other companies. Throughout this MD&A, there will be references to certain performance measures which management believes are relevant in assessing the economics of its business. While these performance measures are not formally recognized by IFRS, the Corporation believes that they are informative and provide further qualitative insight into net earnings and cash flows.

- **"AUM" or "Assets under Management"** represent the period-end value of client assets managed by the Corporation's wealth management and asset management subsidiaries on a discretionary basis and in respect of which these subsidiaries earn management fee revenue and, in certain cases, performance fee revenue. AUM are not included in the Corporation's consolidated statements of financial position.

- **"Contingent Resources"** are those quantities of oil estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

- **"Contribution Margin" or "Margin"** is an important measure of earnings in certain business segments and generally represents core revenues less cost of sales. Margin generally excludes general and administrative expenses, interest expense, and income taxes and may also exclude depreciation and depletion of assets not directly associated with the activities of producing or extracting product for sale.

- **"Earnings Before Interest, Taxes, Depreciation and Amortization" or "EBITDA"** is a measure of a company's operating performance and can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing decisions.

- **"FVTPL"** means fair value through profit or loss. Certain of the Corporation's investments in equity and debt securities have been designated as investments at FVTPL. Changes in the fair value of investments designated as investments at FVTPL are reported in net earnings or loss.

- **"Fair Value" or "Market Value"** of an investment is generally determined using quoted market prices on prescribed stock exchanges for investments that are publicly traded. Market value or fair value of an investment that is privately held is determined by reference to valuation methodologies appropriate for the investment.

- **"Prospective Resources"** are defined as those quantities of oil estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

- **"Shareholders' Equity on a Per Share Basis"** is calculated by dividing the carrying value of the Corporation's shareholders' equity in accordance with IFRS by the aggregate number of Subordinate Shares and Class B Shares of the Corporation issued and outstanding as at the date of such calculation.

SELECTED ANNUAL INFORMATION

As at and for the years ended December 31,		2018		2017		2016
Revenues	$	154,687	$	183,294	$	232,906
Net loss from continuing operations attributable to owners of the parent	$	(204,447)	$	(2,574)	$	(137,920)
Loss per share from continuing operations						
Basic	$	(3.52)	$	(0.16)	$	(2.46)
Diluted	$	(3.52)	$	(0.16)	$	(2.46)
Net loss attributable to owners of the parent	$	(202,423)	$	(52,533)	$	(147,020)
Loss per share						
Basic	$	(3.49)	$	(1.01)	$	(2.62)
Diluted	$	(3.49)	$	(1.01)	$	(2.62)
Total assets	$	767,511	$	1,105,746	$	1,401,414
Total liabilities	$	200,040	$	345,241	$	492,484
Dividends per share						
Subordinate Voting Shares	$	-	$	-	$	-
Class B Common Shares	$	-	$	-	$	-
Preference Shares, series 2	$	1.42	$	1.42	$	1.42
Preference Shares, series 3	$	1.33	$	1.17	$	1.16
Preference Shares, series 5	$	1.88	$	1.88	$	1.88

RESULTS OF OPERATIONS

Year ended December 31, 2018 compared with year ended December 31, 2017

Consolidated Net Earnings

During 2018, the Corporation incurred a net loss attributable to owners of the Corporation of $202.4 million, or a loss of $3.49 per share. This compares with net loss attributable to owners of the Corporation of $52.5 million in 2017, representing a loss of $1.01 per share. The following table summarizes the Corporation's net operating earnings or loss on a per segment basis.

For the years ended December 31,	2018	2017
Net (loss) earnings before income taxes from continuing operations		
Goodman & Company, Investment Counsel Inc.	$ (2,825)	$ (6,653)
Dundee Securities Ltd.	(4,272)	(4,871)
Dundee Energy Limited	445	(2,093)
United Hydrocarbon International Corp.	(22,311)	41,854
Dundee Sustainable Technologies Inc.	(3,418)	(3,569)
Eurogas International Inc.	(945)	(608)
Blue Goose Capital Corp.	(20,417)	(12,529)
AgriMarine Holdings Inc.	(4,313)	(4,579)
Dundee 360 Real Estate Corporation	(12,999)	(736)
	(71,055)	6,216
Adjusted for the corporate and other portfolio holdings segment:		
Net (loss) income from investments	(65,797)	63,311
Share of loss from equity accounted investments	(64,276)	(54,360)
Other items in the corporate and other portfolio holdings segment	(3,962)	(14,987)
Income tax expense	(7,532)	(1,309)
Net loss from continuing operations	(212,622)	(1,129)
Net earnings (loss) from discontinued operations		
Dundee Energy Limited Partnership	3,493	(38,412)
Blue Goose Pure Foods Ltd.	-	(30,846)
Net earnings (loss) from discontinued operations	3,493	(69,258)
Net loss for the year	**$ (209,129)**	**$ (70,387)**
Net (loss) earnings attributable to owners of the parent:		
Continuing operations	$ (204,447)	$ (2,574)
Discontinued operations	2,024	(49,959)
	$ (202,423)	**$ (52,533)**

Continuing Operations

During 2018, the Corporation incurred a net loss from continuing operations attributable to owners of the Corporation of $204.4 million, or a loss of $3.52 per share. This compares with net loss from continuing operations attributable to owners of the Corporation of $2.6 million in 2017, representing a loss of $0.16 per share.

Operating results in 2018 reflect $77.4 million of market depreciation (2017 – market appreciation of $63.4 million) in certain of the Corporation's investments that are carried in the consolidated financial statements at FVTPL. As changes in the fair value of investments carried at FVTPL, which are determined by trends and information in equity and capital markets, are recorded in the Corporation's net earnings or loss, they can cause substantial volatility in operating performance. The Corporation cautions that the equity and credit markets do not always necessarily reflect the underlying value of certain assets. In addition to the change in the fair value of investments, 2018 net loss from investments also includes a $10.6 million dividend and interest income distributed from its portfolio investment resulting from the adoption of new accounting standard in 2018. The dividend and interest income was included in the Corporation's revenues in the prior year.

A number of the Corporation's investments are accounted for using the equity method of accounting, which requires that the Corporation increase or decrease the carrying value of its investment by its proportionate share of the net earnings or loss of the underlying investee. This method of accounting further subjects the Corporation to significant volatility in its operating performance as the underlying net earnings or loss of the equity accounted investee may be subject to market forces or other events over which the Corporation does not exert control. During 2018, the Corporation's corporate and other portfolio holding segment recognized a loss from its equity accounted investments of $64.3 million (2017 – $54.4 million). The $64.3 million loss includes an impairment charge of $22.3 million in respect of its investment in 0832912 B.C. Unlimited Liability Company (see "*Significant Developments in Equity Accounted Investments – 0832912 B.C. Unlimited Liability Company*").

Highlights of other year-over-year comparable results of the Corporation's operating subsidiaries are described below and are further discussed under "*Segmented Results of Operations*".

- As a result of the transfer out of $134.0 million AUM to an external manager in May 2018, Goodman & Company, Investment Counsel Inc. ("GCIC") reported its AUM of $54.2 million (2017 – $194.1 million) at December 31, 2018. Early in 2018, it successfully launched *CMP 2018 Resource Limited Partnership*, a tax-sheltered limited partnership that raised capital of $30.7 million.

- On December 14, 2018, the Corporation sold its 100% interest in Dundee Securities Ltd. ("Dundee Securities") for total consideration of $4.0 million and recognized a gain of $2.6 million. Approximately $20 million previously held regulatory capital supporting Dundee Securities was provided to the Corporation. In addition, the Corporation completed the sale of 80% of its stake in Dundee Securities Europe Limited in April 2018.

- A Vancouver investment banking operation that was opened by Dundee Securities in early April 2018 was amalgamated with GCIC prior to the completion of the sale transaction. As part of its cost rationalization strategy, Dundee Securities liquidated its proprietary trading inventory during the third quarter of 2018.

- On September 22, 2017, the Corporation's 83% owned subsidiary, United Hydrocarbon International Corp. ("UHIC"), completed a transaction whereby it sold its interest in United Hydrocarbon Chad Ltd. ("UHCL") to Delonex Energy Limited ("Delonex"), a Sub-Saharan oil and gas company focused on exploration, development and production. In consideration, UHIC received an ongoing royalty interest in the underlying exploration properties. Furthermore, UHIC will be entitled to certain contingent bonus payments upon Delonex achieving first oil on these properties. During 2018, UHIC reported net loss before taxes of $22.3 million, most of it relating to a change in the fair values of the royalty interest and the bonus contingency since December 31, 2017, including the impact from changes in foreign exchange rates. This compares with pre-tax operating losses, adjusted for a $64.4 million foreign exchange gain on completion of the transaction with Delonex, of $22.5 million during 2017.

- Dundee Sustainable Technologies Inc. ("Dundee Technologies") incurred a pre-tax operating loss of $3.4 million (2017 – $3.6 million). Dundee Technologies continues to expand the provision of technical services in the mining industry to evaluate processing alternatives using its state of the art metallurgy plant and skilled technical team.

- On November 16, 2018, Dundee Energy Limited Partnership ("DELP"), a wholly-owned subsidiary of Dundee Energy Limited ("Dundee Energy"), completed the sale of substantially all of its property for total cash consideration of $27.0 million and recognized a loss of $18.8 million. Following the completion of the sale, Dundee Energy determined it had effectively lost control of the operations of DELP and, as a result, the associated assets and liabilities were subsequently deconsolidated, resulting in a gain from disposal of subsidiary of $30.8 million. In late March 2019, Dundee Energy and certain of its subsidiaries filed an assignment for the benefit of creditors under *the Bankruptcy and Insolvency Act*.

- During 2018, Blue Goose Capital Corp. ("Blue Goose") incurred a net pre-tax operating loss of $20.4 million (2017 – $12.5 million) from continuing operations. Blue Goose's operating performance is partially driven by changes in the fair value of its livestock, which is subject to volatility from period-over-period changes in the physical growth of its biomass, as well as changes in market prices for the commodity. In addition, the current year pre-tax operating result was impacted by a $5.2 million impairment charge against its carrying value of certain properties and intangible assets.

Results in the prior year include the operations of Blue Goose Pure Foods Ltd. (“BGPF”), the subsidiary through which Blue Goose had acquired the business of Tender Choice Foods Inc. (“Tender Choice”). An interim receiver was appointed in respect of these assets in December 2017. Accordingly, the operating results of BGPF have been classified as *“Discontinued Operations”*.

- AgriMarine Holdings Inc. (“AgriMarine”) continues to rationalize its cost structure with the goal of achieving profitability for its fish farming operation and sourcing third-party revenue for its technology division, while it continues to validate the scientific and commercial viability of its closed-containment tank technology. During 2018, AgriMarine reported pre-tax operating losses of $4.3 million (2017 – $4.6 million), slightly improved from the prior year.

- During 2018, Dundee 360 Real Estate Corporation (“Dundee 360”) incurred a pre-tax loss of $13.0 million compared with $0.7 million in the prior year. The 2018 pre-tax loss includes an impairment charge of $2.1 million to reduce the carrying value of its land assets held in Croatia to its expected selling price and an accelerated depreciation charge of $8.0 million to reduce the carrying value of Sotheby’s franchise rights to its estimated recoverable amount. Operating performance in the prior year benefited from the recognition of certain project-driven revenues. Dundee 360 is focused on monetizing various international real estate development interests, continuing agent growth and market expansion initiatives in its real estate brokerage division, sourcing new project management opportunities and creating potential financing vehicles to allow it to continue growing its business.

OPERATING SUBSIDIARIES AS AT DECEMBER 31, 2018

	Ticker Symbol	*(000's) # of Shares Held*	*Market Price/Share*	*Percentage Ownership*	*Net Assets (note 1)*	*Non-Controlling Interests (note 2)*	*Carrying Value as at December 31, 2018*
Subsidiaries That Are Not Publicly Listed							
United Hydrocarbon International Corp.				83%	$ 190,891	$ (33,309)	$ 157,582
Blue Goose Capital Corp.				89%	28,463	95	28,558
Dundee 360 Real Estate Corporation				100%	15,078	(100)	14,978
AgriMarine Holdings Inc.				100%	13,247	-	13,247
Goodman & Company, Investment Counsel Inc.				100%	5,277	-	5,277
Dundee Energy Limited				58%	(2,244)	3,325	1,081
Subsidiaries That Are Publicly Listed							
Dundee Sustainable Technologies Inc.	DST	228,068.5	$0.03	62%	1,767	6,251	8,018
Eurogas International Inc.	EI	16,646.8	$0.00	54%	(938)	3,021	2,083
TOTAL – OPERATING SUBSIDIARIES							**$ 230,824**

1. *See note 29 “Segmented Information” to the 2018 Audited Consolidated Financial Statements for a more detailed analysis of the carrying value of individual assets and liabilities attributed to each operating subsidiary.*
2. *See note 18 “Non-Controlling Interest” to the 2018 Audited Consolidated Financial Statements for information regarding the carrying value of non-controlling interest in each subsidiary.*

Segmented Results of Operations

The following discussion provides a more comprehensive analysis of the performance results of each of the Corporation’s operating subsidiaries, and their impact to the consolidated operating results of the Corporation. The following information is presented in a manner that corresponds to the Corporation’s reportable business segments as presented in note 29 to the 2018 Audited Consolidated Financial Statements.

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

GCIC is a registered portfolio manager and exempt market dealer across Canada, and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland. GCIC is a wholly-owned subsidiary of Dundee Global Investment Management Inc. ("DGIM") which, in turn, is a wholly-owned subsidiary of Dundee Corporation. Information about GCIC may be accessed at www.goodmanandcompany.com.

Assets Under Management at December 31, 2018

	For the three months ended December 31, 2018	For the year ended December 31, 2018
AUM at beginning of the period	$ 53,622	$ 194,131
Transactions for the period ended December 31, 2018		
Additions	161	39,607
Redemptions	(1,352)	(23,326)
Termination	-	(5,640)
Transfer out to external manager	-	(133,971)
Distributions paid	(89)	(89)
Change in market values	1,888	(20,382)
Change in private client assets	-	3,900
Net change in managed assets	608	(139,901)
AUM at end of the period	**$ 54,230**	**$ 54,230**

AUM Breakdown	
Tax-sheltered investment products	$ 36,407
Mutual funds	12,819
Alternative investment product	5,004
	$ 54,230

On May 31, 2018, in connection with Dundee Corporation's revised business strategy, GCIC transferred out its private client business along with an alternative investment product, *Goodman & Co. Core Equity Strategy*, to an unaffiliated entity, Ravenstone Capital Management Inc. The transfer out resulted in a decrease to reported AUM of $134.0 million.

Additions during 2018 were $39.6 million, of which $30.7 million was the result of the successful launch of GCIC's most recent tax-sheltered limited partnership, *CMP 2018 Resource Limited Partnership.* Subscriptions into *Goodman & Co. Core Equity Strategy* accounted for the remaining $8.8 million of additions during the year.

Redemptions during 2018 were $23.3 million, the majority of which relate to redemptions in *Dundee Global Resource Class*, a mutual fund, following the rollover of the assets of the Corporation's 2016 tax-sheltered investment vehicle, *CMP 2016 Resource Limited Partnership*. At the sole discretion of investors, certain redemptions from *Dundee Global Resource Class* were undertaken in order to generate proceeds for reinvestment into *CMP 2018 Resource Limited Partnership*.

Metals and mining stocks were weaker during 2018. Further contributing to market value declines were the premiums paid to acquire flow-through shares of resource stocks held by *CMP 2018 Resource Limited Partnership*. As a result, market depreciation during 2018 was $20.4 million.

In aggregate, AUM decreased by a net amount of $139.9 million to $54.2 million at December 31, 2018, compared with AUM of $194.1 million at December 31, 2017.

Recent Developments

On April 1, 2018, DGIM completed the sale of 80% of its interest in Dundee Securities Europe Limited to certain of its key management. Formerly consolidated as a wholly-owned subsidiary, Dundee Securities Europe Limited is treated as an equity accounted investment on an ongoing basis (see *"Significant Developments in Equity Accounted Investments – Dundee Securities Europe Limited"*).

On December 14, 2018, DGIM completed the sale of its 100% interest in Dundee Securities to Echelon Wealth Partners Inc. ("Echelon") and received a cash consideration of $2.9 million at closing. Of the $2.9 million cash consideration, $1.5 million remains in escrow account and will be released pursuant to the terms of the agreement. In addition to cash consideration, DGIM is entitled to a further payment of cash of up to $0.8 million, contingent on the retention and performance of assets under administration by Echelon over a two-year period from completion of the sale. Subsequent to December 31, 2018, DGIM received $0.3 million to settle the receivable set up at the day of the sale transaction. DGIM recognized a gain of $2.6 million from the sale transaction. Resulting from the sale transaction, approximately $20 million previously held as regulatory capital supporting Dundee Securities was transferred to the Corporation.

During the second quarter of 2018, Dundee Securities opened a Vancouver office to accommodate four seasoned investment banking professionals with significant expertise in the resource sector. The Vancouver investment banking business was amalgamated with GCIC during the fourth quarter of 2018 and prior to the completion of the sale of Dundee Securities' ownership. These additions are expected to provide aligned strategies and opportunities with Dundee Corporation as it redirects its business strategy.

RESULTS OF OPERATIONS

As illustrated in the following table, GCIC incurred a net loss before income taxes attributable to owners of Dundee Corporation of $2.8 million in 2018, compared with a pre-tax loss of $6.7 million incurred in the prior year. As described above, included in 2018 net loss before income taxes is a $2.6 million gain on sale of Dundee Securities Ltd.

For the years ended December 31,		2018		2017
Revenues				
Management and performance fees	$	1,561	$	2,213
Financial services		50		43
Interest and other		2,677		363
		4,288		2,619
Other items in net loss before tax				
General and administrative		(5,981)		(9,306)
Depreciation		(10)		(9)
Net (loss) income from investments		(1,000)		54
Share of loss from equity accounted investments		(116)		-
Interest expense		(6)		(11)
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	**$**	**(2,825)**	**$**	**(6,653)**
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:				
Owners of Dundee Corporation	$	(2,825)	$	(6,653)
Non-controlling interest		-		-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	**$**	**(2,825)**	**$**	**(6,653)**

Management fee revenues were $1.6 million in 2018, a decline of $0.6 million from management fee revenues of $2.2 million earned in the prior year. GCIC's management fee revenue is calculated and paid monthly, based on the fair value of AUM as determined on the last business day of each month. The average AUM for 2018 was $122.1 million (2017 – $196.9 million). Management fee revenues were impacted by the decline in AUM and the management fee rate charged on AUM. The decline in AUM, as described above, was mainly due to transfer out of its private client business in May 2018. During 2018, the average management fee rate on AUM was 1.28% (2017 – 1.11%). The change in the average management fee rate reflects the mix of assets managed, with private client assets generally earning a lower management fee rate than tax-sheltered investment products, mutual funds and closed-end investment products.

In addition to management fee revenues, GCIC may also earn performance fee revenue. Performance fees are contingent on the market values of the underlying portfolio at a specified point in time, generally at calendar year end, or upon the conclusion of a limited partnership arrangement. The Corporation may experience fluctuations in period-over-period revenues as performance fees are only recorded in earnings where amounts are determined with certainty. There were no performance fees earned in 2018 and 2017.

General and administrative expenses, exclusive of a one-time expense of $2.6 million related to transfer out of the private client business and continued downsizing the operations, were $4.4 million during 2018, compared with $9.3 million in the prior year and reflect, in part, cost rationalization as GCIC further streamlines its business strategy. General and administration expenses for 2018 also includes the expense relating to wind up of the operations subsequent to the sale to Echelon. The gain on the sale transaction was included in DGIM's operating result.

DUNDEE SECURITIES LTD.

Dundee Securities, as described above, the Corporation sold its 100% interest in Dundee Securities to Echelon on December 14, 2018. Prior to the completion of the sale, Dundee Securities was registered as an investment dealer in each of the jurisdictions of Canada and as a derivatives dealer in Quebec and as such, it is subject to the oversight of the provincial securities commissions and the Investment Industry Regulatory Organization of Canada ("IIROC").

RESULTS OF OPERATIONS

During 2018, Dundee Securities incurred a net loss before taxes of $4.3 million, compared with a net loss before taxes of $4.9 million incurred in the prior year.

For the years ended December 31,		2018		2017
Revenues				
Financial services				
Investment banking	$	777	$	4,910
Commissions		2,749		3,487
Principal trading		(95)		1,196
Interest and other		2,077		2,456
		5,508		12,049
Cost of sales				
Variable compensation		(2,371)		(4,462)
Other items in net loss				
Depreciation		(462)		(1,020)
General and administrative		(6,905)		(11,466)
Interest expense		(66)		(45)
Foreign exchange gain		24		73
Net loss attributable to Dundee Securities	**$**	**(4,272)**	**$**	**(4,871)**
Net loss before taxes, Dundee Securities attributable to:				
Owners of Dundee Corporation	$	(4,272)	$	(4,871)
Non-controlling interest		-		-
Net loss before taxes, Dundee Securities	**$**	**(4,272)**	**$**	**(4,871)**

Revenues

During 2018, Dundee Securities' revenues decreased to $5.5 million, compared with revenues of $12.0 million generated in the prior year. Revenues in 2017 included residual new issue and advisory mandates of $4.9 million that had been initiated prior to the sale of Dundee Securities' capital markets division during 2016. The reduction of principal trading revenue in 2018 was mainly due to the liquidation of the proprietary trading inventory in the third quarter of 2018.

Variable Compensation Expense

Variable compensation expense incurred in 2018 was $2.4 million, compared with $4.5 million incurred in 2017. Variable compensation expense includes $0.2 million (2017 – $1.0 million) related to the operations of Dundee Securities Europe Limited prior to the sale, for which there is no associated revenue.

General and Administrative Expenses

General and administrative expenses incurred by Dundee Securities fell to $6.9 million during 2018, compared with $11.5 million of general and administrative expenses incurred in the prior year. General and administrative expenses incurred in 2017 included certain termination costs including severance as well as write-downs related to redundant leaseholds.

UNITED HYDROCARBON INTERNATIONAL CORP.

UHIC is a privately-held Canadian junior exploration company that is focused on seeking opportunities internationally, both directly and indirectly, for the exploration, development and production of oil and natural gas. At December 31, 2018, the Corporation's carrying value of its 83% interest in UHIC was $157.6 million. Additional information regarding UHIC may be accessed at www.unitedhydrocarbon.com.

Recent Developments

Through UHCL, the company's wholly-owned Chadian subsidiary, UHIC was historically engaged in exploring for oil and natural gas in the Republic of Chad under the terms of a May 2012 production sharing contract ("PSC"). The PSC provided UHCL with the exclusive right to explore and develop oil and gas reserves in four distinct blocks: the DOC Block and the DOD Block (together the "Doba Basin"); Block H; and the Largeau Block. The Largeau Block was subsequently relinquished under the relinquishment terms of the PSC in 2017.

On September 22, 2017, UHIC sold its interest in UHCL to Delonex. Subject to certain amounts that were retained or otherwise held in escrow, UHIC received cash of US$35.0 million. UHIC is also entitled to additional contingent consideration upon Delonex achieving commercial production, including a US$20 million bonus for first oil at Doba Basin, and a further US$30 million for first oil at Block H. As part of the transaction, Delonex committed to a US$65 million comprehensive exploration program for the assets in Chad to be completed within a two-year period from closing of the transaction, and it committed to a further US$35 million investment in the Doba Basin should commerciality be achieved during the remaining life of the PSC. Delonex completed the acquisition of 1,300 square kilometers of 3D seismic surveys as well as 550 line kilometers of 2D seismic surveys in March 2018. Also, in September 2018, Delonex mobilised a rig to site and commenced the first phase of the exploration drilling program.

UHIC retains a significant economic interest in the PSC through a 10% royalty on all of UHCL's cash flows generated from Doba production, and a 5% royalty on all of UHCL's cash flows generated from Block H production, payable as long as the average price of Brent crude oil is greater than US$45.00 per barrel in any calendar quarter. Pursuant to the terms of the PSC, UHCL's cash flows are determined in the following manner:

- The Republic of Chad will be entitled to a 14.25% royalty on oil produced;
- Remaining production revenue after payment of the 14.25% royalty ("Net Production Revenue") will be allocated as follows:
  - Cost Oil recovery, which is capped at 70% of monthly Net Production Revenue to a maximum of the Recoverable Cost Amount.
  - Profit Oil, which represents Net Production Revenue less the Cost Oil allocation.
  - Profit Oil will be shared with the Republic of Chad, with UHCL's share of Profit Oil consisting of:
    - 60% of Profit Oil for an "R Factor" of up to 2.25;
    - 50% of Profit Oil for an "R Factor" of between 2.25 and 3.00; and
    - 40% of Profit Oil for an "R Factor" of greater than 3.00.

    The "R Factor" will be determined each quarter and is equal to the ratio of (i) the cumulative value of UHCL's share of production from both Cost Oil and Profit Oil less cumulative production costs; to (ii) the cumulative exploration and development costs incurred by UHCL.

In accordance with IFRS, the Corporation was required to determine the fair value of other consideration received, including the contingent payment of up to US$50.0 million, and the potential royalty interest that would result upon achievement of first production.

In determining the fair value of the US$50.0 million contingent consideration, UHIC applied an 85% probability in reaching successful first oil before March 31, 2022 (2017 – December 31, 2019) at the Doba Basin, and a 65% probability in reaching first oil at Block H before March 31, 2022 (2017 – December 31, 2021), appropriately discounted using a risk-adjusted rate of 16.4% (2017 – 13.0%). At December 31, 2018, the fair value of the contingent consideration was revalued to US$22.3 million (Cdn$30.4 million), compared to the contingent consideration of US$25.3 million (Cdn$31.7 million) at the end of December 2017. Included in net loss during 2018 is $4.2 million loss relating to changes in the fair value of the contingent consideration that is attributed to the passage of time and change of timing in reaching successful first oil and changes in the discount factor, offset with an $2.9 million increase in fair value being reflected in other comprehensive income.

In determining the fair value of the royalty interest, UHIC applied a 47.5% success probability to the Doba Basin and Block H cash flows determined using the forecasted Brent crude oil price, as prepared and published by McDaniel & Associates Consultants Ltd. on January 1, 2019, and discounted using a risk-adjusted rate of 16.4% (2017 – 14.4%). In addition, the valuation model incorporates resource estimates derived from independently prepared technical reports by a global petroleum consulting firm specializing in resource assessments. The reports were prepared in 2016 and disclose only contingent and prospective resources, both of which are highly speculative and lack the degree of confidence to be classified as reserves. More work is required to demonstrate that these resources can ever be commercially recoverable.

At December 31, 2017, the royalty interest was valued at US$114.0 million (Cdn$143.1 million). At December 31, 2018, the royalty interest was revalued to US$101.8 million to reflect a change in the average oil price forecast, changes to the timing of first production and costs and to account for the passage of time, and to Cdn$139.0 million to reflect foreign currency fluctuations. Included in net loss during 2018 is $17.2 million loss relating to changes in the fair value of the royalty interest that is attributed to changes in the average price of oil, changes to the timing of first production and costs and the passage of time, offset with an $13.1 million increase in fair value being reflected in other comprehensive income.

	For the three months ended		For the years ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Other items in net (loss) earnings before taxes				
Depreciation	$ -	$ (8)	$ (4)	$ (670)
General and administrative				
Directly attributable to exploration activities	-	507	-	(3,657)
Head office and other ongoing costs	(501)	(652)	(1,271)	(4,532)
Costs incurred as a result of the sale of UHCL	-	(4,679)	-	(17,029)
Remeasurement of financial instruments	(33,782)	3,269	(21,344)	3,269
Interest expense	3	-	8	(315)
Foreign exchange gain (loss)	189	(20)	300	64,788
Net (loss) earnings before taxes, United Hydrocarbon International Corp.	**$ (34,091)**	**$ (1,583)**	**$ (22,311)**	**$ 41,854**
Net (loss) earnings before taxes, United Hydrocarbon International Corp. attributable to:				
Owners of Dundee Corporation	$ (28,142)	$ (1,306)	$ (18,418)	$ 34,746
Non-controlling interest	(5,949)	(277)	(3,893)	7,108
Net (loss) earnings before taxes, United Hydrocarbon International Corp.	**$ (34,091)**	**$ (1,583)**	**$ (22,311)**	**$ 41,854**

As a result of changes in the fair value of the contingent consideration and royalty interest related to UHIC's transaction with Delonex, UHIC is reporting a net loss during 2018 of $22.3 million, including the $21.3 million of fair value changes described above. UHIC's operating results also benefited from continued cost savings. During 2017, UHIC reported a foreign exchange gain of $64.4 million relating to the disposition of UHCL, and the subsequent derecognition of UHCL's underlying net assets in the consolidated financial statements.

During the three months ended December 31, 2018, UHIC recognized a net loss of $34.1 million mainly due to the fair value changes.

CHANGES IN FINANCIAL CONDITION

UHIC received cash consideration of US$20.3 million at closing of the transaction with Delonex, representing the upfront payment of US$35.0 million, less escrowed amounts and holdbacks of US$12.5 million, and net of a working capital shortfall of US$2.2 million. At closing, US$9.5 million of cash consideration was placed in an escrow account, of which UHIC is working with Delonex on scheduling the release of US$6.9 million relating to security for any claims by Delonex for breaches against representations, warranties or covenants in the transaction agreement, or against any other indemnity provisions. Subject to certain conditions, the remaining US$2.6 million will be released at the earlier of first production or September 22, 2020.

In addition, UHIC and Delonex have entered into a further commercial contract in respect of a holdback of US$3.0 million, which is available to Delonex to fund any fees associated with a further extension of the current three-year term of the PSC. Upon the granting of such extension by the Republic of Chad, any amounts not used by Delonex to secure the extension will be returned to UHIC. As part of its agreement with Delonex, UHIC has agreed to fund 100% of any cost associated with the PSC extension up to US$10.0 million. Should the extension costs exceed US$10.0 million, 50% of any excess will be funded by UHIC. Any additional amount owed over the US$3.0 million holdback will be withheld from future royalty contingent payments. Should an extension not be granted prior to June 5, 2020, the holdback will be forfeited by UHIC to Delonex.

Cash Resources
At December 31, 2018, UHIC held cash of $5.0 million. UHIC does not currently generate cash flows from its business activities, and it currently relies on its ability to raise funds through capital markets or through debt from the Corporation. Existing cash resources are expected to cover UHIC's cash requirements as it monitors Delonex's commitments made under the sales agreement.

UHIC's residual assets, including its royalty interest and its entitlement to a first oil production bonus, are based on contingent and prospective oil and gas resources that are to be explored and developed in the Republic of Chad by Delonex, the new operator of UHCL. There are a number of potential material uncertainties that, should they arise, would raise significant doubt as to UHIC's ability to recover its royalty interest and first oil bonus receivable carried value. These uncertainties include, but are not limited to, the current economic and political conditions in Africa, the ongoing volatility of oil prices, the inherent risk in the oil and gas industry to finding commercial quantities of oil, and UHCL's ability to access key oil export infrastructure to export any oil or gas discoveries. There can be no assurance that UHCL will be successful in its endeavours.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

Dundee Technologies is engaged in the development and commercialization of environmentally-responsible technologies for the treatment of complex materials in the mining industry. Through the development of patented, proprietary processes, Dundee Technologies extracts precious and base metals from ores, concentrates and tailings, while stabilizing contaminants such as arsenic, which could not otherwise be extracted or stabilized with conventional processes because of metallurgical issues, cost or environmental considerations.

Dundee Technologies' primary profit driver in the coming years will be the arsenic vitrification process. Using this technology, arsenic, which is a significant and dangerous waste product from the mining industry can be safely and permanently be vitrified in a glass form for disposal at the mine site or for remediation situations. There are numerous projects in the development pipeline.

Dundee Technologies is also developing a solution to address the growing pressure from communities and governmental authorities over the use of cyanide in gold extraction. Dundee Technologies is working with customer that seek alternative processes that can extract gold without the environmental liabilities associated with cyanide, while still maintaining control over the deleterious elements such as arsenic, mercury and antimony. Dundee Technologies is offering a competitive alternative to the cyanidation process.

Dundee Technologies has identified over 100 gold projects that face significant concerns due to cyanide use and other environmental or metallurgical constraints. Dundee Technologies is focused on advancing discussions with major mining producing companies on building alternative processing and stabilization processes. Dundee Technologies is currently processing test material for a number of customers and, assuming successful results, it plans to negotiate business terms with those customers for the commercialization of its technologies.

Dundee Technologies has protected its intellectual property by filing patents during the development of its technologies. To date, Dundee Technologies has patents granted or published on 13 different processes, and it has 57 patents granted, published, pending or filed in 16 different countries. These patents expire between 2022 and 2034.

At December 31, 2018, the Corporation held 178.1 million subordinate voting shares and 50.0 million multiple voting shares of Dundee Technologies, representing a 62% equity interest and an 84% voting interest. Additional information regarding Dundee Technologies may be accessed at www.dundeetechnologies.com.

Technical Services

Dundee Technologies continues to build its technical services business and under the terms of these contracts, Dundee Technologies will provide technical services in markets such as lithium, cobalt, nickel, magnesium, graphite and gold. Proceeds from these contracts will allow Dundee Technologies to partially offset developmental and operating costs related to its primary technologies.

RESULTS OF OPERATIONS

During 2018, Dundee Technologies incurred a net loss before taxes of $3.4 million, compared with a net loss before taxes of $3.6 million in the prior year.

For the years ended December 31,		2018		2017
Revenues				
Technical services	$	1,916	$	2,424
Interest and other		59		37
		1,975		2,461
Cost of sales		(1,508)		(2,405)
Other items in net loss before taxes				
Depreciation and depletion		(461)		-
General and administrative		(2,882)		(3,126)
Interest expense		(549)		(497)
Foreign exchange gain (loss)		7		(2)
Net loss before taxes, Dundee Sustainable Technologies Inc.	**$**	**(3,418)**	**$**	**(3,569)**
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:				
Owners of Dundee Corporation	$	(1,663)	$	(1,982)
Non-controlling interest		(1,755)		(1,587)
Net loss before taxes, Dundee Sustainable Technologies Inc.	**$**	**(3,418)**	**$**	**(3,569)**

During 2018, Dundee Technologies earned revenues of $1.9 million from the provision of technical services to customers in the mining industry to evaluate processing alternatives using its proprietary technologies and for general mineral processing services.

Dundee Technologies incurred operating expenses of $4.4 million in 2018, of which $1.5 million is directly attributable to the provision of technical services, including labour and associated overhead, and which has been designated as "*Cost of sales*" in the consolidated statements of operations, and $2.9 million in general and administrative costs. In comparison, during 2017, Dundee Technologies incurred operating costs of $5.5 million, of which $2.4 million was attributed to cost of sales, with the balance of $3.1 million in general and administrative costs. As the business activities of Dundee Technologies mature, it is expected that more of its highly specialized technical resources will be allocated to the provision of revenue generating activities. In addition, included in 2018 net loss before taxes is a $0.5 million amortization charge on intellectual property.

CHANGES IN FINANCIAL POSITION

The chlorination process developed by Dundee Technologies has been recognized as a "green technology", for which Dundee Technologies has originally awarded a $5.0 million grant by the Government of Canada through its Sustainable Development Technology Canada Fund, for the construction and operation of the demonstration plant. During 2018, Dundee Technologies announced a further award of $1.25 million for continued development of its arsenic vitrification technology. The funding will assist Dundee Technologies in the construction and operation of its industrial scale plant that is being delivered to a customer's mineral processing facility.

Dundee Corporation advanced $2.2 million to Dundee Technologies during 2018 in order to supplement working capital requirements. At December 31, 2018, Dundee Technologies had cash of $0.1 million, and it had obligations, other than obligations due to Dundee Corporation, of $6.2 million. Dundee Technologies continues to pursue financing alternatives to fund its operations. Although there is no assurance that these efforts will be successful, Dundee Technologies believes that if its ongoing research and development activities provide favorable results, it will be able to secure the necessary financing through additional grants, or the issuance of debt or equity in either the private or public markets.

EUROGAS INTERNATIONAL INC.

Eurogas International Inc. ("Eurogas") (www.eurogasinternational.com), is a publicly traded (CSE: EI) oil and natural gas exploration company. Subject to certain limitations as further described below, Eurogas holds an effective 5.625% royalty-like working interest in the Sfax offshore permit (the "Sfax Permit"), located in offshore Tunisia and targeting oil and natural gas reserves.

Eurogas has entered into a joint operating arrangement with DNO Tunisia AS ("DNO Tunisia") and with Atlas Petroleum Exploration Worldwide Ltd. ("APEX"), pursuant to which the joint venturers agreed to undertake exploration, evaluation and extraction activities on the Sfax Permit. On July 30, 2018, Panoro Energy ASA ("Panoro"), an independent exploration and production company based in London, England and listed on the Oslo Stock Exchange, acquired 100% of DNO Tunisia, following which Panoro became the operator of the Sfax Permit. Following completion of the transaction, Panoro assumed responsibility for all drilling and other obligations associated with the Sfax Permit, including any monetary penalties arising due to non-fulfillment of work commitments agreed to under the terms of the Sfax Permit. The Corporation holds a 5.625% working interest in the Sfax Permit, subject to certain cumulative revenue thresholds and priority recovery of expenditures.

In August 2015, the operator received regulatory approval from the Tunisian authorities for a two-year extension of the first renewal period related to the Sfax Permit, extending the first renewal period and the associated exploration well drilling obligations to December 8, 2017, and on July 21, 2017, the operator received regulatory approval for an additional extension to December 8, 2018. Subsequent to December 31, 2018, Panoro, the new operator, announced the renewal of the Sfax Permit for an additional three-year period, extending to December 8, 2021, subject to the precondition of fulfilling the outstanding drilling obligation.

Notwithstanding the approval of the extension of the renewal period, the current capital markets environment and the associated volatility in the price of oil causes significant uncertainties to Eurogas' determination of possible cash flows from its oil and natural gas activities. Accordingly, at December 31, 2018 and 2017, Eurogas carries its investment in the Sfax Permit at $nil.

RESULTS OF OPERATIONS

During 2018, Eurogas incurred a loss before income taxes of $0.9 million, compared with a loss before income taxes of $0.6 million in 2017. Higher interest charges on monies borrowed, and the adverse effect of foreign exchange translation amounts in the first nine months of 2018, mostly offset the benefit of reduced general and administrative expenses that resulted from diminished business activities.

	For the three months ended		For the years ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Other items in net loss before taxes				
Depreciation and depletion	$ (286)	$ -	$ (286)	$ -
General and administrative	(84)	(92)	(342)	(430)
Interest expense	(71)	(57)	(262)	(209)
Foreign exchange (loss) gain	(37)	(2)	(55)	31
Net loss before taxes, Eurogas International Inc.	**$ (478)**	**$ (151)**	**$ (945)**	**$ (608)**
Net loss before taxes, Eurogas International Inc. attributable to:				
Owners of Dundee Corporation	$ (256)	$ (80)	$ (506)	$ (325)
Non-controlling interest	(222)	(71)	(439)	(283)
Net loss before taxes, Eurogas International Inc.	**$ (478)**	**$ (151)**	**$ (945)**	**$ (608)**

CHANGES IN FINANCIAL CONDITION

Dundee Corporation has provided Eurogas with a $5.0 million revolving term credit facility, pursuant to which Eurogas has agreed to pay interest at a rate per annum equal to the prime lending rate for loans as set out by a Canadian Schedule I Chartered Bank, plus 1.25%. Dundee Corporation may, at its discretion and subject to the necessary regulatory approvals, require Eurogas to convert all amounts outstanding, including any interest outstanding, into common shares of Eurogas, subject to a minimum conversion price of $0.05 per common share of Eurogas. At December 31, 2018, Eurogas had drawn $5.6 million against this facility, including a net amount of $0.4 million advanced by Dundee Corporation during 2018. Although Eurogas has exceeded amounts available pursuant to these arrangements, Dundee Corporation has not demanded payment.

In addition, Eurogas has issued preference shares from treasury with a par value of $32.2 million. The preference shares are held by Dundee Energy, and are subject to demand by Dundee Energy at any time, together with unpaid dividends thereon amounting to $13.4 million at December 31, 2018. In late March 2019, Dundee Energy and certain of its subsidiaries filed an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act*. In a bankruptcy, the property of Dundee Energy will vest in a trustee in bankruptcy who will realize any property that can be converted into cash and abandon property that cannot. The trustee in bankruptcy has not made a demand to collect on the unpaid dividends.

Both the $5.0 million revolving term credit facility provided by Dundee Corporation to Eurogas, and the $32.2 million preference shares held by Dundee Energy, are eliminated as intersegment amounts in the 2018 Audited Consolidated Financial Statements. However, as a result of these financial obligations, Eurogas had a negative working capital balance of $52.1 million at December 31, 2018. Eurogas' ability to meet its obligations is conditional on the discovery of economically recoverable reserves, obtaining exploitation concessions for any such economically recoverable reserves, its ability to raise the necessary capital to finance development and settle its current obligations, and working capital from future profitable production or proceeds from the disposition of assets. There can be no assurance that Eurogas will be successful in achieving any of these initiatives.

DUNDEE ENERGY LIMITED

Dundee Energy is a Canadian-based company that previously held interest, both directly and indirectly, in producing oil and natural gas assets in southern Ontario. Additional information about Dundee Energy may be accessed at www.dundee-energy.com.

Recent Developments

Dundee Energy's southern Ontario operations are conducted through DELP, a wholly-owned subsidiary. DELP established a demand credit facility whereby the lender to DELP retained full right, at its sole discretion, to demand repayment of amounts borrowed, whether in whole or in part, at any time. A volatile commodity price environment had, in the view of DELP's lender, eroded the value of DELP's assets in southern Ontario, and therefore also eroded the lender's underlying secured interest in such assets.

On July 21, 2017, DELP and Dundee Energy received notice from DELP's lender, demanding repayment of amounts borrowed pursuant to the credit facility by July 31, 2017, which DELP and Dundee Energy were not able to meet. On August 16, 2017, DELP commenced insolvency proceedings by filing a Notice of Intention to Make a Proposal ("NOI") pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) in order for DELP, with the support of its lender, to run a court-supervised sale solicitation process ("SSP"), with the goal of identifying proposals to purchase some or all of the business, properties or assets of DELP. DELP has obtained an order from the Ontario Superior Court of Justice approving the terms of the SSP. In early 2018, the SSP continued under the terms of the *Companies' Creditors Arrangement Act* in order to extend the timeline within which the SSP is to be completed.

On November 16, 2018, DELP completed the sale of substantially all of its properties pursuant to an order of the Ontario Superior Court of Justice. As illustrated in the following table, DELP received total consideration of $27.0 million on the sale, of which $1.0 million was withheld by the court officer for further post-close related expenditures. DELP recognized a loss of $18.8 million on the sale transaction.

Carrying value of net assets sold:		
Accounts receivable	$	4,933
Resource assets		91,336
Accounts payable		(3,979)
Decommissiong liabilities		(46,439)
		45,851
Proceeds received on disposition of net assets:		
Cash		25,972
Holdback		1,030
		27,002
Loss on sale of net assets	**$**	**(18,849)**

Following the completion of the sale of substantially all of DELP's assets on November 16, 2018, Dundee Energy lost the ability to make substantive decisions over relevant activities concerning the remaining assets of DELP. Accordingly, Dundee Energy has determined that it effectively lost control of DELP's operations of DELP, accordingly, the associated assets and liabilities of DELP were subsequently deconsolidated, resulting a gain from deconsolidation of subsidiary of $30.8 million as illustrated below.

Carrying value of net assets:		
Cash	$	28
Accounts receivable		3,056
Corporate debt		(30,777)
Accounts payable		(3,136)
Gain on disposal of subsidiary	**$**	**30,829**

Upon completion of the sale of DELP's net assets, DELP arranged for the repayment of its lending arrangement and reduced its outstanding loan balance to $30.8 million prior to the deconsolidation of DELP. Dundee Energy has assigned a limited recourse guarantee of its units in DELP as security pursuant to the credit facility. The lending arrangements provided to DELP are otherwise non-recourse to the Corporation.

In late March 2019, Dundee Energy and certain of its subsidiaries filed an assignment for the benefit of creditors under *the Bankruptcy and Insolvency Act*.

RESULTS OF OPERATIONS

During 2018, Dundee Energy incurred a net loss before income taxes of $26.9 million (2017 – $25.7 million), including a loss from discontinued operations of $27.3 million (2017 – $23.6 million) related to the southern Ontario assets.

	Continuing Operations		Discontinued Operations		Total	
For the years ended December 31,	2018	2017	2018	2017	2018	2017
Revenues						
Oil and gas sales	$ -	$ -	$ 20,597	$ 22,430	$ 20,597	$ 22,430
Interest and other	-	(1,425)	89	183	89	(1,242)
	-	(1,425)	20,686	22,613	20,686	21,188
Cost of sales						
Production expenditures	-	-	(10,575)	(10,929)	(10,575)	(10,929)
Other items in net loss before taxes						
Depreciation and depletion	-	(32)	(7,415)	(27,299)	(7,415)	(27,331)
General and administrative	491	(576)	(5,988)	(3,692)	(5,497)	(4,268)
Remeasurement of financial instruments	-	-	-	1,299	-	1,299
Loss on sale of net assets	-	-	(18,849)	-	(18,849)	-
Interest expense	-	-	(5,461)	(5,320)	(5,461)	(5,320)
Foreign exchange gain (loss)	(46)	(60)	266	(276)	220	(336)
Net (loss) earnings before taxes, Dundee Energy Limited	**$ 445**	**$ (2,093)**	**$ (27,336)**	**$ (23,604)**	**$ (26,891)**	**$ (25,697)**
Net (loss) earnings before taxes, Dundee Energy Limited attributable to:						
Owners of Dundee Corporation	$ 139	$ 167	$ (15,841)	$ (7,452)	$ (15,702)	$ (7,285)
Non-controlling interest	306	(2,260)	(11,495)	(16,152)	(11,189)	(18,412)
Net (loss) earnings before taxes, Dundee Energy Limited	**$ 445**	**$ (2,093)**	**$ (27,336)**	**$ (23,604)**	**$ (26,891)**	**$ (25,697)**

As previously noted, included in 2018 loss from discontinued operations is an $18.8 million loss from sale of substantially all of DELP's property in November 2018. In comparison, during 2017, DELP recognized a $19.0 million impairment against the carried value of certain exploration and evaluation properties, reducing its carrying value to $nil.

During 2018, Dundee Energy reversed a previously accrued legal expense of $0.9 million. After adjusting for this amount, general and administrative expenses from continuing operations were $0.4 million during 2018, a decrease of $0.2 million from $0.6 million general and administrative expenses in 2017. The decrease reflects a curtailment in the development of any alternative business activities ahead of the completion of the sale of DELP's assets.

During 2017, Dundee Energy's loss from continuing operations was impacted by a $1.4 million impairment against the fair value of its 45% interest in Windiga Energy Inc., reducing its value to $nil.

In light of the financial circumstances surrounding its investment in DELP, Dundee Energy assessed the appropriateness of continuing to recognize the benefit of its deferred income tax assets, and it identified that the probability of utilizing its deferred income tax assets no longer met the criteria of "more-likely-than-not". As a result, during 2017, Dundee Energy further recognized an income tax expense amount of $18.0 million, drawing its deferred income tax asset balance to $nil.

CHANGES IN FINANCIAL CONDITION

Dundee Energy's Continuing Operations – Liquidity and Capital Resources
Dundee Energy's current cash resources are insufficient to meet its current obligations and is dependent on the continued financial support from the Corporation, to fund current and future obligations

BLUE GOOSE CAPITAL CORP.

Blue Goose is a privately-held Canadian holding company focused on the production, distribution and sale of organic, antibiotic and animal by-product free and traditional protein products. During 2018, the majority of investments involving poultry and fish were either sold or wound-down. Blue Goose continues to be the sole shareholder of a vertically integrated producer of natural and certified organic beef located in British Columbia with 45,000 acres of owned land and over one-million additional acres which are leased or have Crown Range Grazing Licenses (inclusive of land, grazing rights, water rights, etc.). Operations also include: organic hay, haylage and silage production, an independent trucking and custom farming enterprise and a Federally and Provincially licensed abattoir. At December 31, 2018, Dundee Corporation held 89% of the issued and outstanding common shares of Blue Goose.

RESULTS OF OPERATIONS
During 2018, Blue Goose incurred a net loss from continuing operations of $20.4 million, compared with a net loss of $12.5 million for the prior year. The increase in the net loss in 2018 compared with 2017 is attributable mainly to an impairment charge of $5.2 million against capital assets and a $5.8 million change in the fair value of livestock. During 2018, Blue Goose reassessed the values of certain properties and recognized an impairment of $3.0 million and in addition, intangible assets were impaired by $2.2 million, reducing their carrying value to $nil.

In December 2017, Blue Goose determined that following the appointment of an interim receiver on December 14, 2017, it effectively lost control of the operations of Blue Goose Pure Foods ("BGPF"), and as a result the operating results of BGPF were classified as discontinued. The operating net loss from discontinued operations for the year ended December 31, 2017 was $9.3 million and the loss from disposal of subsidiary was $22.6 million.

	For the year ended December 31, 2018	For the year ended December 31, 2017 Continuing Operations	Discontinued Operations	Total
Revenues				
Sales	$ 24,835	$ 27,774	$ 77,697	$ 105,471
Interest and other	2,394	326	(69)	257
	27,229	28,100	77,628	105,728
Cost of sales	(34,460)	(39,449)	(70,395)	(109,844)
Other items in net loss before taxes				
Depreciation and depletion				
Depreciation	(2,288)	(2,426)	(3,446)	(5,872)
Impairment	(5,240)	-	(23,638)	(23,638)
General and administrative				
Marked-to-market adjustment on earnout liability	-	-	14,993	14,993
Other general and administrative	(4,505)	(4,403)	(2,937)	(7,340)
Fair value changes in livestock	4,223	10,060	-	10,060
Interest expense	(5,376)	(4,406)	(1,492)	(5,898)
Foreign exchange loss	-	(5)	(37)	(42)
Net loss before taxes, Blue Goose Capital Corp.				
Operating loss	(20,417)	(12,529)	(9,324)	(21,853)
Loss from liquidation of net assets	-	-	(22,577)	(22,577)
Net loss before taxes, Blue Goose Capital Corp.	**$ (20,417)**	**$ (12,529)**	**$ (31,901)**	**$ (44,430)**
Net loss before taxes, Blue Goose Capital Corp. attributable to:				
Owners of Dundee Corporation	$ (18,348)	$ (11,264)	$ (28,754)	$ (40,018)
Non-controlling interest	(2,069)	(1,265)	(3,147)	(4,412)
Net loss before taxes, Blue Goose Capital Corp.	**$ (20,417)**	**$ (12,529)**	**$ (31,901)**	**$ (44,430)**

Blue Goose's operating performance from its continuing operations is largely driven by changes in the fair value of its livestock, which is subject to significant volatility from period to period due to both changes in physical growth as well as market prices. During 2018, Blue Goose recognized a gain in fair value changes in livestock of $4.2 million, compared with a $10.1 million gain in the prior year. The decrease in fair value changes of $5.8 million was a result of lower physical growth of $3.6 million and lower prices of $2.2 million. Blue Goose's beef division accounted for the majority of the movement in fair value changes in livestock, with the fish division being the smaller contributor.

During 2017, Blue Goose's beef division was impacted by the largest single wildfire in the history of British Columbia. The wildfires had impacted grazing lands and Blue Goose received notice from the British Columbia government, restricting access to certain crown grazing lands because of environmental concerns. Restricted supply of alternative feeding options had increased the cost of feed. During 2018, Blue Goose has received funding of $1.2 million from the application of government-sponsored relief programs to recover some of the costs of dealing with the 2017 wildfire damage.

Blue Goose no longer considers the fish division to be a core aspect of its ongoing business. On July 11, 2018, Blue Goose recognized a $0.7 million gain on the disposition of certain assets of North Wind Fisheries Ltd., a natural fish operation, for total proceeds of $2.5 million. Included in the $2.5 million proceeds is $0.9 million from the sale of natural fish inventory.

Contribution Margins

During 2018, Blue Goose incurred a negative contribution margin from continuing operations of $5.4 million (2017 – $1.6 million) on total revenues of $24.8 million (2017 – $27.8 million). The contribution margin, before adjusting for fair value changes, was $0.6 million in 2018 (2017 – $1.1 million).

For the year ended December 31,				2018
	Beef	Fish	Chicken	Total
Sales	$ 14,608	$ 1,303	$ 8,924	$ 24,835
Cost of sales, period cost	(13,652)	(2,020)	(8,553)	(24,225)
	956	(717)	371	610
Fair value changes				
Fair value changes in livestock	2,990	1,233	-	4,223
Cost of sales, fair value harvested	(8,965)	(1,270)	-	(10,235)
	(5,975)	(37)	-	(6,012)
Margin	**$ (5,019)**	**$ (754)**	**$ 371**	**$ (5,402)**
Margin %	(28.5%)	(29.7%)	4.2%	(18.6%)

For the year ended December 31,				2017
	Beef	Fish	Chicken	Total
Sales	$ 14,662	$ 3,362	$ 9,750	$ 27,774
Cost of sales, period cost	(14,178)	(3,020)	(9,450)	(26,648)
	484	342	300	1,126
Fair value changes				
Fair value changes in livestock	7,033	3,027	-	10,060
Cost of sales, fair value harvested	(9,500)	(3,301)	-	(12,801)
	(2,467)	(274)	-	(2,741)
Margin	**$ (1,983)**	**$ 68**	**$ 300**	**$ (1,615)**
Margin %	(9.1%)	1.1%	3.1%	(4.3%)

The beef division recognized a gain in fair value changes in livestock of $3.0 million during 2018 compared with $7.0 million during 2017. The $4.0 million decrease is mainly due to lower livestock biomass and reduced market prices compared to the prior year. Revenue from the beef division was relatively constant on a year-over-year basis, however, the substantial changes in fair value of its livestock resulted in a decrease in the contribution margin from negative $2.0 million in 2017 to negative $5.0 million in 2018.

Revenue and period costs from the fish division of $1.3 million and $2.0 million respectively, during 2018, are lower compared to the revenue and period costs in the prior year. The $2.0 million decrease in revenue in 2018 compared with 2017, is partially attributable to nominal sales revenue for organic fish and a decrease in natural fish sales as a result of the asset sale of the natural fish operation in July 2018. In response to the decrease in sale, the period costs declined accordingly.

Revenue of $8.9 million from sales of chicken during 2018 was $0.8 million lower compared to the prior year, the decrease is attributable to Blue Goose ceasing its chicken distribution operations in December 2018.

CHANGES IN FINANCIAL CONDITION

Changes in Livestock Carrying Values

	Cattle	Fish	Inventory and Supplies	Total
Carrying value, beginning of the year	$ 25,247	$ 2,784	$ 2,282	$ 30,313
Transactions during the year ended December 31, 2018				
Net additions	583	129	4,947	5,659
Herd growth - physical changes	6,445	1,108	-	7,553
Herd growth - price changes	(3,455)	125	-	(3,330)
Net of product processed	(8,965)	(1,270)	(4,225)	(14,460)
Sale of North Wind Fisheries Ltd. assets	-	(866)	-	(866)
Carrying value, end of the year	**$ 19,855**	**$ 2,010**	**$ 3,004**	**$ 24,869**

Herd size at Blue Goose's beef division decreased in 2018 by 1,280 head or 9% compared to 2017; and the total biomass of the herd declined by 1.1 million pounds or 8% from 13.5 million pounds for 2017 to 12.4 million pounds for 2018. The reduction in herd size is mainly due to feed constraints.

		Cattle herd as at
(number of animals)	December 31, 2018	December 31, 2017
Breeding cattle and bulls	6,614	6,743
Immature livestock and feeder cattle	5,944	7,095
	12,558	**13,838**

Corporate Debt in Blue Goose

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose has borrowed an aggregate of $53.5 million (2017 – $60.0 million) as at December 31, 2018. A detailed description of the nature of each of Blue Goose's borrowing facilities is provided in note 14 to the 2018 Audited Consolidated Financial Statements. Other than as described below, the lending institutions to Blue Goose do not have recourse to Dundee Corporation in respect of any of the amounts borrowed under these arrangements.

Dundee Agriculture Corporation, a wholly-owned subsidiary of the Corporation, provided a limited guarantee of $10.0 million on a loan entered into on September 23, 2016 with Farm Credit Canada. The amount owing under this arrangement at December 31, 2018 was $9.3 million (2017 – $9.6 million).

The lending agreements available to Blue Goose and its subsidiaries require the maintenance of certain financial covenants and reporting requirements customary to such loan arrangements, including the delivery of financial information and debt covenant certification as provided for in the loan agreements. At December 31, 2018, Blue Goose was in compliance with its financial covenants.

Cash Resources

At December 31, 2018, Blue Goose had cash and receivables of $2.1 million and it had obligations, other than corporate debt and amounts otherwise due to Dundee Corporation, of $3.9 million. During 2018, the Corporation advanced $12.0 million to Blue Goose, of which $4.8 million was used to reduce bank loans in order to alleviate financial covenant obligations, with the balance being used to supplement working capital requirements. Without the continued financial support of Dundee Corporation, there can be no assurance that Blue Goose will generate sufficient cash flows or otherwise have access to the necessary funding to maximize its business opportunities.

AGRIMARINE HOLDINGS INC.

AgriMarine is a private company engaged in fish farming activities using both conventional netting systems and proprietary aquaculture technologies. AgriMarine has three principal assets: "*West Coast Fishculture (Lois Lake) Ltd.*" ("WCF") which owns and operates a Steelhead salmon fish farm in Powell River, British Columbia; a suite of patents pertaining to a closed-containment tank technology used to rear finfish; and "*AgriMarine Technologies Inc.*" ("ATI"), an engineering company that continues to develop and improve proprietary aquaculture technologies, supports WCF internal needs, and provides engineering services to third-party fish farm operators. As at December 31, 2018, the Corporation held a 100% interest in AgriMarine. Additional information about AgriMarine may be accessed at www.agrimarine.com.

RESULTS OF OPERATIONS

During 2018, AgriMarine incurred pre-tax net losses attributable to owners of Dundee Corporation of $4.3 million after a $0.8 million write-off in frozen fish inventory and intangible assets, compared with pre-tax net losses attributable to owners of Dundee Corporation of $4.6 million in 2017.

For the years ended December 31,		2018		2017
Revenues				
Sales	$	9,827	$	10,048
Interest and other		282		25
		10,109		10,073
Cost of sales		(10,491)		(11,357)
Other items in net loss before taxes				
General and administrative		(3,843)		(3,264)
Interest expense		(81)		(31)
Foreign exchange loss		(7)		-
Net loss before taxes, AgriMarine Holdings Inc.	**$**	**(4,313)**	**$**	**(4,579)**
Net loss before taxes, AgriMarine Holdings Inc. attributable to:				
Owners of Dundee Corporation	$	(4,313)	$	(4,579)
Non-controlling interest		-		-
Net loss before taxes, AgriMarine Holdings Inc.	**$**	**(4,313)**	**$**	**(4,579)**

Contribution Margins

During 2018, AgriMarine generated revenue of $9.8 million (2017 – $10.0 million) and a negative contribution margin of $0.7 million (2017 – $1.3 million).

For the years ended December 31,		2018		2017
Revenues	$	9,827	$	10,048
Cost of sales		(10,491)		(11,357)
Contribution margin		(664)		(1,309)
Other adjustment – Inventory write-off		(283)		-
Contribution margin with other adjustment	**$**	**(947)**	**$**	**(1,309)**

The negative impact of an unexpected softening in the fish market that started in the fourth quarter of 2017 was diminished when WCF implemented new sales arrangements in early September 2018 which provided certainty to WCF on pricing and volumes, as well as the simplified operations.

At WCF, the volume of fish harvested during 2018 was 1,273,000 kilograms, translating into 852,000 kilograms (1,874,000 pounds) of product sold, at an average selling price of $11.45 per kilogram ($5.20 per pound).

In addition to supporting WCF operations and perfecting its technology, ATI continues to pursue opportunities to develop its customer base of third-party engineering services clients, and closed-containment technologies.

CHANGES IN FINANCIAL CONDITION

		Biological Assets		Inventory and Supplies		Total
Carrying value, beginning of the year	$	5,564	$	428	$	5,992
Transactions during the year ended December 31, 2018						
Net additions		7,984		32		8,016
Net of product processed		(9,559)		-		(9,559)
Carrying value, end of year	**$**	**3,989**	**$**	**460**	**$**	**4,449**

As at December 31, 2018, the carrying value of AgriMarine's biological assets was $4.0 million, compared to a carrying value of $5.6 million as at December 31, 2017.

Dundee Corporation advanced $1.4 million to AgriMarine during 2018 in order to supplement capital expenditure requirements. As at December 31, 2018, AgriMarine had cash of $0.2 million and liabilities of $3.6 million excluding amounts due to Dundee Corporation. There can be no assurance that AgriMarine will have access to the necessary cash to carry out its current business plan.

AgriMarine's principal focus remains the achievement of sustainable profitability for its WCF farming operation. Sales and most processing activities were outsourced during 2018, and the cost of oxygen supply to the farm's closed-containment tanks is reducing. Fish growth rates are increasing with better temperature control and modified feeding protocols, which will improve further with the commissioning of the automated feeder. Reducing energy costs which currently exceed $1 million annually remains a further priority, however alternatives to the current situation are limited and require significant capital investment. Commissioning of all principal components of the plan is anticipated in the first half of 2019. It is anticipated that improvements in operating efficiency, cost savings and other benefits will begin to accrue following commissioning of each component, but most are anticipated in the first half of 2019 and beyond as the impact of changes begin to reflect in cash flow, and reduced operating costs.

Although future increases in scale would result in benefits from economies achieved by spreading infrastructure and operating costs over a larger volume of fish, this is not a viable option at this time due to the anticipated capital investment required. Until an increase in scale becomes a viable option, management is pursuing the initiative of moving to full closed-containment at a reduced biomass, incorporating the already approved capex initiatives, and several additional capital expenditure items to facilitate elimination of net pens altogether by the third quarter of 2019. This course of action will position WCF uniquely as a 100% closed-containment operation. At the same time, in conjunction with implementation of the approved capex it would simplify the operation, reduce inefficiency, and reduce mortalities that generally accompany net pen operations during warmer months, as well as enhance fish health and growth.

In the meantime, ATI is a cost centre as it continues to support WCF operations technically, and to prove the scientific and commercial viability of its closed-containment tank technology. This activity is of strategic importance for future expansion and international technology licensing and/or sales initiatives. ATI currently relies on WCF cash flows to fund its operations and its head office operations.

DUNDEE 360 REAL ESTATE CORPORATION

Dundee 360 is a real estate company offering integrated management services in the development, marketing, sales and project administration, of high-end single purpose and mixed-use, residential and recreational real estate assets. Dundee 360 also provides hospitality services to hotel owners with a focus on asset and capital management, project management and financial reporting. In addition to its real estate activities, Dundee 360 also holds the Canadian franchise license to operate Sotheby's International Realty Canada ("Sotheby's"). Combining a prestigious and internationally recognized real estate brand with local market knowledge and specialized marketing expertise, Sotheby's is the leading real estate sales and marketing company for some of Canada's most exceptional properties.

At December 31, 2018, Dundee 360 was a wholly-owned subsidiary of the Corporation. Additional information about Dundee 360 and Sotheby's may be accessed at www.dundee360.com and www.sothebysrealty.ca.

RESULTS OF OPERATIONS

During 2018, Dundee 360 incurred a net loss before taxes of $13.0 million, compared to a net loss before taxes of $0.7 million incurred during the prior year. The increase in net loss is primarily attributable to the volatility of Dundee 360's real estate project management revenues, which is predominantly project driven, timing of income earned from its real estate joint ventures and an overall slowdown in the residential housing resale market due to recent government interventionist measures such as the foreign buyers' tax in Ontario and British Colombia, increased interest rates and stricter mortgage qualification rules. In addition, net loss includes a depreciation charge of $2.1 million to reduce the carrying value of land assets held in Croatia to its expected proceeds of sale (see *"Real Estate Project Management Activities"* below) and an impairment of $8.0 million to reduce the carrying value of Sotheby's franchise rights to its estimated recoverable amount. Excluding these one-time depreciation charges, net loss before taxes was $2.9 million.

For the years ended December 31,	Real Estate Brokerage 2018	Real Estate Brokerage 2017	Real Estate Project Management 2018	Real Estate Project Management 2017	Total 2018	Total 2017
Revenues						
Gross commission income	$ 93,239	$ 98,249	$ -	$ -	$ 93,239	$ 98,249
Consulting and management fees	-	-	1,099	5,375	1,099	5,375
Sales and marketing fees	94	-	132	185	226	185
Other revenue	9,049	9,578	426	29	9,475	9,607
Interest and other	270	272	772	1,333	1,042	1,605
	102,652	108,099	2,429	6,922	105,081	115,021
Cost of sales	(84,777)	(89,307)	-	-	(84,777)	(89,307)
Other items in net loss before taxes						
Depreciation and depletion	(8,983)	(1,031)	(2,499)	(2,893)	(11,482)	(3,924)
General and administrative	(18,056)	(17,921)	(3,033)	(5,789)	(21,089)	(23,710)
Share of (loss) income from real estate joint ventures	-	-	(570)	1,268	(570)	1,268
Finance expense	(88)	(77)	(74)	(7)	(162)	(84)
Net loss before taxes, Dundee 360 Real Estate Corporation	**$ (9,252)**	**$ (237)**	**$ (3,747)**	**$ (499)**	**$ (12,999)**	**$ (736)**
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:						
Owners of Dundee Corporation	$ (9,252)	$ (237)	$ (3,422)	$ (231)	$ (12,674)	$ (468)
Non-controlling interest	-	-	(325)	(268)	(325)	(268)
Net loss before taxes, Dundee 360 Real Estate Corporation	**$ (9,252)**	**$ (237)**	**$ (3,747)**	**$ (499)**	**$ (12,999)**	**$ (736)**

Real Estate Brokerage Activities

Dundee 360 currently holds the exclusive right to the use of the "*Sotheby's International Realty*" name and related trademarks across Canada until 2029, with a unilateral right to extend its franchise agreement for an additional 25-year term. Franchise fees pursuant to this arrangement are 6% of gross commission income, with minimum annual payments of US$1.3 million. These franchise fees are reduced by a Luxury Premium Awards program once certain gross commission income milestones are met throughout the year. During 2018, the net franchise fee was reduced to 3.7% of gross commission income. As part of its growth plan, Sotheby's remains focused on recruiting realtors with strong ethical and professional backgrounds who understand the benefit of the Sotheby's International Realty brand. These initiatives have resulted in a realtor base that averages, on an annual basis, between four to five times the sales volumes of other realtors in Canada as reported by The Canadian Real Estate Association.

At December 31, 2018, Sotheby's total agent count increased to 525 individuals, compared with 482 individuals in the prior year, for a net increase of 43 agents. During 2018, these agents registered sales of over $5.1 billion in residential real estate, compared to $5.4 billion of sales registered in the prior year. Gross commission revenues for the listing, marketing and selling of real estate assets were $93.2 million, compared to $98.3 million earned in the prior year. As described above, the variance in gross commission revenues is the result of various external factors that have caused several of the major markets to slowdown, especially in British Colombia and Alberta. Commissions paid to associated brokers and agents in respect of this revenue stream were $84.8 million (2017 – $89.3 million), providing Sotheby's with a contribution margin of $8.4 million or 9.0% (2017 – contribution margin of $9.0 million or 9.2%). The marginal decrease in contribution margin percentage results from an increase in higher producing agents who earn larger commissions splits.

In addition to commission revenues, this division earned $9.1 million (2017 – $9.6 million) of other revenue from its network of brokers and agents for the provision of services, including marketing, administrative and support services. Other revenue also includes Luxury Premium Awards earned for achieving certain gross commission income targets.

Real Estate Project Management Activities

Dundee 360 continues to invest in its business development initiatives in order to source and secure new projects while current real estate management activities are concentrated on the following projects:

Finance and Reporting Consulting Services

Dundee 360 provides finance and reporting consulting services for legal entities and their related assets in the real estate industry.

Edenarc 1800

Edenarc 1800 is a ski-in and ski-out resort project development in the French Alps. Sotarbat 360, a French-entity domiciled in Savoie, France, is the builder of the project. Dundee 360 provides development services for which it earns a fee calculated as a percentage of project costs. In addition to providing these services, Dundee 360 holds a 45% equity interest in Sotarbat 360, subject to a priority interest by the builder to a full recovery of all costs of development of the project. Although international development projects are no longer part of Dundee 360's core strategy, Dundee 360 remains committed to continue its participation in this project until it reaches its conclusion.

During 2018, the project's sixth phase, Les Monarques Phase 3, continues to be constructed, however, the construction schedule has been delayed from June 2019 to December 2019. As at December 31, 2018, the phase sold 59% of its total inventory. The project is envisioned to have two more phases to be developed with ultimate completion of the entire resort expected by 2022.

Dundee 360 accounts for its investment in Sotarbat 360 as an equity accounted investment, with a book value as at December 31, 2018 of $3.1 million.

Clearpoint Resort

Dundee 360 has an approximate 86% interest in Clearpoint Resort Limited, a Maltese corporation ("CRLM"), through which Dundee 360 had anticipated developing the Clearpoint Resort project in Cavtat, Croatia. A hotel, marina and recreational accommodation project with a full build-out cost of $185 million, it required land accumulation of 25.6 acres, of which approximately 5.9 acres is currently owned. During 2018, Dundee 360 initiated the sale process of CRLM's underlying assets and expected the transaction will be completed in 2019. The estimated recoverable amount from the sale is approximately $2.3 million. Dundee 360's divesture from CRLM is part of its revised strategy to focus its capital and business efforts on its Canadian operations.

Developments in Cuba

Dundee 360 had entered into a joint venture development agreement with an agency of the Government of Cuba to develop certain hotel properties in Cuba. Dundee 360 no longer considers this project to be core to its business and therefore, Dundee 360 has entered into a transaction for the sale of its Cuban real estate assets to a former key employee of Dundee 360. The transaction is subject to approval of the authorities of the Cuban government for the transfer of ownership, and as a result of unexpected delays, the transaction is expected to close in 2019. Under the terms of the transaction, the purchaser remains responsible for ongoing operating costs associated with the project.

During 2018, Dundee 360 earned revenues of $2.4 million from its real estate project management activities. This compares with $6.9 million of revenues generated in the prior year. Prior year revenues included $4.3 million of revenues from project management activities for the refurbishment of two Fairmont-branded hotels, for which the work was successfully executed and completed on January 4, 2018. Dundee 360 is actively engaging in business development and marketing efforts to secure new luxury real estate projects that can benefit from Dundee 360's integrated management services and synergies with Sotheby's.

In addition, during 2018, Dundee 360 recorded revenues of $0.8 million (2017 – $1.3 million) in interest, dividends and other, which primarily consisted of the forgiveness of loans made by a potential purchaser of its real estate assets.

Dundee 360's real project management division incurred a net loss of $3.8 million during 2018, compared with a net loss of $0.5 million incurred in the prior year. Included in current year net loss is a depreciation charge of $2.1 million against its investment in CRLM as a result of the potential sale. In addition, due to delays on the Edenarc 1800 project, net loss includes $0.7 million (2017 – income $1.4 million) of its share of loss incurred by the joint venture as a result of timing of revenues which is earned as units are delivered.

CHANGES IN FINANCIAL CONDITION

During 2018, the Corporation advanced $1.1 million to Dundee 360 to supplement working capital requirements. At December 31, 2018, Dundee 360 had cash and receivables of $7.6 million and its liabilities, other than amounts due to Dundee Corporation, were $6.2 million. Dundee 360 is currently implementing strategies to monetize various international real estate development interests, continue agent growth and market expansion initiatives. Without the financial support of the Corporation, there can be no assurance that Dundee 360 will have access to the necessary funding to carry out its current business plan.

SIGNIFICANT INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

The Corporation holds investments that are accounted for using the equity method, and these investments are separately disclosed in the Corporation's consolidated statements of financial position as "*Equity Accounted Investments*". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost of each investment is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee and to reflect the Corporation's share of the investee's other comprehensive income or loss. The Corporation assesses the resulting carrying value every period for possible impairment by comparing its equity accounted carrying value to the Corporation's determination of the estimated recoverable amount of its investment. If the carrying value of an equity accounted investment exceeds its estimated recoverable amount, the investment's carrying value is reduced to the expected recoverable amount, and an impairment loss is recognized.

Equity Accounted Investments at December 31, 2018

At December 31, 2018, the aggregate carrying value of the Corporation's investments that are accounted for using the equity method was $44.1 million (2017 – $104.7 million). In addition, the Corporation accounts for its investments in real estate joint ventures on an equity basis. These investments had a carrying value of $5.5 million at December 31, 2018 (2017 – $6.0 million).

As at December 31,		2018			2017	
Trade Symbol	Investment	Ownership	Carrying Value		Ownership	Carrying Value
Publicly Listed Equity Accounted Investment						
ODX	Odyssey Resources Limited	31%	$ -		31%	$ -
Privately Held Equity Accounted Investments						
	0832912 B.C. Unlimited Liability Company (i)	50%	-		50%	52,592
	Android Industries, LLC	20%	23,048		20%	24,322
	Cambridge Medical Funding Group II, LLC	50%	-		50%	-
	Dundee Acquisition Ltd.	98%	243		98%	(381)
	Dundee Sarea Acquisition I Limited Partnership	34%	5,582		33%	16,713
	Dundee Sarea Limited Partnership	21%	-		21%	91
	Dundee Securities Europe Limited	20%	687		n/a	-
	Union Group International Holdings Limited	40%	14,500		40%	11,424
			44,060			104,761
Real estate joint ventures			5,520			5,976
			$ 49,580			**$ 110,737**

(i) *The Corporation holds a 50% interest in 0832912 BC Unlimited Liability Company which holds a 71% interest in the Parq Vancouver Limited Partnership, a casino and resort facility located in Vancouver, British Columbia. The Corporation has an effective 37% interest in the underlying assets, before any changes in ownership that may result from the exercise of the Corporation's conversion rights on its preferred unit ownership associated with the holding structure of Parq Vancouver Limited Partnership.*

Continuity in the Corporation's Portfolio of Equity Accounted Investments*

	For the three months ended December 31, 2018	*For the year ended December 31, 2018*
Carrying value of equity accounted investments, beginning of period	$ 49,837	$ 104,761
Transactions during the period ended December 31, 2018		
Cash invested in equity accounted investments	-	1,800
Share of loss from equity accounted investments	(7,792)	(64,392)
Share of other comprehensive income from equity accounted investments	2,015	1,088
Transfer from consolidated investment	-	803
Carrying value of equity accounted investments, end of period	**$ 44,060**	**$ 44,060**

* *Excluding changes in real estate joint ventures.*

During 2018, a $22.3 million impairment charge in the value of the Corporation's investments in Parq Vancouver contributed to a loss of $64.4 million from equity accounted investments.

Earnings and Losses from Equity Accounted Investments

For the years ended December 31,			2018			2017
	Equity Earnings (Losses)	Dilution Gains (Loss)	Total	Equity Earnings (Losses)	Dilution Gains (Loss)	Total
0832912 B.C. Unlimited Liability Company	$ (52,592)	$ -	$ (52,592)	$ (4,858)	$ -	$ (4,858)
Android Industries, LLC	(989)	-	(989)	(571)	349	(222)
Cambridge Medical Funding Group II, LLC	-	-	-	(8,422)	-	(8,422)
Cambridge Medical Capital Services LLC	-	-	-	(54)	-	(54)
Dundee Acquisition Ltd.	624	-	624	3,510	-	3,510
Dundee Sarea Acquisition I Limited Partnership	(12,931)	-	(12,931)	531	-	531
Dundee Sarea Limited Partnership	(91)	-	(91)	(189)	(56)	(245)
Dundee Securities Europe Limited	(116)	-	(116)	-	-	-
Union Group International Holdings Limited	1,703	-	1,703	(44,567)	-	(44,567)
Others	-	-	-	(33)	-	(33)
	(64,392)	-	(64,392)	(54,653)	293	(54,360)
Real estate joint ventures	(570)	-	(570)	1,268	-	1,268
	$ (64,962)	**$ -**	**$ (64,962)**	**$ (53,385)**	**$ 293**	**$ (53,092)**

For the three months ended December 31,			2018			2017
	Equity Earnings (Losses)	Dilution Gains (Loss)	Total	Equity Earnings (Losses)	Dilution Gains (Loss)	Total
0832912 B.C. Unlimited Liability Company	$ -	$ -	$ -	$ (15,262)	$ -	$ (15,262)
Android Industries, LLC	525	-	525	(1,072)	173	(899)
Cambridge Medical Funding Group II, LLC	-	-	-	(8,365)	-	(8,365)
Cambridge Medical Capital Services LLC	-	-	-	527	-	527
Dundee Acquisition Ltd.	-	-	-	1,431	-	1,431
Dundee Sarea Acquisition I Limited Partnership	(3,065)	-	(3,065)	161	-	161
Dundee Sarea Limited Partnership	-	-	-	32	-	32
Dundee Securities Europe Limited	(41)	-	(41)	-	-	-
Union Group International Holdings Limited	(5,211)	-	(5,211)	(36,800)	-	(36,800)
Others	-	-	-	-	-	-
	(7,792)	-	(7,792)	(59,348)	173	(59,175)
Real estate joint ventures	(1,334)	-	(1,334)	286	-	286
	$ (9,126)	**$ -**	**$ (9,126)**	**$ (59,062)**	**$ 173**	**$ (58,889)**

Significant Developments in Equity Accounted Investments

0832912 B.C. Unlimited Liability Company ("B.C. Holdings") (formerly Paragon Holdings (Smithe Street) ULC)

B.C. Holdings is a joint venture established between the Corporation and Paragon Gaming Inc. ("Paragon Gaming"), a Las Vegas-based casino resort developer and operator. B.C. Holdings holds an indirect 70.86% interest in Parq Holdings Limited Partnership (of which the Corporation's share is 35.43%), a partnership established for the purpose of developing a Vancouver-based destination resort ("Parq Vancouver"). The Corporation holds an additional 1.30% indirect interest in Parq Holdings Limited Partnership. Parq Vancouver houses a world-class casino resort, the only casino in the downtown Vancouver core, with 600 slot machines and 75 gaming tables. Located immediately adjacent to the B.C. Place Stadium, Parq Vancouver also includes two Marriott-branded luxury hotels with 517 rooms, a 60,000 square foot conference centre, a spa, five restaurants, three lounges, and a parking facility with 1,069 spaces.

On February 1, 2019, Paragon Gaming announced that it sold its ownership in Parq Vancouver to PBC Group ("PBC"), an existing venturer in the resort project, for an undisclosed amount. With the purchase, PBC's share of ownership increased to 63.27% from 27.84% at the end of December 2018 and 2017.

Parq Vancouver opened its doors on September 29, 2017, and it became fully operational in March 2018. The initial ramp up of operations had been slower than anticipated due to a number of factors, including the regulatory cost and business impact of new anti-money laundering regulations applicable to casinos in British Columbia, which were implemented in January 2018.

During 2018, the Corporation reported a loss of $52.6 million (2017 – $4.9 million) from its investment in Parq Vancouver. Included in the $52.6 million loss is an impairment charge of $22.3 million resulting from changes to the estimated long-term forecast of Parq Vancouver at the end of June 2018. As a result, the carrying value in B.C. Holdings was $nil and no further equity loss was recognized subsequent to June 30, 2018.

Summary of operating results of Parq Vancouver for 2018 and 2017 are as follows:

(in millions of dollars)

Source of revenue and other items in net earnings or loss	*For the three months ended*		*For the years ended*	
	December 31, 2018	*December 31, 2017*	*December 31, 2018*	*December 31, 2017*
Resort operations:				
Revenue	$ 43.5	$ 32.1	$ 170.9	$ 82.6
Expenses	(34.1)	(34.8)	(152.2)	(80.0)
Operating gain (loss) before amortization	9.4	(2.7)	18.7	2.6
Amortization	(7.2)	(15.5)	(34.2)	(16.0)
Deferred taxes	4.0	0.6	0.5	(0.6)
Interest expense	(30.6)	(26.7)	(112.2)	(26.7)
Foreign exchange (loss) gain	(27.4)	(2.0)	(44.4)	36.6
Gain (loss) from fair value changes in derivative instruments	7.4	4.8	18.9	(9.1)
Net loss	**$ (44.4)**	**$ (41.5)**	**$ (152.7)**	**$ (13.2)**

Parq Vancouver incurred a net loss of $152.7 million (2017 – $13.2 million) during 2018. The 2018 operating gain was $18.7 million (2017 – $2.6 million). Included in the current year net loss is amortization of $34.2 million (2017 – $16.0 million) which was attributable to operating the resort on a "fully open" basis for the first time. Operational expenses during this initial ramp-up period also included training and additional supervisory expenses, as well as higher marketing costs to further advance the initial launch of the resort project.

Interest expense on debt and preferred units, including accretion and financing expenses, was $112.2 million (2017 – $26.7 million) during 2018. Prior to commencement of operations, interest was capitalized to the cost of the Parq Vancouver project. Capitalized interest during 2017 was $51.9 million.

Included in net earnings or loss are changes in foreign exchange and changes in the fair value of derivative instruments, both of which are associated with Parq Vancouver's US dollar denominated project financing arrangement for the development of the project. During 2018, Parq Vancouver recognized a foreign exchange loss of $44.4 million (2017 – gain of $36.6 million). Fair value changes in derivative instruments resulted in a gain of $18.9 million (2017 – loss of $9.2 million) during 2018.

Given the initial results of operations, on March 29, 2018, two of the existing partners funded an additional $33.4 million into the project in the form of Class F Preferred Units in order to meet construction, interest, and hedging payment requirements due in March 2018. The Class F Preferred Units rank in priority to all other preferred unit classes and have similar characteristics, other than a preferential interest of 20%, and enhanced conversion options. The Corporation's share of the additional funding was $17.4 million, with PBC funding the balance of the amount. The Corporation provided an additional $15.5 million in the form of a 20% convertible promissory note during the second quarter of 2018. The Corporation recognized a change in unrealized loss of $5.5 million to the fair value of the promissory note resulting from changes to the estimated long-term forecast of Parq Vancouver at the end of December 2018. As described below, a key aspect of the Corporation's investment in Parq Vancouver is the refinancing of existing debt with an interest burden commensurate with an operating entity and free of construction risk. Parq Vancouver is working to secure revised financing on more favorable terms in early 2019. Should Parq Vancouver fails in its efforts to secure revised financing, the Corporation may need to recognize an additional change in unrealized loss of up to $10.0 million in the first quarter of 2019.

The maturity date of the convertible promissory note was extended to January 1, 2019, and shall be automatically extended thereafter in 30-day increments. On or after the maturity date, the Corporation may elect to convert all of the amounts outstanding, including interest thereon, into Class G limited partnership units of Parq Equity Limited Partnership ("Class G Units"), at a conversion price of $1.0772 per Class G Unit. During 2018, an industry investor funded an additional $35.0 million into the project in the form of promissory notes.

Capitalization of Parq Vancouver

		Amount			Invested by Dundee Corporation
First Lien Term Loan	$	379,130	36%	$	-
Second Lien Term Loan		201,861	20%		-
Promissory Notes		50,500	5%		15,500
TOTAL DEBT	$	631,491	61%	$	15,500
Class C Convertible Preferred	$	84,251	8%	$	40,683
Class D Convertible Preferred		5,922	1%		2,467
Class E Convertible Preferred		10,000	1%		5,000
Class F Convertible Preferred		39,411	4%		23,411
TOTAL CONVERTIBLE PREFERRED	$	139,584	14%	$	71,561
Market Capitalization					
Class A	$	256,495	25%	$	54,825
TOTAL COMMON EQUITY	$	256,495	25%	$	54,825
TOTAL PROJECT CAPITALIZATION	$	1,027,570	100%	$	141,886

The Class C, Class D, Class E and Class F Preferred Units described above have been designated for accounting purposes as financial instruments at FVTPL (see "*Other Portfolio Investments*"). As at December 31, 2018, on a fully converted basis, the Corporation held a 45.8% interest in Parq Vancouver, while Paragon Gaming owned a 22.3% fully converted interest, and PBC owned a 31.9% fully converted interest.

A key aspect of the Corporation's investment in Parq Vancouver is the refinancing of existing debt with an interest burden commensurate with an operating entity and free of construction risk. Furthermore, and until current debt arrangements are refinanced, Parq Vancouver may require additional injections of cash from its equity partners in order to fund shortfalls in its operations. There can be no assurance that Parq Vancouver will have access to revised financing on more favourable terms or at all, or that the Corporation and its equity partners will have access to the necessary capital to fund any shortfalls. The Corporation continues to carefully monitor its investment in Parq Vancouver.

Android Industries, LLC ("Android")

The Corporation holds a 20% interest in Android (*www.android-ind.com*), a private company and leading high technology-enabled assembler and sequencer of complex assemblies for the automotive industry headquartered in Michigan, United States.

Android continues to expand its business internationally with facilities in the U.S., Canada, Mexico, Spain, Brazil, Turkey, Italy and China. During the past two years, Android has been awarded a significant number of new and strategic multi-year manufacturing contracts. The contracts and production was being deployed at several of Android's existing and new production facilities. The capital requirements associated with these new contracts has been significant and new capital was arranged to help fund the contractual commitments. The vast majority of the capital associated with these new contracts was deployed in 2017 and 2018. Further capital will be deployed in 2019 and beyond but it is Android's hope that further deployment is facilitated from cash flow from operations. It continues to be Android's expectation that the new contracts and better customer alignment will result in additional value-added growth opportunities as well as higher levels of sales and earnings during the next few years.

During 2018, the Corporation reported a loss of $1.0 million (2017 – $0.2 million) as its share of losses from its investment in Android.

Dundee Sarea Acquisition I Limited Partnership ("Dundee Sarea Fund")

Dundee Sarea Fund was created to use the capital advanced by its limited partners to invest in companies requiring turn-around expertise in North America and Europe, with a focus on manufacturing, distribution, industrial products, agriculture, oil & gas and forestry-related industries. The Corporation currently holds a 34% interest in this venture and it has committed capital of $21.0 million of which, as at December 31, 2018, it had already funded or otherwise provided for $20.9 million, including an investment of $1.8 million made during 2018. In early 2018, the partners agreed to reduce capital commitments to the Dundee Sarea Fund. During 2018, the final commitments under the fund were drawn.

At December 31, 2018, Dundee Sarea Fund's sole investment consisted of a 91% ownership in Redecam Group S.p.A. ("Redecam"). During 2018, the Corporation invested €1.4 million (Cdn$2.1 million) in a 12% promissory note of Redecam. This promissory note is designated as FVTPL and reported as investments. In addition, effective August 1, 2018, Dundee Sarea Fund entered into an exclusive financial advisory agreement with an investment banking firm to provide strategic financial advisory services and other investment banking services to help improve the strategic outlook and liquidity of Redecam. These activities commenced in the third quarter. Through the fourth quarter and into 2019, discussions with numerous parties continue but there is no assurance that any of the initiatives will be successfully concluded.

Based in Milan, Italy, Redecam designs, manufactures and installs highly engineered air pollution control solutions helping customers all over the globe meet their air emission reduction targets rapidly and cost-effectively. Over the past 30 years, Redecam has designed, manufactured, installed and commissioned new market-leading industrial air filtration and flue gas treatment systems that consistently outperform and outlast the competition. Over its history, it has completed over 2,000 projects in more than 85 countries and on every continent. They also specialize in customized retrofit, transformation and upgrade solutions, which use clients' existing equipment's casing and parts and offer them a cost-effective, high performance solution with a quick turnaround.

During 2018, the Corporation's share of loss from its investment in Dundee Sarea Fund was $12.9 million (2017 – gain of $0.5 million).

Dundee Securities Europe Limited ("DUK")

In connection with the sale of 80% of the business of DUK on April 1, 2018 (see "*Segmented Results of Operations – Dundee Securities Ltd.*"), the Corporation retained 1,968,000 class A voting shares and 450,000 class B 10% non-cumulative preference shares of DUK, which represented a 20% voting interest in DUK. The Corporation determined that it still has significant influence over the investment and accordingly, this investment is accounted for using the equity method.

The Corporation reported a loss of $116,000 from its share of losses from its investment in DUK from April 1, 2018 to December 31, 2018.

Union Group International Holdings Limited ("Union Group")

Union Group (*www.uniongrp.com*) is a holding company with strategic investments in the power generation, oil and gas, infrastructure and logistics, agriculture, minerals and real estate sectors, in Latin American countries such as Uruguay, Columbia, Peru and Paraguay. In January 2019, the Corporation sold all of its 40% interest in Union Group for the proceeds of $14.5 million. Accordingly, the carrying value was increased to $14.5 million at the end of December 2018, which resulted in the recognition of $1.7 million equity earnings during 2018. The Corporation recognized an equity loss of $44.6 million during 2017.

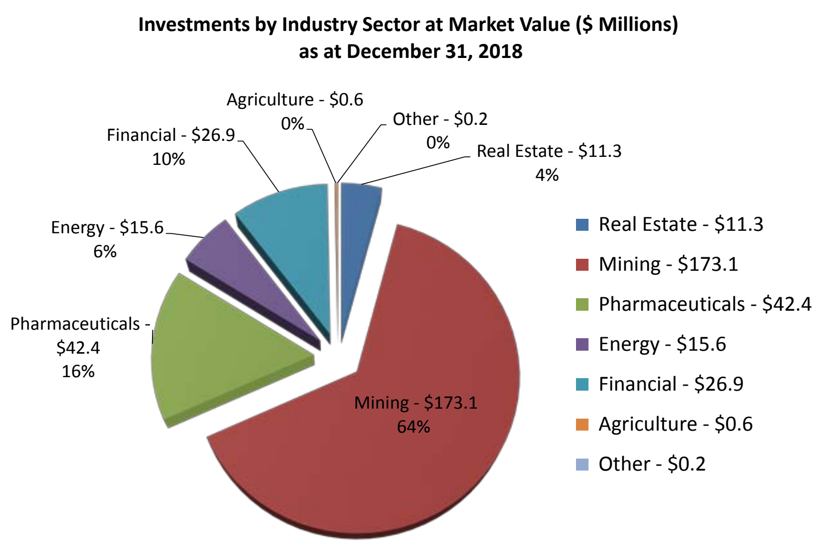
OTHER PORTFOLIO INVESTMENTS

Portfolio of Investments at December 31, 2018

	Ticker Symbol	(000's) # of Shares Held	Per Share Price		Market Value as at December 31, 2018
Publicly Traded Securities					
Dundee Precious Metals Inc.	DPM	36,381.6	$3.58	$	130,246
eCobalt Solutions Inc.	ECS	16,769.6	$0.55		9,223
Others					27,023
					166,492
Private Investments (note 1)					
TauRx Pharmaceuticals Ltd.					42,371
Red Leaf Resources Inc.					14,602
Others					14,094
					71,067
Debt Securities					
Debt Securities Owing from Public Enterprises (note 1)					6,426
Debt Securities Owing from Private Enterprises (note 1)					25,378
					31,804
Warrants and Options (note 1)					
Warrants or options on shares of publicly listed enterprises					781
					781
TOTAL – PORTFOLIO INVESTMENTS				**$**	**270,144**

1. These investments are not traded on a prescribed exchange, therefore, market values of these investments were determined by application of valuation methodologies appropriate for such investments (see note 25 to the 2018 Audited Consolidated Financial Statements for further information on valuation methodologies applied for such investments).

At December 31, 2018, the Corporation's portfolio of investments continued to include several public and private investments, as well as certain debt securities across a variety of industry sectors.



At December 31, 2018, the estimated market value of the Corporation's portfolio of investments carried at FVTPL was $270.1 million, a decrease of $115.1 million from an estimated market value of these investments of $385.2 million at December 31, 2017.

	For the three months ended December 31, 2018	For the year ended December 31, 2018
Market value of portfolio investments, beginning of period	$ 290,450	$ 385,193
Transactions during the period ended December 31, 2018		
New investments	4,171	39,183
Proceeds from sales of investments	(5,254)	(79,601)
Changes in market values		
Dundee Precious Metals Inc.	21,101	21,466
eCobalt Solutions Inc.	(4,360)	(22,832)
Parq Equity Limited Partnership	(31,062)	(71,062)
Others	(6,243)	(4,946)
Other transactions	1,341	2,743
Market value of portfolio investments, end of period	**$ 270,144**	**$ 270,144**

During 2018, the Corporation generated proceeds of $79.6 million from the sale of various investments which were deemed to be non-strategic to its ongoing business strategy.

Proceeds generated from the sale of investments in the following sectors:	For the year ended December 31, 2018
Publicly Traded Securities	
Mining	$ 26,116
Energy	10,403
Real estate	7,219
Other	7,792
Private Investments	
Financial	14,185
Real estate	56
Debt	
Mining	10,471
Energy	3,359
Total Proceeds Generated	**$ 79,601**

Approximately $32.9 million of proceeds generated were reinvested into the Corporation's Parq Vancouver resort and casino project, including $17.4 million investment in Class F Preferred Units and $15.5 million investment in promissory note (see *"Significant Developments in Equity Accounted Investments – 0832912 B.C. Unlimited Liability Company*").

Changes in market values of portfolio investments during 2018 resulted in a decrease in the value of the Corporation's portfolio of investments at FVTPL of $77.4 million.

Dundee Precious Metals Inc. ("Dundee Precious")

Dundee Precious (*www.dundeeprecious.com*) is a Canadian-based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Dundee Precious' operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. Dundee Precious also holds interests in a number of developing gold and exploration properties located in Bulgaria, including the Krumovgrad gold project, which started construction in the fourth quarter of 2016 and is expected to commence production in the second quarter of 2019, Canada and Serbia, and its 10% interest in Sabina Gold & Silver Corp.

During 2018, Dundee Precious produced gold on an all-in sustaining cost basis of US$659 per ounce, on a consolidated basis. Gold production during 2018 increased by 2% to 201,095 ounces, and copper production increased by 3% to 36.7 million pounds compared with the prior year. The increase in gold and copper production was due primarily to higher grades and recoveries. The Tsumeb smelter achieved total complex concentrate smelted of 232,043 tonnes during 2018, which was 6% higher than the corresponding period in 2017 due primarily to increased availability of all facilities, including the high pressure oxygen plant, the performance of which has been optimized over the course of 2018. Performance was also enhanced by the introduction of converter and Ausmelt furnace improvements, including increased oxygen enrichment at the Ausmelt furnace, which helped to mitigate the impact of the converter relines on the Ausmelt throughput.

Dundee Precious is reporting that construction of the Krumovgrad gold project was 92% complete, based on installed quantities, compared with a planned completion of 99%. Hot commissioning was on track for the fourth quarter of 2018 and first concentrate production is expected in early 2019.

At December 31, 2018, Dundee Precious had cash resources of US$255 million, including undrawn capacity under its revolving credit facility. Dundee Precious reported total revenues of US$377.1 million during 2018, and it reported net earnings attributable to its common shareholders of US$38.1 million.

Dundee Corporation holds 36.4 million common shares of Dundee Precious with a market value of $130.2 million at December 31, 2018.

eCobalt Solutions Inc. ("eCobalt")

eCobalt is a mineral exploration and mine development company listed on the TSX under the symbol "ECS". The company is engaged in the business of exploring mineral properties in Canada, the United States and Mexico. The company's primary project, located in Idaho, is the 100% owned Idaho Cobalt Project ("ICP"), comprised of the primary high grade cobalt deposit, and the partially completed mine site and mill located in Lemhi County, outside of the town of Salmon, Idaho, and a cobalt production facility ("CPF") to be constructed in southern Idaho.

On October 31, 2018, eCobalt provided an update on construction progress at the ICP. Progress development highlights from the press release include the completion of water treatment pipelines and water management ponds as well as the installation of potable water, power systems and wildlife fencing. The company also noted that the construction of the Tailings Waste Storage Facility ("TWSF") and Water Treatment Plant ("WTP") were progressing on schedule.

On September 11, 2018, eCobalt announced the successful completion of pilot-level metallurgical testing for the ICP. The pilot-level testing program conducted at Hazen Research Inc. confirmed the arsenic removal process to produce a clean cobalt concentrate from ICP core concentrates utilizing rotary kiln roasting methods, as demonstrated in previous bench scale testing reported in the news release dated June 25, 2018. The study verified both the concentrate roasting process to produce a clean concentrate and the exhaust gas management system, which safely captured and removed arsenic and sulphur from the exhaust gas stream, as designed for vitrification and neutralization, respectively.

On June 25, 2018, eCobalt provided an update on the status of its Optimized Feasibility Study ("OFS") originally slated for release in the second quarter of 2018. Results from the metallurgical test-work, which have now been carried out indicate that the ICP ore is more amenable to a rotary kiln design and not the traditional fluidized bed roaster as earlier modeled. The anticipated changes to the roasting portion of the flowsheet require more time to be developed to a feasibility level of confidence and thus the delivery of the OFS is now scheduled for early 2019.

On April 23, 2018, eCobalt announced that it had ramped up pre-construction activities at ICP. The company noted that delivery of water treatment plant components had commenced and that construction contracts had been awarded for the water management ponds; building pads for the concentrator, mill and water treatment plant; quality assurance/quality control for all earthworks and concrete; fuel island; gravel haul and potable water wells.

On February 7, 2018, eCobalt announced a new resource and reserve. Total measured and indicated resources increased to 3.87 million tons at 0.59% cobalt, compared to 3.44 million tons at 0.59% cobalt. Inferred resources increased to 1.82 million tons at 0.46% cobalt from 1.54 million tons at 0.50% cobalt. These results will be incorporated into the new OFS.

On January 10, 2018, eCobalt announced that it had shipped three tons of a bulk mineralized sample of ICP resource for pilot level metallurgical testing at Dundee Technologies' facilities in Quebec. The results of this additional testing is expected to provide feasibility level detailed engineering data to assist in costing and sizing of equipment to produce a clean cobalt concentrate with less than 0.5% arsenic at the CPF. This testing supports the company's optimization efforts to reduce technical risk at the CPF through the development of a simplified flow sheet and is expected to result in a significant reduction in capital and operating expenditures at the facility.

Subsequent to December 31, 2018, eCobalt provided an update on the status of its OFS. Following an extensive internal review, the Company announced plans to increase the targeted production rate at its ICP to 1,200 tonnes per day ("tpd") from 800 tpd. The new targeted production rate increases through-put by 50% thereby enhancing project economics and resilience to lower cobalt prices. Work required over the next several months to complete the feasibility study with the new targeted production rate includes adjusting the mining sequence, schedule and costing for the new parameters and completing the engineering to expand the mill to 1,200 tpd. eCobalt will continue working with Micon International Limited to finalize the feasibility for the revised 1,200 tpd mine plan.

Additional information regarding eCobalt is available at *www.ecobalt.com*. At December 31, 2018, the Corporation's investment in eCobalt had a market value of $9.2 million.

TauRx Pharmaceuticals Ltd. ("TauRx")

TauRx is a private neuroscience company focused on the discovery, development and commercialization of products for the diagnosis and treatment of neuro-degenerative diseases caused through protein aggregation. The business was established in 2002 with the aim of discovering novel approaches to the treatment and diagnosis of Alzheimer's disease ("AD") as well as other neurological diseases characterized by abnormal aggregation of the Tau protein within the brain.

In late 2016, TauRx completed and announced results for its three-part Phase III clinical trial program designed to test the efficacy and safety of LMTX® in patients with mild to moderate AD and behavioral variant Frontotemporal Dementia. The headline results for all three studies were negative as LMTX® failed to slow cognitive or functional decline in the total populations of treated subjects. The clinical trials that comprised patients with mild or moderate AD reported a promising sub-group analysis outcome in which patients who received LMTX® as their only AD medication (LMTX® as a monotherapy) demonstrated significant reductions in disease progression as measured both by cognitive and functional test batteries and by MRI imaging of brain atrophy. However, patients that received the drug as an add-on therapy showed no beneficial effects. This necessitated further trials to be conducted with a focus on LMTX® as a monotherapy.

TauRx initiated discussions with the regulatory authorities in Europe and the U.S. to determine its next steps and it has determined that in order to corroborate the positive findings from the aforementioned studies, it will commence with a shorter-term study that is fully randomized from the outset to test for clinically meaningful and statistically significant differences between LMTX® taken as a monotherapy and placebo groups. In late 2017, TauRx received regulatory approval to undertake a 6-month placebo-controlled study (TRX Study 039 – "Lucidity" study) which encompassed approximately 180 patients with very mild AD and designed with a Flurodeoxyglucose Positron Emission Tomography (FDG-PET) brain imaging biomarker as the primary endpoint.

In order to fund the new study and bolster its cash reserves, TauRx approved and successfully completed a renounceable rights issue offering in the form of 1.8% non-convertible senior notes, raising US$70.8 million (US$70.4 million net) in September 2017.

In September 2018, TauRx announced that it had revised the design of TRX Study 039 in light of guidance issued by the US Food and Drug Administration (FDA) and European Medicines Agency (EMA) in early 2018. The new guidance recognizes the importance of treating early stages of AD and offers a clearer regulatory framework for conducting trials in Early AD. The TRX Study 039 protocol is now designed as a three-arm, 9-month placebo-controlled clinical trial program covering a pool of approximately 375 patients with Early AD (prodromal) to mild AD. The extended and enlarged program is also designed to permit/include a meaningful clinical readout with respect to a composite of individual questions sensitive to Early AD selected from validated cognitive and functional test batteries as a gated co-primary outcome. The 9-month timeframe is the shortest treatment period possible to obtain meaningful clinical readouts and takes into account the fact that the patients are required not to take add-on therapies (cholinesterase inhibitors or memantine) in combination with LMTX®. The FDG-PET brain imaging biomarker remains the primary outcome seeking to confirm the efficacy of LMTX® in the patient pool with 150 subjects receiving 4mg of LMTX® twice a day and 150 subjects receiving the placebo. In addition, a further exploratory arm with 75 subjects was added to see whether a somewhat higher dose of LMTX® (8mg twice a day) provides any additional benefits. TauRx expects its multiple clinical sites would become active under the new protocol from late 2018 up to the second quarter of 2020.

At December 31, 2018, the Corporation held an approximate 4% interest in TauRx. The Corporation has determined that the fair value of its investment at December 31, 2018 was $42.4 million. In determining the fair value of its interest, the Corporation applied a value per share of US$30.60, the equivalent of a 50% discount to the volume-weighted average price of shares issued from treasury during 2015 and 2016. Additional information regarding TauRx may be accessed at *www.taurx.com*.

Red Leaf Resources Inc. ("Red Leaf")

Red Leaf is a privately-held oil and gas technology company. Red Leaf's patented technology, EcoShale, is a next generation oil and gas recovery technology focused on unlocking oil reserves in oil shale deposits. EcoShale extracts oil with relatively low energy consumption, low emissions and low water utilization when compared with other oil shale technologies currently deployed in the world.

In March 2015, Red Leaf announced the suspension of construction of the Early Production System ("EPS") in order to re-engineer the design. In May 2016, Red Leaf's partner, Total E&P USA Oil Shale, LLC ("Total"), advised Red Leaf that they were no longer interested in pursuing the commercial development of the EPS project. Red Leaf and Total reached a mutually acceptable separation agreement in March 2017.

Since that time, Red Leaf has been working to develop a reusable capsule architecture which is expected to provide an opportunity to explore a much wider range of process parameters utilizing the preferred direct heating downflow embodiment. Specifically, it is expected that higher heating rates, shorter process cycle times, and different processing atmospheres are more feasible with this architecture than with previously investigated single-use earthen capsules. Several of Red Leaf's laboratory experimental retort systems were modified to allow exploration of this new freedom in operating parameters and are operational. Initial results indicate that it will likely be possible to produce much higher oil yields (on the order of a 20% increase in produced oil) from the same amount of oil shale, with higher oil density but still high-quality oil, as compared to expectations from the original Generation 1 design. All critical environmental and construction permits have been filed and engineering studies to design a reusable capsule are scheduled to be completed by mid-2019 after which the company will seek a strategic partner to commercialize the project.

In 2017, a Series A preferred shareholder commenced legal action against Red Leaf. The lawsuit is in the discovery phase with the trial anticipated to commence as early as the later part of 2019.

Dundee Corporation holds a 2% common equity interest and it holds US$10.0 million of the series A preferred shares in Red Leaf that were acquired in 2010. The Corporation has determined that the fair value of its investment in Red Leaf, including both the common and the preferred shares, was $14.6 million at December 31, 2018. Additional information regarding Red Leaf may be accessed at *www.redleafinc.com*.

$15.0 Million Subordinated Loan Advanced to Eight Capital

At December 31, 2018, the Corporation had advanced $15.0 million in the form of a subordinated loan to Eight Capital, a partnership formed by a consortium of individuals that were previously key employees of Dundee Securities' capital markets division. The loan bears interest at a rate of 10%. In connection with the loan, the Corporation entered into a royalty agreement with Eight Capital pursuant to which Eight Capital will pay a revenue-based royalty payment to the Corporation, ranging between 1% and 6.5% of revenues generated by Eight Capital over a five-year period commencing in the calendar year ended December 31, 2017, and reducing to between 1% and 2% in each of 2022 and 2023. Under the terms of the royalty agreement, royalty payments will cease, subject to a final royalty payment, if the subordinated loan made by the Corporation to Eight Capital is repaid in full, and in any case, will cease effective December 31, 2023. During 2018, the Corporation received a payment of $0.3 million as its first royalty payment in respect of the calendar year ended December 31, 2017. Subsequent to December 31, 2018, the Corporation received $2.2 million in respect of its second royalty payment and interest.

OTHER CONSOLIDATED BALANCES AND CAPITAL STRUCTURE

General and Administrative Expenses

Generally, head office costs, including costs associated with corporate governance and related public company costs, are accumulated and reported as head office costs and are not allocated to other operating segments.

During 2018, the Corporation reported head office general and administrative expenses (before non-cash stock based compensation) of $24.8 million (2017 – $16.1 million). The increase in direct compensation was mainly due to higher severance and the timing of bonus expenses incurred during 2018 compared with the prior year. The increase in other general and administrative expenses was primarily due to the write-off of leasehold improvements resulting from the reduced rental office space during 2018.

For the years ended December 31,		2018		2017
Direct compensation	$	14,284	$	7,046
Corporate and professional fees		4,237		4,574
Other		6,297		4,482
		24,818		16,102
Stock based compensation arrangements		2,619		3,310
	$	**27,437**	**$**	**19,412**

Stock based compensation added a further $2.6 million to general and administrative expenses during 2018, compared to $3.3 million incurred in the prior year. Certain of the Corporation's share incentive arrangements are considered financial obligations of the Corporation and are marked-to-market in the consolidated financial statements to reflect changes in such underlying financial obligations. The terms of the Corporation's share incentive arrangements are detailed in note 20 to the 2018 Audited Consolidated Financial Statements.

Corporate Interest Expense

Corporate interest expense was $5.3 million during 2018, a $1.9 million decrease from the $7.2 million incurred 2017. Included in interest expense during 2018 are cash dividends incurred on the Corporation's Preference Shares, series 5 of $6.2 million (2017 – $6.7 million), net of associated amortization amounts of $1.4 million (2017 – $1.1 million). The balance of interest expense in 2018 relates predominantly to interest charges, including standby fees and arrangements fees, on any amounts borrowed under available credit facilities.

Income Tax Expense

The Corporation's 2018 effective income tax expense rate of negative 3.7% was significantly different than the statutory combined federal and provincial tax rate of 26.5% primarily due to operating losses incurred by certain subsidiaries and losses recognized in respect of certain equity accounted investments, the benefit of which was not recognized in the 2018 Audited Consolidated Financial Statements. The impact of these items on the effective income tax expense rate was partially offset by non-taxable revenue related to fair value of Preference Shares, series 5 redemption option as detailed in note 16 to the 2018 Audited Consolidated Financial Statements.

The Corporation included a tax contingency note in its June 30, 2018 Interim Consolidated Financial Statements in respect of a principal tax filing position that is being disputed by the Canada Revenue Agency. The Corporation subsequently submitted a written response defending its income tax filing position. In the event the Canada Revenue Agency disagrees with the Corporation's filing position, the Corporation has estimated the current income tax provision would increase by approximately $11 million and interest expense by approximately $2 million.

Net Deferred Income Tax Assets

The Corporation's net deferred income tax assets at December 31, 2018 were $26.5 million and represent deferred income tax assets of $67.4 million, offset by deferred income tax liabilities of $40.9 million. This compares to net deferred income tax assets of $26.3 million at December 31, 2017. There was only a nominal increase in net deferred income tax assets due to the Corporation only recognizing deferred income tax assets which met the more-likely-than-not criteria. Components of the Corporation's net deferred income tax assets are detailed in note 22 to the 2018 Audited Consolidated Financial Statements.

The Corporation's aggregate non-capital loss carry forwards at December 31, 2018 were $528.8 million (2017 – $505.2 million). In addition, the Corporation's capital loss carry forwards at December 31, 2018 were $237.3 million (2017 - $231.9 million). Included in the Corporation's deferred income tax balances is a tax benefit of $61.2 million (2017 – $49.8 million) in respect of the non-capital and capital loss carry forwards.

Corporate Debt

	Corporate*	Blue Goose	Dundee 360	Total
Balance, December 31, 2017	$ -	$ 60,015	$ 95	$ 60,110
Repayments	-	(6,448)	(44)	(6,492)
Balance, December 31, 2018	**$ -**	**$ 53,567**	**$ 51**	**$ 53,618**

* *In addition, the Corporation has issued letters of credit in the amount of $3.7 million that may be drawn under certain circumstances.*

On April 27, 2017, the Corporation established an $80 million revolving term credit facility with a Canadian Schedule I Chartered Bank. On April 26, 2018, the Corporation amended the terms of the revolving term credit facility by reducing the amounts available from $80 million to $20 million. On December 24, 2018, The Corporation further amended the terms of this credit facility and confined the credit availments to the amount of a letter of credit that matures on February 17, 2019. Subsequent to December 31, 2018, the maturity date further extends to June 30, 2019.

At December 31, 2018, the Corporation had issued letters of credit in the amount of €2.4 million (Cdn$3.7 million) under the terms of the above-mentioned revolving term credit facility to support certain of its equity accounted investments.

Debt of Subsidiaries

A more detailed discussion of corporate debt in each of the Corporation's business segments is presented under "*Segmented Results of Operations*".

Share Capital

Preference Shares

At December 31, 2018, the Corporation's outstanding preference share arrangements were as follows:

Trade Symbol	Series	# of Shares Outstanding	Face Value per Share	Total Face Value	Coupon Rate	Carrying Value
DC.PR.B	Series 2	3,479,385	$25.00	$86,985	5.688% – 5-year fixed rate to Sept 30, 2019	$84,053 equity instrument
DC.PR.D	Series 3	1,720,615	$25.00	$43,015	4.97% to 5.61% – quarterly floating rate	$43,015 equity instrument
DC.PR.E	Series 5	3,294,938	$25.00	$82,373	7.50% – fixed rate maturing Jun 30, 2019	$82,234 debt instrument

On January 31, 2018, and pursuant to the terms of the Corporation's Preference Shares, series 5, the Corporation redeemed 303,265 shares, being all such shares tendered for redemption. The Preference Shares, series 5 were redeemed at a price of $25.00 per share, or $7.6 million in aggregate, plus accrued and unpaid dividends of $49,000. Following completion of the partial redemption, a total of 3,294,938 Preference Shares, series 5, with a par value of $82.6 million, remain issued and outstanding.

The redemption option feature of Preference Shares, series 5 meets the definition of an embedded derivative and has been bifurcated and recognized as "*Derivative financial instrument*" in 2018 Audited Consolidated Financial Statements. The fair value ascribed to the redemption option feature was $30.0 million as at December 31, 2018 (2017 – $nil). Accordingly, the

Corporation recognized the corresponding amount in the 2018 Audited Consolidated Financial Statements as "*Remeasurement of financial instruments*".

A full description of the terms of the Corporation's preference shares is provided in note 16 to the 2018 Audited Consolidated Financial Statements.

Common Shares

As at December 31, 2018, there were 57,985,136 Class A subordinate voting shares and 3,114,804 Class B common shares outstanding. At March 28, 2019, the number of outstanding Class A subordinate voting shares had increased to 57,999,885. In addition, at December 31, 2018 and March 28, 2019, there were 1,421,124 warrants outstanding. Each warrant may be exercised to acquire one Class A subordinate voting share at an exercise price of $6.00 per share on or before June 30, 2019, after which time the warrant will expire.

At December 31, 2018, the Corporation had awarded 995,109 deferred share units under its deferred share unit plan, each deferred share unit of which tracks the value of the Corporation's Class A subordinate voting shares and 486,270 deferred share units that track the value of a class A subordinate voting share of Dream Unlimited Corp.

In addition, and under the terms of the Corporation's share incentive arrangements, at December 31, 2018, the Corporation had awarded an aggregate of 944,245 Class A subordinate voting share bonus rights under its share bonus plan, each of which is subject to certain vesting criteria. A comprehensive summary of the terms of the Corporation's share incentive awards is provided in note 20 to the 2018 Audited Consolidated Financial Statements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, the Corporation reported cash of $52.8 million at December 31, 2018. This compares with cash of $75.3 million at December 31, 2017. The following table illustrates the Corporation's consolidated cash flow on a segmented basis, including net cash flow movements between Dundee Corporation and each of its operating segments.

For the year ended December 31, 2018	Opening Cash	Operating Activities	Investing Activities	Financing Activities	Intersegment	Closing Cash
Corporate and other portfolio holdings	$ 40,475	$ (29,022)	$ 41,470	$ (14,816)	$ 279	$ 38,386
Asset management and capital markets						
Goodman & Company, Investment Counsel Inc.	2,710	(3,685)	1,929	-	3,214	4,168
Dundee Securities Ltd.	17,832	4,122	92	-	(22,046)	-
Resource industry						
Dundee Energy Limited	32	(1,416)	-	-	1,496	112
Dundee Energy Limited Partnership	3,736	(4,021)	25,939	(25,654)	-	-
United Hydrocarbon International Corp.	9,190	(4,252)	68	-	-	5,006
Dundee Sustainable Technologies Inc.	495	(2,696)	-	142	2,175	116
Eurogas International Inc.	1	(371)	-	-	381	11
Agriculture industry						
Blue Goose Capital Corp.	861	(2,402)	(3,365)	(6,399)	11,973	668
AgriMarine Holdings Inc.	(66)	(519)	(661)	-	1,440	194
Real estate industry						
Dundee 360 Real Estate Corporation	3,748	(561)	(105)	(44)	1,088	4,126
	79,014	(44,823)	65,367	(46,771)	-	52,787
Less: Discontinued operations						
Dundee Energy Limited Partnership	(3,736)	4,021	(25,939)	25,654	-	-
	$ 75,278	**$ (40,802)**	**$ 39,428**	**$ (21,117)**	**$ -**	**$ 52,787**

For the year ended December 31, 2017	Opening Cash	Operating Activities	Investing Activities	Financing Activities	Intersegment	Closing Cash
Corporate and other portfolio holdings	$ 1,620	$ (12,606)	$ 115,334	$ (61,529)	$ (2,344)	$ 40,475
Asset management and capital markets						
Goodman & Company, Investment Counsel Inc.	847	(7,110)	1,044	-	7,929	2,710
Dundee Securities Ltd.	55,387	(24,837)	348	-	(13,066)	17,832
Resource industry						
Dundee Energy Limited	86	(1,450)	-	336	1,060	32
Dundee Energy Limited Partnership	1,419	2,160	(501)	658	-	3,736
United Hydrocarbon International Corp.	5,693	(16,105)	21,572	(1,970)	-	9,190
Dundee Sustainable Technologies Inc.	526	(1,415)	24	500	860	495
Eurogas International Inc.	-	(317)	-	-	318	1
Agriculture industry						
Blue Goose Capital Corp.	5,241	(3,395)	(7,628)	4,566	2,077	861
Blue Goose Pure Foods Ltd.	732	64,902	(63,017)	(2,617)	-	-
AgriMarine Holdings Inc.	275	(1,055)	(1,048)	-	1,762	(66)
Real estate industry						
Dundee 360 Real Estate Corporation	3,789	(992)	(409)	(44)	1,404	3,748
	75,615	(2,220)	65,719	(60,100)	-	79,014
Less: Discontinued operations						
Dundee Energy Limited Partnership	(1,419)	(2,160)	501	(658)	-	(3,736)
Blue Goose Pure Foods Ltd.	(732)	(64,902)	63,017	2,617	-	-
	$ 73,464	**$ (69,282)**	**$ 129,237**	**$ (58,141)**	**$ -**	**$ 75,278**

Included in the Corporation's consolidated cash balance is $4.2 million of cash used in the operating businesses of the Corporation's wealth management subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets, in accordance with such regulatory requirements. The ability to transfer cash resources out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements. At December 31, 2018 and 2017, the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

A more detailed discussion of significant transactions affecting cash flows during 2018 and 2017 is provided below.

Significant Cash Flows – Operating Activities

For the years ended December 31,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2018	2017
Operating activities:								
Adjusted net earnings or loss*	$ (31,581)	$ (3,614)	$ (717)	$ (6,867)	$ (1,897)	$ 754	$ (43,922)	$ (59,078)
Changes in client account balances	10	9,748	-	-	-	(51)	9,707	(17,999)
Changes in agricultural inventory	-	-	-	4,225	-	(8,016)	(3,791)	146
Changes in other working capital amounts	(1,163)	(2,287)	(3,535)	240	1,321	(1,374)	(6,798)	2,851
Changes in income taxes	3,712	275	-	-	15	-	4,002	4,798
Cash (used in) provided from operating activities – Continuing operations	$ (29,022)	$ 4,122	$ (4,252)	$ (2,402)	$ (561)	$ (8,687)	$ (40,802)	$ (69,282)

* *Adjusted net earnings (or loss) are equal to net earnings (or loss) adjusted for items not affecting cash and other adjustments.*

- Changes in cash related to the Corporation's preceding brokerage activities, including changes in client account balances and brokerage securities owned and sold short, will vary significantly on a day-to-day basis to reflect the underlying business activities undertaken in that period and do not necessarily reflect any meaningful change in the subsidiaries' financial position. Changes in these balances during 2018 resulted in net cash inflows of $9.7 million (2017 – net cash outflows of $19.4 million).
- During 2018, changes in the balances of agricultural inventory resulted in net cash outflows of $3.8 million (2017 – net cash inflows of $0.1 million).

Significant Cash Flows – Investing Activities

For the years ended December 31,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2018	2017
Investing activities:								
Net proceeds from dispositions of portfolio investments	$ 38,618	$ -	$ -	$ -	$ 10	$ -	$ 38,628	$ 112,791
Net investment in resource assets	-	-	-	-	-	-	-	(154)
Net investment in livestock and other agricultural assets	-	-	-	(5,659)	-	-	(5,659)	(7,075)
Proceeds from (disbursement of) cash in business and asset dispositions	-	-	-	2,472	-	1,928	4,400	22,119
Other investment activities	2,852	92	68	(178)	(115)	(660)	2,059	1,556
Cash provided from (used in) investing activities – Continuing operations	$ 41,470	$ 92	$ 68	$ (3,365)	$ (105)	$ 1,268	$ 39,428	$ 129,237

- During 2018, the Corporation generated proceeds of $79.6 million from its corporate portfolio. Approximately $32.9 million of the proceeds were reinvested back into the corporate portfolio, including $17.4 million invested into Class F convertible preferred units and a $15.5 million promissory note associated with the Corporation's Parq Vancouver casino and resort project. During 2017, portfolio trading activities generated net cash inflows of $132.6 million. Cash required or derived from trading in the Corporation's investment portfolio, including equity accounted investments, will vary from period to period and is dependent on trading activity and strategies that may evolve in response to global market conditions or otherwise.
- Blue Goose invested $5.7 million (2017 – $7.1 million) in agricultural assets during 2018.
- Approximately $4.4 million cash was received pursuant to business and asset disposition activities during 2018. This amount includes net cash of $2.9 million from the disposition of 100% interest in Dundee Securities and $2.5 million from Blue Goose's asset sale in its natural fish operation, offset by $1.0 million cash outflows from the sale of 80% interest in Dundee Securities Europe Limited.
- During 2017, UHIC received net cash of $21.7 million from the disposition of its investment in UHCL and Dundee Securities received net cash of $0.4 million from the sale of its interest in Dundee Securities Inc.

Significant Cash Flows – Financing Activities

For the years ended December 31,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2018	2017
Financing activities:								
Change in corporate debt	$ -	$ -	$ -	$ (6,899)	$ (44)	$ -	$ (6,943)	$ (50,242)
Redemption of Preference Shares, series 5	(7,582)	-	-	-	-	-	(7,582)	-
Dividends paid on Preference Shares, series 2 and series 3	(7,234)	-	-	-	-	-	(7,234)	(6,955)
Net cash from transactions with non-controlling interests	-	-	-	500	-	142	642	(944)
Cash (used in) provided from financing activities – Continuing operations	$ (14,816)	$ -	$ -	$ (6,399)	$ (44)	$ 142	$ (21,117)	$ (58,141)

- Net amounts repaid against credit facilities available to the Corporation and to its subsidiaries during 2018 were $6.9 million (2017 – $50.2 million).
- During 2018, the Corporation redeemed 303,265 Preference Shares, series 5, at a cost of $25.00 per share or a total of $7.6 million in aggregate.
- Cash outflows during 2018 include dividends of $7.2 million (2017 – $6.9 million) paid by the Corporation on its outstanding Preference Shares, series 2 and Preference Shares, series 3. The Corporation has not paid dividends on its Class A subordinate voting shares or on its common shares.

Cash Requirements

The Corporation's capital management and funding objectives include ensuring that the Corporation is compliant with all of its ongoing obligations, including compliance with all applicable debt covenants, and ensuring that the Corporation is able to meet its financial obligations as they become due. In determining its capital allocation, the Corporation considers relevant regulatory capital requirements in order to effectively manage its wealth management strategies, and resources required for the development of resource, agricultural and real estate opportunities. The Corporation's capital management objectives also include ensuring that it has sufficient capital available to benefit from acquisitions and other opportunities, should they arise, and ensuring adequate returns for shareholders. The Corporation regularly assesses the allocation of its capital resources in response to changing economic conditions.

The Corporation's intention is to meet short-term liquidity requirements through funds from operations, working capital reserves and operating debt facilities. Capital may also be generated through dispositions of investments.

There are uncertainties related to the timing and use of the Corporation's cash resources and available borrowing capacity. The development stage of the Corporation's investments and business strategies may not generate sufficient operating cash flows to fund their obligations as they become due. As such, these obligations may require that the Corporation generate liquidity through the divestiture of non-core investments, through the use of available borrowing capacity, or through the issuance of debt or equity. The Corporation may experience difficulty in obtaining satisfactory financial terms. Failure to obtain adequate financing on satisfactory terms may have a material adverse effect to the Corporation's results of operations or its financial condition.

RESULTS OF OPERATIONS

Three months ended December 31, 2018 compared with the three months ended December 31, 2017

Consolidated Net Earnings

During the fourth quarter of 2018, the Corporation incurred a net loss attributable to owners of Dundee Corporation of $46.4 million, or a loss of $0.79 per share. This compares with earnings of $69.6 million or $1.20 per share earned during the same quarter of the prior year. Operating results in the fourth quarter of 2018 include earnings from discontinued operations of $9.0 million, compared with a loss of $26.3 million during the same quarter of the prior year.

For the three months ended December 31,	2018	2017
Net (loss) earnings before income taxes from continuing operations		
Goodman & Company, Investment Counsel Inc.	$ 1,206	$ (1,756)
Dundee Securities Ltd.	(808)	205
Dundee Energy Limited	(90)	(1,493)
United Hydrocarbon International Corp.	(34,091)	(1,583)
Dundee Sustainable Technologies Inc.	(1,141)	(926)
Eurogas International Inc.	(478)	(151)
Blue Goose Capital Corp.	(1,315)	(3,753)
AgriMarine Holdings Inc.	(972)	(1,009)
Dundee 360 Real Estate Corporation	(9,621)	(971)
	(47,310)	(11,437)
Adjusted for the corporate and other portfolio holdings segment:		
Net (loss) income from investments	(16,229)	15,345
Share of loss from equity accounted investments	(7,751)	(59,175)
Other items in the corporate and other portfolio holdings segment	20,047	(7,571)
Income tax (expense) recovery	(7,295)	14,072
Net loss from continuing operations	(58,538)	(48,766)
Net earnings (loss) from discontinued operations		
Dundee Energy Limited Partnership	9,018	(2,384)
Blue Goose Pure Foods Ltd.	-	(23,885)
Net earnings (loss) from discontinued operations	9,018	(26,269)
Net loss for the period	**$ (49,520)**	**$ (75,035)**
Net (loss) earnings attributable to owners of the parent:		
Continuing operations	$ (51,630)	$ (46,733)
Discontinued operations	5,226	(22,829)
	$ (46,404)	**$ (69,562)**

Continuing Operations

During the three months ended December 31, 2018, the Corporation incurred a net loss from continuing operations attributable to owners of the Corporation of $51.6 million (2017 – $46.7 million), or a loss of $0.88 (2017 – $0.82) per share. Operating results in the fourth quarter of 2018 include a $33.8 million loss on fair value change in royalty interest in UHIC and an $8.0 million accelerated impairment charge on Dundee 360, reducing the carrying value of Sotheby's franchise rights to its estimated recoverable amount.

A more detailed discussion of fourth quarter operating results of each of the Corporation's operating subsidiaries and business segments is provided below.

Segmented Results of Operations

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

During the three months ended December 31, 2018, GCIC recognized earnings before income taxes attributable to owners of Dundee Corporation of $1.2 million, compared with a pre-tax loss of $1.8 million incurred in the same period of the prior year. Consistent with year-to-date results, earnings from the current quarter includes a $2.6 million gain resulting from the sale of 100% interest in Dundee Securities Ltd.

For the three months ended December 31,		2018		2017
Revenues				
Management and performance fees	$	247	$	559
Financial services		-		41
Interest and other		2,653		94
		2,900		694
Other items in net earnings (loss) before tax				
General and administrative		(1,653)		(2,444)
Depreciation		(3)		(2)
Share of loss from equity accounted investments		(41)		-
Interest expense		3		(4)
Net earnings (loss) before taxes, Goodman & Company, Investment Counsel Inc.	**$**	**1,206**	**$**	**(1,756)**
Net earnings (loss) before taxes, Goodman & Company, Investment Counsel Inc., attributable to:				
Owners of Dundee Corporation	$	1,206	$	(1,756)
Non-controlling interest		-		-
Net earnings (loss) before taxes, Goodman & Company, Investment Counsel Inc.	**$**	**1,206**	**$**	**(1,756)**

Management fee revenues were $0.2 million in the three months ended December 31, 2018, a decline compared to revenues of $0.6 million earned in the same period of the prior year. Average AUM for the three months ended December 31, 2018 was $54.7 million, compared with average AUM of $195.7 million during the same period of the prior year. Reduction in average AUM period over period is primarily due to the transfer out of $134.0 million AUM to an external manager in May 2018. During the fourth quarter of 2018, the average management fee rate on AUM was 1.81% (fourth quarter of 2017 – 1.11%).

General and administrative expenses were $1.7 million during the three months ended December 31, 2018, compared with $2.4 million in the same period of the prior year and reflect, in part, cost rationalization as GCIC further streamlines its business strategy.

DUNDEE SECURITIES LTD.

RESULTS OF OPERATIONS

For the three months ended December 31,	2018	2017
Revenues		
Financial services		
Investment banking	$ 430	$ 12
Commissions	476	982
Principal trading	(3)	2,562
Interest and other	528	1,016
	1,431	4,572
Cost of sales		
Variable compensation	(721)	(2,095)
Other items in net (loss) earnings		
Depreciation	(360)	(54)
General and administrative	(1,142)	(2,186)
Interest expense	(20)	(9)
Foreign exchange gain (loss)	4	(23)
Net (loss) earnings attributable to Dundee Securities	**$ (808)**	**$ 205**
Net (loss) earnings before taxes, Dundee Securities attributable to:		
Owners of Dundee Corporation	$ (808)	$ 205
Non-controlling interest	-	-
Net (loss) earnings before taxes, Dundee Securities	**$ (808)**	**$ 205**

Revenues

Compared with $4.6 million revenues earned during the fourth quarter of 2017, Dundee Securities' revenues decreased to $1.4 million during the three months ended December 31, 2018. The decrease was mainly due to the reduction of principal trading revenue during the current quarter resulting from the liquidation of Dundee Securities' proprietary trading inventory during the third quarter of 2018.

Variable Compensation Expense

Variable compensation expense incurred in the fourth quarter of 2018 was $0.7 million, compared with $2.1 million incurred in the same period of the prior year.

General and Administrative Expenses

General and administrative expenses incurred by Dundee Securities fell to $1.1 million during the three months ended December 31, 2018, compared with $2.2 million incurred in the same period of the prior year. Consistent with year-to-date results, general and administrative expenses incurred in the fourth quarter of 2017 included certain termination costs including severance as well as write-downs related to redundant leaseholds.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

During the three months ended December 31, 2018, Dundee Technologies incurred a net loss before taxes of $1.1 million (three months ended December 31, 2017 – $0.9 million).

RESULTS OF OPERATIONS

For the three months ended December 31,		2018		2017
Revenues				
Technical services	$	519	$	869
Interest and other		-		(26)
		519		843
Cost of sales		(413)		(675)
Other items in net loss before taxes				
Depreciation and depletion		(461)		-
General and administrative		(643)		(968)
Interest expense		(142)		(128)
Foreign exchange (loss) gain		(1)		2
Net loss before taxes, Dundee Sustainable Technologies Inc.	**$**	**(1,141)**	**$**	**(926)**
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:				
Owners of Dundee Corporation	$	(578)	$	(513)
Non-controlling interest		(563)		(413)
Net loss before taxes, Dundee Sustainable Technologies Inc.	**$**	**(1,141)**	**$**	**(926)**

During the fourth quarter of 2018, Dundee Technologies continued to expand the provision of technical services in the mining industry to evaluate processing alternatives using its state-of-the-art metallurgical plant and skilled technical team. Revenue during the current quarter was $0.5 million, compared with revenue of $0.9 million in the prior year

Dundee Technologies incurred operating expenses of $1.5 million in the fourth quarter of 2018, of which $0.4 million is directly attributable to cost of sales and $0.6 million in general and administrative costs. In comparison, during the fourth quarter of 2017, Dundee Technologies incurred operating costs of $1.6 million, of which $0.7 million was attributed to cost of sales, with the balance of $0.9 million in general and administrative costs. Consistent with year-to-date results, as the business activities of Dundee Technologies mature, it expects to allocate more of its highly technical resources to the provision of revenue generating activities. While total operating expenses are expected to increase in proportion to increased revenue generating activities, Dundee Technologies expects that a larger portion of these costs will be allocated to cost of sales.

DUNDEE ENERGY LIMITED

During the quarter ended December 31, 2018, Dundee Energy incurred a net loss before income taxes of $21.9 million, including a loss from discontinued operations of $21.8 million related to the southern Ontario assets. This compares with a net loss before income taxes of $3.9 million in the same period of the prior year, including a loss from discontinued operations of $2.4 million. Consistent with year-to-date results, 2018 loss from discontinued operations includes an $18.8 million loss on substantial DELP’s assets in November 2018.

RESULTS OF OPERATIONS

For the three months ended December 31,	Continuing Operations 2018	Continuing Operations 2017	Discontinued Operations 2018	Discontinued Operations 2017	Total 2018	Total 2017
Revenues						
Oil and gas sales	$ -	$ -	$ 3,387	$ 5,255	$ 3,387	$ 5,255
Interest and other	-	(1,425)	13	26	13	(1,399)
	-	(1,425)	3,400	5,281	3,400	3,856
Cost of sales						
Production expenditures	-	-	(1,952)	(2,649)	(1,952)	(2,649)
Other items in net loss before taxes						
Depreciation and depletion	-	(10)	(956)	(2,075)	(956)	(2,085)
General and administrative	(90)	(37)	(2,160)	(1,567)	(2,250)	(1,604)
Remeasurement of financial instruments	-	-	-	66	-	66
Loss on sale of net assets	-	-	(18,849)	-	(18,849)	-
Interest expense	-	-	(1,346)	(1,427)	(1,346)	(1,427)
Foreign exchange loss	-	(21)	52	(13)	52	(34)
Net loss before taxes, Dundee Energy Limited	**$ (90)**	**$ (1,493)**	**$ (21,811)**	**$ (2,384)**	**$ (21,901)**	**$ (3,877)**
Net loss before taxes, Dundee Energy Limited attributable to:						
Owners of Dundee Corporation	$ (52)	$ (861)	$ (12,639)	$ (1,383)	$ (12,691)	$ (2,244)
Non-controlling interest	(38)	(632)	(9,172)	(1,001)	(9,210)	(1,633)
Net loss before taxes, Dundee Energy Limited	**$ (90)**	**$ (1,493)**	**$ (21,811)**	**$ (2,384)**	**$ (21,901)**	**$ (3,877)**

BLUE GOOSE CAPITAL CORP.

During the fourth quarter of 2018, Blue Goose incurred a net loss from continuing operations of $1.3 million, compared with a net loss of $3.8 million incurred in the same period of the prior year. In the fourth quarter of 2017, operating loss from discontinued operations was $1.3 million and loss from disposal of subsidiary was $22.6 million.

RESULTS OF OPERATIONS

	For the three months ended December 31, 2018	For the three months ended December 31, 2017 Continuing Operations	For the three months ended December 31, 2017 Discontinued Operations	For the three months ended December 31, 2017 Total
Revenues				
Sales	$ 5,127	$ 6,218	$ 7,145	$ 13,363
Interest and other	491	133	-	133
	5,618	6,351	7,145	13,496
Cost of sales	(7,040)	(9,428)	(6,981)	(16,409)
Other items in net loss before taxes				
Depreciation and depletion				
Depreciation	(631)	(594)	(354)	(948)
Impairment	-	-	-	-
General and administrative				
Marked-to-market adjustment on earnout liability	-	-	(49)	(49)
Other general and administrative	(692)	(584)	(959)	(1,543)
Fair value changes in livestock	2,900	1,679	-	1,679
Interest expense	(1,470)	(1,177)	(126)	(1,303)
Foreign exchange gain	-	-	16	16
Net loss before taxes, Blue Goose Capital Corp.				
Operating loss	(1,315)	(3,753)	(1,308)	(5,061)
Loss from liquidation of net assets	-	-	(22,577)	(22,577)
Net loss before taxes, Blue Goose Capital Corp.	**$ (1,315)**	**$ (3,753)**	**$ (23,885)**	**$ (27,638)**
Net loss before taxes, Blue Goose Capital Corp. attributable to:				
Owners of Dundee Corporation	$ (1,174)	(3,369)	(21,446)	(24,815)
Non-controlling interest	(141)	(384)	(2,439)	(2,823)
Net loss before taxes, Blue Goose Capital Corp.	**$ (1,315)**	**$ (3,753)**	**$ (23,885)**	**$ (27,638)**

Contribution Margins

During the fourth quarter of 2018, Blue Goose generated a positive contribution margin from continuing operations of $1.0 million (fourth quarter of 2017 – negative contribution margin of $1.5 million) on total revenues of $5.1 million (fourth quarter of 2017 – $6.2 million). Contribution margin in the fourth quarter of 2018 was driven primarily by the increase in commodity beef prices. The contribution margin, before adjusting for fair value changes, was $0.1 million in the fourth quarter of 2018 (fourth quarter of 2017 – negative contribution margin of $0.5 million).

For the three months ended December 31,								2018
		Beef		Fish		Chicken		Total
Sales	$	3,241	$	62	$	1,824	$	5,127
Cost of sales, period cost		(2,712)		(502)		(1,775)		(4,989)
		529		(440)		49		138
Fair value changes								
Fair value changes in livestock		2,296		604		-		2,900
Cost of sales, fair value harvested		(1,988)		(63)		-		(2,051)
		308		541		-		849
Margin	**$**	**837**	**$**	**101**	**$**	**49**	**$**	**987**
Margin %		15.1%		15.2%		2.7%		12.3%

For the three months ended December 31,								2017
		Beef		Fish		Chicken		Total
Sales	$	3,062	$	755	$	2,401	$	6,218
Cost of sales, period cost		(3,513)		(867)		(2,329)		(6,709)
		(451)		(112)		72		(491)
Fair value changes								
Fair value changes in livestock		610		1,069		-		1,679
Cost of sales, fair value harvested		(1,991)		(728)		-		(2,719)
		(1,381)		341		-		(1,040)
Margin	**$**	**(1,832)**	**$**	**229**	**$**	**72**	**$**	**(1,531)**
Margin %		(49.9%)		12.6%		3.0%		(19.4%)

Revenue from sales of beef was $3.2 million in the fourth quarter of 2018 (three months ended December 31, 2017 – $3.1 million). During the fourth quarter of 2018, and reflective of higher commodity beef prices, Blue Goose recognized a gain in fair value changes in livestock of $2.3 million (three months ended December 31, 2017 – $0.6 million). The period costs of $2.7 million associated with the beef division for the fourth quarter of 2018 were $0.8 million lower compared to the $3.5 million period costs in the same period of the prior year. This was mainly due to lower feed usage and higher costs capitalized to feed inventory in the current quarter.

The fish division had revenue of $0.1 million during the fourth quarter of 2018 compared to $0.8 million in the same period of the prior year. The decrease in revenue was primarily due to no natural fish sales in the current quarter as a result of the sale of natural fish inventory in early July 2018. As previously noted, natural fish inventory of $0.9 million was sold as part of the asset sale of a portion of the fish division in July 2018. The period costs of $0.5 million in the fourth quarter of 2018 associated with the fish division were $0.4 million lower compared to the same period of the prior year and is attributable to lower feed consumption resulting from the sale of natural fish in the third quarter of 2018.

During the three months ended December 31, 2018, revenue from the sale of chicken products was $1.8 million, a decrease of $0.6 million from revenue of $2.4 million generated in the same period of the prior year. The decrease in sales revenue is due to the elimination of organic chicken from the products being sold and Blue Goose exiting its chicken distribution operations in December 2018.

AGRIMARINE HOLDINGS INC.

During the three months ended December 31, 2018, AgriMarine incurred pre-tax net losses attributable to owners of Dundee Corporation of $1.0 million (fourth quarter of 2017 – $1.0 million). The 2018 loss includes a $0.3 million write-off of inventory and intangible assets.

RESULTS OF OPERATIONS

For the three months ended December 31,		2018		2017
Revenues				
Sales	$	1,953	$	2,495
Interest and other		24		-
		1,977		2,495
Cost of sales		(1,944)		(2,568)
Other items in net loss before taxes				
General and administrative		(969)		(914)
Interest expense		(34)		(24)
Foreign exchange (loss) gain		(2)		2
Net loss before taxes, AgriMarine Holdings Inc.	**$**	**(972)**	**$**	**(1,009)**
Net loss before taxes, AgriMarine Holdings Inc. attributable to:				
Owners of Dundee Corporation	$	(972)	$	(1,009)
Non-controlling interest		-		-
Net loss before taxes, AgriMarine Holdings Inc.	**$**	**(972)**	**$**	**(1,009)**

During the three months ended December 31, 2018, AgriMarine generated revenue of $2.0 million with a contribution margin of $9,000, compared with $2.5 million revenues generated during the three months ended December 31, 2017 with a negative contribution margin of $0.1 million. Harvesting and sales declined as anticipated during the period as a result of the moves to reduce overall biomass, however margins improved as a result of the new sales and processing arrangements which commenced in September 2018

At WCF, the volume of fish harvested during the fourth quarter of 2018 was 234,000 kilograms, translating into 198,000 kilograms or 436,000 pounds of product sold, at an average selling price of $9.96 per kilogram ($4.53 per pound).

CONTRIBUTED MARGINS

For the three months ended December 31,		2018		2017
Revenues	$	1,953	$	2,495
Cost of sales		(1,944)		(2,568)
Contribution margin		9		(73)
Other adjustment – Inventory write-off		(17)		-
Contribution margin with other adjustment	**$**	**(8)**	**$**	**(73)**

DUNDEE 360 REAL ESTATE CORPORATION

During the three months ended December 31, 2018, Dundee 360 incurred a net loss before taxes of $9.6 million. This compares with a net loss before taxes of $1.0 million incurred during the prior year. Fourth quarter net loss is mainly attributable to a depreciation charge of $8.0 million to reduce the carrying value of Sotheby's franchise rights to its estimated recoverable amount and $1.4 million share of loss from its real estate joint venture in France due to construction delays forcing revenues into 2019.

RESULTS OF OPERATIONS

	Real Estate Brokerage		Real Estate Project Management		Total	
For the three months ended December 31,	2018	2017	2018	2017	2018	2017
Revenues						
Gross commission income	$ 24,639	$ 23,407	$ -	$ -	$ 24,639	$ 23,407
Consulting and management fees	-	-	175	1,400	175	1,400
Sales and marketing fees	45	-	-	185	45	185
Other revenue	2,539	2,455	408	(15)	2,947	2,440
Interest and other	167	96	203	1,384	370	1,480
	27,390	25,958	786	2,954	28,176	28,912
Cost of sales	(22,642)	(21,512)	-	-	(22,642)	(21,512)
Other items in net loss before taxes						
Depreciation and depletion	(8,169)	(262)	(17)	(1,830)	(8,186)	(2,092)
General and administrative	(4,826)	(4,820)	(731)	(1,726)	(5,557)	(6,546)
Share of (loss) income from real estate joint ventures	-	-	(1,334)	286	(1,334)	286
Finance expense	(23)	(19)	(55)	-	(78)	(19)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	**$ (8,270)**	**$ (655)**	**$ (1,351)**	**$ (316)**	**$ (9,621)**	**$ (971)**
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:						
Owners of Dundee Corporation	$ (8,270)	$ (655)	$ (1,356)	$ (60)	$ (9,626)	$ (715)
Non-controlling interest	-	-	5	(256)	5	(256)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	**$ (8,270)**	**$ (655)**	**$ (1,351)**	**$ (316)**	**$ (9,621)**	**$ (971)**

During the three months ended December 31, 2018, Sotheby's sold over $1.6 billion worth of residential real estate, which is comparable to the prior year. Gross commission revenues for the fourth quarter of 2018 were $24.6 million (three months ended December 31, 2017 – $23.4 million) and associated commissions paid to brokers and agents were $22.6 million (three months ended December 31, 2017 – $21.5 million), resulting in a net contribution margin of $2.0 million or 8.1% (three months ended December 31, 2017 – $1.9 million or 8.0%).

Revenues from real estate project management activities were $0.8 million in the fourth quarter of 2018, compared with $3.0 million in the same period of the prior year, which included $1.4 million of fees earned from its project management activities for the refurbishment of two Fairmont-branded hotels and $1.3 million of amounts associated with Dundee 360's interests in Cuba. General and administrative costs associated with real estate project management activities have decreased to $0.7 million in the fourth quarter of 2018, compared with $1.7 million in the same period of the prior year, positively reflecting on cost-efficiency strategies while Dundee 360 continues to focus on its business development efforts.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

	2018				2017			
For the three months ended	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar
Net income (loss) from investments	$ (16,229)	$ (31,505)	$ (12,323)	$ (6,740)	$ 15,345	$ 15,386	$ (24,831)	$ 57,465
Share of earnings (loss) from equity accounted investments	(9,126)	(6,995)	(38,574)	(10,267)	(58,889)	6,545	108	(856)
Other items in net earnings (loss)	(33,183)	(14,998)	(26,293)	(6,389)	(5,222)	26,867	(4,960)	(28,087)
Net earnings (loss) from continuing operations	$ (58,538)	$ (53,498)	$ (77,190)	$ (23,396)	$ (48,766)	$ 48,798	$ (29,683)	$ 28,522
Net earnings (loss) from discontinued operations	9,018	(2,026)	(1,885)	(1,614)	(26,269)	(46,963)	4,280	(306)
Net earnings (loss)	$ (49,520)	$ (55,524)	$ (79,075)	$ (25,010)	$ (75,035)	$ 1,835	$ (25,403)	$ 28,216
Attributable to owners of the parent								
Continuing operations	$ (51,630)	$ (53,126)	$ (75,837)	$ (23,854)	$ (46,733)	$ 42,824	$ (28,553)	$ 29,888
Discontinued operations	5,226	(1,174)	(1,093)	(935)	(22,829)	(30,809)	4,028	(349)
Attributable to non-controlling interest								
Continuing operations	(6,908)	(372)	(1,353)	458	(2,033)	5,974	(1,130)	(1,366)
Discontinued operations	3,792	(852)	(792)	(679)	(3,440)	(16,154)	252	43
	$ (49,520)	$ (55,524)	$ (79,075)	$ (25,010)	$ (75,035)	$ 1,835	$ (25,403)	$ 28,216
Earnings (loss) per share								
Basic								
Continuing operations	$ (0.88)	$ (0.90)	$ (1.32)	$ (0.43)	$ (0.82)	$ 0.69	$ (0.51)	$ 0.48
Discontinued operations	0.09	(0.02)	(0.02)	(0.02)	(0.38)	(0.52)	0.06	(0.01)
	$ (0.79)	$ (0.92)	$ (1.34)	$ (0.45)	$ (1.20)	$ 0.17	$ (0.45)	$ 0.47
Diluted								
Continuing operations	$ (0.88)	$ (0.90)	$ (1.32)	$ (0.43)	$ (0.82)	$ 0.65	$ (0.51)	$ 0.46
Discontinued operations	0.09	(0.02)	(0.02)	(0.02)	(0.38)	(0.49)	0.06	(0.01)
	$ (0.79)	$ (0.92)	$ (1.34)	$ (0.45)	$ (1.20)	$ 0.16	$ (0.45)	$ 0.45

- During the fourth quarter of 2018, the Corporation recognized a $30.0 million gain in respect of the embedded derivative on Preference Shares, series 5. In the same quarter, the Corporation recognized a $4.0 million amortization charge against the trademarks, reducing the carrying value to the estimated fair value.
- Dundee 360 recognized an additional $8.0 million depreciation charge to reduce the carrying value of Sotheby's franchise rights.
- During the second quarter of 2018, the Corporation recognized a $38.8 million loss from its equity investment in B.C. Holdings, in which an impairment charge of $22.3 million was recorded to reduce its investment carrying value to $nil.
- During the fourth quarter of 2017 and following the appointment of an interim receiver, BGPF recognized a loss of $22.6 million on the disposal of subsidiary, Tender Choice.
- Operating results during the third quarter of 2017 include a $64.4 million foreign currency translation gain related to the disposition of UHIC's subsidiary.
- In connection with the filing of a NOI by DELP pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), during the third quarter of 2017, DELP recorded an impairment of $19.0 million against its exploration and evaluation properties, and it further impaired the carrying value of its deferred income tax assets by $14.8 million. These items have been included in discontinued operations.
- During the third quarter of 2017, and as a result of changes in the probability metrics applied to determining the fair value of contingent consideration related to its acquisition of the Tender Choice business, BGPF decreased the carrying value of the contingent consideration by $10.9 million, with a corresponding increase in net earnings. Concurrently, BGPF impaired goodwill related to Tender Choice by $23.6 million. These items have been included in discontinued operations.
- Included in net earnings or loss are amounts reflecting changes in the fair value of the Corporation's direct investments in public and private securities. These changes are determined by equity and credit markets and are expected to result in significant fluctuations in net earnings or loss. The Corporation believes that equity and credit markets do not necessarily correctly reflect the underlying value of certain assets. As a consequence, management of the Corporation believes that the

amount of unrealized gains or losses that will be included in net earnings or loss in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information.

- The Corporation's share of earnings or losses from equity accounted investments is included in the Corporation's net earnings or loss for each quarter. As with changes in the fair value of the Corporation's investment portfolio, earnings or losses from each equity accounted investee and dilution gains and losses from these investments will fluctuate from period to period and may depend on market forces or other operating conditions that are not necessarily under the Corporation's direct control.

OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Corporation executes agreements that provide for indemnification to third parties in transactions such as business combinations. The Corporation has also agreed to indemnify its directors and officers and those of certain of its subsidiaries to the extent permitted under corporate law, against costs and damages that may be incurred by such individuals as a result of lawsuits or any other proceedings in which they are sued as a result of their services. The nature of these agreements precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation could be required to pay third parties, as the agreements often do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. Historically, the Corporation has not made any payments under such indemnification agreements. No amounts have been recorded in the 2018 Audited Consolidated Financial Statements with respect to these indemnifications.

The Corporation and its operating subsidiaries may become liable under guarantees that are issued in the normal course of business (see *"Commitments and Contingencies"*), and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the 2018 Audited Consolidated Financial Statements of the Corporation.

COMMITMENTS AND CONTINGENCIES

Commitments and contingencies are detailed in note 27 to the 2018 Audited Consolidated Financial Statements. The following table summarizes payments due for the next five years and thereafter in respect of the Corporation's contractual obligations and the obligations of its subsidiaries.

	Expected Payments Schedule				
	2019	2020 to 2021	2022 to 2023	Thereafter	Total
Continuing Operations					
Accounts payable and accrued liabilities	$ 40,341	$ -	$ -	$ -	$ 40,341
Credit facilities, Blue Goose Capital Corp. (i)	14,556	31,247	8,751	-	54,554
Debt facilities, Dundee 360 Real Estate Corporation (i)	44	7	-	-	51
Leases and other commitments (ii)	7,582	12,479	4,791	3,926	28,778
Preference Shares, series 5 (iii)	85,462	-	-	-	85,462
Interest on Blue Goose Capital Corp.'s credit facilities (iv)	2,931	4,070	574	-	7,575
	$ 150,916	$ 47,803	$ 14,116	$ 3,926	$ 216,761

(i) A detailed discussion of corporate debt in each of the Corporation's operating subsidiaries is presented under "Segmented Results of Operations – Changes in Financial Condition" in this MD&A and in respect of each operating subsidiary.

(ii) Operating lease obligations include minimum lease commitments to landlords, suppliers and service providers. Several of these leases oblige the Corporation or its subsidiaries to pay additional amounts if usage or transaction activity exceeds specified levels.

(iii) See note 16 to the 2018 Audited Consolidated Financial Statements for terms and conditions of the Corporation's Preference Shares, series 5.

(iv) Interest amounts exclude interest amounts due on demand revolving facilities.

Commitments

In addition to lease commitments for rental property and equipment that have been entered into by the Corporation in the normal course of business, and which have been included as *"Leases and other commitments"* in the above table, the Corporation and its subsidiaries have entered into the following commitments:

- Under its master franchise agreement for the use of the "*Sotheby's International Realty*" name, Dundee 360 pays the franchisor a franchise fee of 6% of gross commission income earned by its agents, with a minimum annual requirement of US$1.2 million.
- UHIC and Delonex have entered into a further commercial contract in respect of a holdback of US$3.0 million, which is available to Delonex to fund any fees associated with a further extension of the current three-year term of the PSC. Upon the granting of such extension by the Republic of Chad, any amounts not used by Delonex to secure the extension will be returned to UHIC. As part of its agreement with Delonex, UHIC has agreed to fund 100% of any cost associated with the PSC extension up to US$10.0 million. Should the extension costs exceed US$10.0 million, 50% of any excess will be funded by UHIC. Any additional amount owed over the US$3.0 million holdback will be withheld from future royalty contingent payments. Should an extension not be granted prior to June 5, 2020, the holdback will be forfeited by UHIC to Delonex.

Contingencies

- In order to support a $5.0 million investment by Investissement Québec into Dundee Technologies, the Corporation has guaranteed $1.5 million of debt under these arrangements.
- In accordance with the terms of a royal decree issued by the Spanish authorities in respect of Escal's underground gas storage project in Spain, shareholders of Escal UGS, S.L., including ultimate parent shareholders, remain responsible for any possible flaws or defects in the facilities associated with the underground gas storage project that become apparent during the 10 years following the issuance of the royal decree issued in October 2014. Dundee Corporation holds 1 50% interest in Dundee Energy. Dundee Energy holds a 74% interest in Castor UGS Limited Partnership, which in turn, is a 33% shareholder of Escal.
- Blue Goose established a real property loan facility for $10.0 million. Dundee Agricultural Corporation, a wholly-owned subsidiary of the Corporation, has provided a full guarantee in respect of the loan. The lender does not have recourse to Dundee Corporation in respect of this guarantee.
- Filing of the Corporation's tax returns requires the interpretation of complex tax laws and regulations. The Canada Revenue Agency audits the Corporation's tax returns annually to ensure compliance with the tax laws and regulations. For the taxation year ended December 31, 2014, the Canada Revenue Agency has requested further clarification of a principal filing position. As of the filing of its December 31, 2018 financial statements, the Corporation cannot be assured the Canada Revenue Agency will accept the filing position. If the filing position is not accepted, the Corporation has estimated income taxes payable of approximately $11 million and interest payable of approximately $2 million in respect of its December 31, 2014 taxation year. Presently, the Corporation does not expect the change in filing position to result in income taxes payable in respect of its 2015-2018 taxation years. As discussions with the Canada Revenue Agency are ongoing, resolution is not expected until the 2019 fiscal year.
- In the normal course of its business, the Corporation may invest in structures or investment products that require an upfront commitment, in expectation that the Corporation will fund its commitment in the future on a drawdown basis. The Corporation does not record these obligations, but rather, amounts drawn are subsequently recorded as incurred.
- The Corporation may commit to provide credit facilities to investee companies. Generally, the Corporation's commitments under these types of arrangements are short term in nature and are extended to provide temporary bridge financing arrangements to investee companies in expectation of future equity or debt issuances.

RELATED PARTY TRANSACTIONS

The Corporation has not entered into any transactions with related parties, other than as disclosed in note 28 to the 2018 Audited Consolidated Financial Statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The 2018 Audited Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting. A summary of the more significant accounting policies applied in the preparation of the 2018 Audited Consolidated Financial Statements is included in note 3 to the 2018 Audited Consolidated Financial Statements. Note 3 to the 2018 Audited Consolidated Financial Statements also provides information regarding accounting standards, interpretations and amendments to existing standards that are not yet effective.

The preparation of the Corporation's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and other items in net earnings or loss and the related disclosure of contingent assets and liabilities. Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain.

The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the more significant judgments and estimates made by management in the preparation of its financial information is provided in note 4 to the 2018 Audited Consolidated Financial Statements.

CONTROLS AND PROCEDURES

During 2018, the Chief Executive Officer and the Chief Financial Officer of the Corporation were responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting, as defined in the Canadian Securities Administrators' National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*".

Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, have assessed the effectiveness of the Corporation's internal control over financial reporting as at December 31, 2018, based on the criteria set out in the *"Internal Control – Integrated Framework (2013)"* issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and concluded that it was effective as of that date. Management also assessed the effectiveness of disclosure controls and procedures. Based on these assessments, the Chief Executive Officer and the Chief Financial Officer concluded that, as at December 31, 2018, the Corporation's internal control over financial reporting and its disclosure controls and procedures were effective.

The Chief Executive Officer and the Chief Financial Officer of the Corporation have also assessed whether there were any changes to the Corporation's internal control over financial reporting during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect the Corporation's internal control over financial reporting. There were no changes identified during their assessment.

MANAGING RISK

The risks faced by the Corporation are described in the Corporation's 2018 Annual Information Form under "Risk Factors" which is available on SEDAR at *www.sedar.com*. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Dundee Corporation's public communications may include written or oral forward looking statements. Statements of this type are included in this MD&A, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Corporation's objectives and priorities for 2019 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services, energy, resources, agriculture and real estate industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors, those referenced in the section entitled "Risk Factors" in the Corporation's Annual Information Form, which include, but are not limited to, general economic and market conditions; the Corporation's ability to execute strategic plans; the Corporation's ability to meet financial obligations and comply with debt covenants; the performance of the Corporation's principal subsidiaries; the Corporation's ability and the ability of its investee companies to raise additional capital; concentration risk; the availability of equity and debt financing and/or refinancing on acceptable terms; risks relating to trading activities and investments; competition faced by the Corporation; regulation of the Corporation's businesses; risks associated with the Corporation's operating businesses and the Corporation's investment holdings in general, including risks associated with oil and gas and mining exploration, risks of operating in foreign jurisdictions, development and production activities, litigation risks, environmental risks, inflation, changes in interest rates, commodity prices and other financial exposures; the availability and adequacy of insurance coverage for the Corporation and its subsidiaries; maintenance of minimum regulatory capital requirements for certain of the Corporation's subsidiaries; potential liability of the Corporation and its subsidiaries under securities laws: and the ability of the Corporation and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as at March 28, 2019.

Forward looking statements contained in this MD&A are based upon assumptions about the future performance of the Canadian, European and United States economies, which were material factors considered by management when setting Dundee Corporation's strategic priorities and objectives. In determining expectations for economic growth in the financial services, energy, resource, agriculture and real estate sectors, the Corporation considered historical economic data provided by the Canadian government and its agencies, and market and general economic conditions, which factors are unpredictable and may impact the Corporation's performance.

Forward looking statements contained in this MD&A are not guarantees of future performance and, while forward looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise.

INFORMATION CONCERNING DUNDEE CORPORATION

Additional information relating to Dundee Corporation, including a copy of the Corporation's Annual Information Form, may be found on SEDAR at *www.sedar.com* and the Corporation's website at *www.dundeecorp.com*.

Toronto, Ontario
March 28, 2019