



DUNDEE CORPORATION ANNOUNCES PROPOSED DISTRIBUTION OF DUNDEE REALTY CORPORATION SHARES

FOR IMMEDIATE RELEASE

Toronto, December 14, 2012 – Dundee Corporation (TSX: DC.A) (“Dundee Corporation” or the “Corporation”) announces that its Board of Directors has approved, in principle, to proceed with a corporate restructuring, through a tax efficient plan of arrangement (the “Arrangement”) that will distribute to shareholders of the Corporation a 50% interest in Dundee Realty Corporation, the Corporation’s 70% owned real estate subsidiary. The Corporation itself will retain a 20% interest in Dundee Realty, with Mr. Michael Cooper, the President and Chief Executive Officer of Dundee Realty, retaining the remaining 30%.

The Corporation expects that the Arrangement, when completed, will result in the establishment of a new public company, with a capital structure that emulates that of Dundee Corporation. The Arrangement will be subject to regulatory, court and shareholder approvals, as well as the listing of the distributed company’s shares on the Toronto Stock Exchange.

The Arrangement as currently proposed provides that the share structure of the new company to be distributed will emulate that of Dundee Corporation, with the Class A and Class B shares as well as the First Preference Shares, Series 1 receiving their proportionate interest in the distributed company.

Upon completion of the Arrangement, Mr. Ned Goodman, President and Chief Executive Officer of the Corporation, will continue as Chairman of the Board of Directors, and Mr. Michael Cooper will continue as President and Chief Executive Officer. Mr. Goodman and Mr. Cooper will provide our shareholders with continuity in the quality of management of our real estate operations that they have experienced to date.

“The Board believes that the current market capitalization of the Corporation understates the intrinsic value of its underlying assets,” stated Mr. Goodman. “With two separate publically traded entities, the investment community will be better able to assess the value of each of these businesses.”

The Corporation expects to deliver an information circular, describing the proposed Arrangement in greater detail, to shareholders entitled to vote in connection with the Arrangement, with a view to holding a special meeting of shareholders to approve the Arrangement and completing the Arrangement in the first quarter of 2013. Further particulars relating to the Arrangement, including the record and meeting dates for such shareholders’ meeting, will be provided in due course.

ABOUT THE CORPORATION

The Corporation is an independent publicly traded Canadian asset management company. The Corporation’s asset management activities are focused in the areas of the Corporation’s core competencies and include real estate and infrastructure as well as energy, resources and agriculture. Asset management activities are carried out by Goodman Investment Counsel Inc. (formerly Ned Goodman Investment Counsel Limited), a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland, and by DREAM, the asset management division of Dundee Realty, currently a 70% owned subsidiary of the Corporation. Asset management activities are supported by the Corporation’s ownership interest in Dundee Capital Markets Inc. Dundee Capital Markets Inc. is also the asset manager of the Corporation’s flow-through limited partnership business carried out through the “CMP”, “CDR” and “Canada Dominion Resources” brands. The Corporation also owns and manages direct investments in these core focus areas, through ownership of both publicly listed and private companies. Real estate operations are carried out through the Corporation’s investment in Dundee Realty, an owner, developer and manager of residential and commercial properties in North America and Europe. Energy and resource operations include the Corporation’s ownership in Dundee Energy

Limited, an oil and natural gas company with a mandate to create long-term value through the development of high impact energy projects. The Corporation also holds other investments in the resource sector, several of which are equity accounted. Agricultural activities are carried out through Dundee Agricultural Corporation. Dundee Agricultural Corporation holds an 84% interest in Blue Goose Capital Corporation, a privately owned Canadian company with a leading position in the organic and natural beef production market with operations in both British Columbia and Ontario.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward-Looking Information

This press release contains certain forward-looking information. All information, other than information regarding historical fact, that addresses activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future is forward-looking information. Forward-looking information contained in this press release includes, but may not be limited to, the completion of the spin out and the Arrangement and the terms, timing and consequences relating thereto. The forward-looking information contained in this press release reflects the current expectations, assumptions and/or beliefs of the Corporation based on information currently available to the Corporation. With respect to the forward-looking information contained in this press release, the Corporation has made assumptions regarding, among other things, the Corporation's receipt of all necessary approvals to proceed with the completion of the Arrangement. The forward-looking information contained in this press release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations, including delays in obtaining, or a failure to obtain, required regulatory, court and/or shareholder approvals and/or the Corporation's inability to complete the proposed Arrangement on the terms set out herein or at all. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable law, the Corporation disclaims any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason.