DUNDEE CORPORATION

2013 FIRST QUARTER REPORT

DUNDEE CORPORATION
Management's Discussion and Analysis

Dundee Corporation (the "Corporation" or "Dundee Corporation") is a Canadian independent publicly traded 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 its core competencies including real estate and infrastructure, energy, resources and agriculture.

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of May 13, 2013 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2012 (the "2012 Audited Consolidated Financial Statements"), together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2013 (the "March 2013 Interim Consolidated Financial Statements"), 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 amounts.

Performance Measures

The Corporation believes that important measures of operating performance, including the operating performance of its subsidiaries, include certain performance measures 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 insight as supplementary measures to net earnings and cash flows.

- **"AUA" or "Assets under Administration"** represent the approximate period-end market value of client assets administered by the Corporation's brokerage subsidiaries and in respect of which these subsidiaries earn commission revenue and other similar fees from clients. AUA are not included in the Corporation's consolidated statements of financial position.

- **"AUM" or "Assets under Management"** represent the period-end market value of client assets managed by the Corporation's capital markets 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.

- **"Barrel of Oil Equivalent"** or "boe" is calculated at a barrel of oil conversion ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil (6 Mcf to 1 bbl), based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not always represent a value equivalency at the wellhead.

- **"Contribution Margin" or "Margin"** is an important measure of earnings in each business segment and generally represents core revenues less cost of sales, and excludes related general and administrative expenses, depreciation and depletion, interest expense, and income taxes.

- **"Market Value"** is determined using quoted market prices, if available. Where quoted market values are not available, the Corporation may use cost as a proxy for market value or other indicative measures.

- **"Field Level Cash Flows"** is calculated as revenue from oil and natural gas sales, less royalties and cost of sales. Field level cash flows contribute to working capital, including debt management, as well as to the funding of capital expenditure requirements for the Corporation's resource-based business activities.

- **"Field Netbacks"** refer to field level cash flows expressed on a measurement unit or barrel of oil equivalent basis.

- **"Per Day Amount" or ("/d")** is used throughout this MD&A to reflect oil and gas production volumes on an average per day basis.

- **"Probable Reserves"** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining reserves quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

- **"Proved Reserves"** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining reserves quantities recovered will exceed the estimated proved reserves.

- **"Reserve Life Index"** is determined by dividing proved reserves by expected annual production. For greater certainty, the reserve life index includes only proved reserves and does not include probable or possible reserves.

SIGNIFICANT BUSINESSES AT MARCH 31, 2013

Business Entity	Business Activity	Percentage Ownership	Market Value ($000's)
Subsidiaries			
Blue Goose Capital Corp.	Production of clean protein	85%	Private
Dundee Energy Limited	Oil and gas exploration, development and production	57%	33,093
Dundee Realty Corporation	Land and housing development	70%	Private
Dundee Securities Ltd.	Full service securities brokerage	100%	Private
Dundee Capital Markets*			
Dundee Goodman Private Wealth*			
Eurogas International Inc.	Oil and gas exploration	53%	83
Goodman Investment Counsel Inc.	Asset management	100%	Private
Nichromet Extraction Inc.	Patented metallurgical processing	75%	Private
Equity Accounted			
Dundee Real Estate Investment Trust	Investment in affordable business premises	6%	220,778
Dundee International Real Estate Investment Trust	Commercial real estate investment outside Canada	13%	136,064
Dundee Precious Metals Inc.	International mining company	24%	239,698
360 VOX Corporation	Residential, commercial and hospitality based real estate	18%	6,724
Ryan Gold Corporation	Prospective gold exploration	12%	1,601
Escal UGS S.L.	Natural gas storage	33%	Private
Union Group International Holdings Limited	Agriculture, real estate and resources	25%	Private
Various real estate joint venture arrangements	n/a	n/a	Private
Others	n/a	n/a	3,459
Direct Investments			
Direct investment in diverse industry sectors including:			
Brokerage securities owned and sold short	n/a	n/a	54,167
Publicly traded securities	n/a	n/a	771,834
Private investments	n/a	n/a	264,875
Mutual funds and short term investments	n/a	n/a	6,309
Debt securities	n/a	n/a	212,745
Warrants and options	n/a	n/a	20,023

* *Divisions of Dundee Securities Ltd.*

Strategic initiatives

In December 2012, the Corporation announced its intention to implement a corporate restructuring through a tax efficient plan of arrangement (the "Arrangement") that would result in the distribution to shareholders of the Corporation an approximate 50% interest in Dundee Realty Corporation ("Dundee Realty"), the Corporation's principal real estate operating subsidiary. Under the Arrangement, a new public real estate company, DREAM Unlimited Corp. ("DREAM"), will be established to which the Corporation will, through a series of transactions, transfer its 70% interest in Dundee Realty. As part of the series of transactions, the Corporation will receive newly issued common and subordinate voting shares of DREAM. The Arrangement provides that the Corporation will retain a 28.57% interest in DREAM (representing an effective 20% interest in Dundee Realty), with the balance of shares of DREAM being distributed to shareholders of the Corporation. As a result of the distribution, shareholders of the Corporation will receive an indirect 50% interest in Dundee Realty. Sweet Dream Corp., a corporation owned by Mr. Michael Cooper, the Chief Executive Officer of Dundee Realty, will retain its 30% interest in Dundee Realty.

As part of the Arrangement, DREAM will assume part of the Corporation's obligations pursuant to its Preference Shares, series 1 through a distribution to holders of the Corporation's Preference Shares, series 1, a pro rata interest in DREAM. Each holder of the Corporation's Preference Shares, series 1 will receive (i) a new preference share of the Corporation with a liquidation amount expected to be approximately $18.67 and an annual dividend entitlement equal to 5.00% of the liquidation amount, payable quarterly, and (ii) a preference share of DREAM with a liquidation amount expected to be approximately $6.33 and an annual dividend entitlement equal to 5.50% of the liquidation amount, payable quarterly. All other financial entitlements of the newly issued preference shares will, collectively, reflect the same financial entitlements as the Corporation's current Preference Shares, series 1.

The Arrangement remains subject to regulatory, court and shareholder approvals, as well as the listing of DREAM shares on the TSX. A shareholders' meeting to approve the transaction is scheduled for May 16, 2013. As completion of the transaction remains subject to approval, the Corporation's financial statements as at and for the three months ended March 31, 2013 have been prepared without giving effect to the Arrangement. Additional information relating to the Arrangement, including a copy of the Corporation's Management Information Circular, may be found on SEDAR at www.sedar.com and the Corporation's website at www.dundeecorp.com.

Consolidated results of operations

Consolidated Net Earnings

During the three months ended March 31, 2013, the Corporation incurred a loss attributable to owners of Dundee Corporation of $10.2 million or $0.23 per share. This compares to net earnings attributable to owners of the Corporation of $32.5 million or $0.53 per share on a fully diluted basis earned in the same period of the prior year.

For the three months ended March 31,	2013	2012
Net earnings before income taxes from:		
Dundee Realty Corporation	$ 28,088	$ 17,253
Dundee Energy Limited	(1,436)	(523)
Eurogas International Inc.	(196)	(255)
Nichromet Extraction Inc.	(994)	(919)
Blue Goose Capital Corp.	(2,384)	(716)
Goodman Investment Counsel Inc.	(937)	(460)
Dundee Securities Ltd.	(4,203)	3,765
Corporate and other portfolio holdings	(24,395)	32,305
	(6,457)	50,450
Income taxes recovery (expense)	1,324	(14,911)
Net earnings for the period	**$ (5,133)**	**$ 35,539**
Net earnings attributable to:		
Owners of the parent	$ (10,227)	$ 32,461
Non-controlling interest	5,094	3,078
	$ (5,133)	**$ 35,539**

While the Corporation's earnings from real estate operations increased by over 60%, recent economic conditions resulted in a realized provision against the market value of certain of the Corporation's portfolio investments, including several of its resource-based investments. As a result, the Corporation's corporate and portfolio holdings incurred a loss of $24.4 million in the first quarter of 2013, compared with earnings of $32.3 million generated in the same period of the prior year.

SEGMENTED RESULTS OF OPERATIONS

DUNDEE REALTY CORPORATION

RESULTS OF OPERATIONS

For the three months ended March 31,	2013	2012
Revenues		
Management fees	$ 12,595	$ 14,312
Real estate	111,651	57,643
	124,246	71,955
Cost of sales	(87,820)	(48,968)
Other items in net earnings before taxes		
Depreciation	(637)	(600)
General and administrative	(6,533)	(4,498)
Share of earnings from equity accounted investments	1,689	69
Fair value changes in investment properties	(16)	2,004
Interest expense	(2,841)	(2,709)
Net earnings before taxes, Dundee Realty Corporation	$ 28,088	$ 17,253
Net earnings before taxes, Dundee Realty Corporation attributable to:		
Owners of Dundee Corporation	$ 21,778	$ 13,446
Non-controlling interest	6,310	3,807
Net earnings before taxes, Dundee Realty Corporation	$ 28,088	$ 17,253

Asset Management Activities

Through its asset management division, Dundee Realty provides management and advisory services encompassing commercial real estate and real estate development, as well as investment in Canadian renewable energy infrastructure assets. At March 31, 2013, assets under management were $12.6 billion (December 31, 2012 – $10.9 billion). During the three months ended March 31, 2013, Dundee Realty realized management fee revenue pursuant to these arrangements of $12.6 million, a 12% decrease compared to $14.3 million earned in the same period of the prior year. Included in the decrease is $4.4 million of reduced revenue resulting from lower acquisition activity in the current year compared to the first quarter of the prior year. This decrease was partially offset by higher AUM levels.

Contribution Margins

Real estate operations generated contribution margins of $23.8 million or 21.3% on revenue of $111.7 million in the three months ended March 31, 2013. This compares with contribution margins of $8.7 million or 15.0% on revenue of $57.6 million during the same period of the prior year.

For the three months ended March 31,	2013				2012			
Components of Real Estate Operations	Revenue	Costs	Margin	% Margin	Revenue	Costs	Margin	% Margin
Inventory								
Land under development	$ 54,402	$ 37,956	$ 16,446	30.2%	$ 15,064	$ 12,736	$ 2,328	15.5%
Housing	17,294	15,352	1,942	11.2%	11,927	10,947	980	8.2%
Condominiums	28,577	25,792	2,785	9.7%	19,950	18,073	1,877	9.4%
Investment properties	1,609	973	636	39.5%	1,545	940	605	39.2%
Income-producing properties	8,841	7,747	1,094	12.4%	7,196	6,272	924	12.8%
Other	928	-	928	n/a	1,961	-	1,961	n/a
	$ 111,651	$ 87,820	$ 23,831	21.3%	$ 57,643	$ 48,968	$ 8,675	15.0%

Land Margins

Revenue from land sales during the three months ended March 31, 2013 was $54.4 million, generating contribution margins of $16.4 million or 30.2%. This compares with revenue of $15.1 million, generating contribution margins of $2.3 million or 15.5% in the same period of the prior year.

The increase in revenue of $39.3 million and in corresponding contribution margins of $14.1 million was driven by Dundee Realty's Stonebridge project in Saskatoon and its Harbour Landing project in Regina. During the three months ended March 31, 2013, Dundee Realty sold 380 lots (three months ended March 31, 2012 – 85 lots) at an average selling price of $117,000 (three months ended March 31, 2012 - $113,000) in western Canada. Similar increases were reflected in sales of parcel acres in western Canada with Dundee Realty selling 19 parcel acres in the first quarter of 2013 (three months ended March 31, 2012 – 10 parcel acres) at an average selling price of $521,000 (three months ended March 31, 2012 - $495,000).

Housing Margins

Revenue from sales of housing units increased to $17.3 million in the first quarter of 2013, compared with revenue of $11.9 million generated in the same period of the prior year.

Sales of single-family homes in western Canada accounted for $5.4 million of the increase in revenue. During the three months ended March 31, 2013, Dundee Realty sold 48 homes (three months ended March 31, 2012 – 41 homes) at an average selling price of $429,000 per home (three months ended March 31, 2012 - $374,000 per home) in western Canada. The increase in the average selling price is due to the mix of housing product sold.

Condominium Margins

During the three months ended March 31, 2013, revenue from sales of condominium units was $28.6 million compared with $20.0 million in the same period of the prior year. Revenue during the first quarter of 2013 included the sale and occupancy of 140 units at Dundee Realty's Clear Spirit project in Toronto, as well as the sale and occupancy of seven units at Base Camp in Colorado. By comparison, condominium sales in the first quarter of the prior year included 110 units relating to Dundee Realty's Corktown Phase II project. Revenue from condominium sales is dependent upon the timing of completion of development projects and may cause significant fluctuations in condominium margins period over period.

Margins from Investment Properties

Revenue from investment properties increased marginally to $1.6 million during the three months ended March 31, 2013 from $1.5 million in the same period of the prior year. Correspondingly, contribution margins increased marginally, from 39.2% during the three months ended March 31, 2012 to 39.5% in the current quarter.

Changes in the estimated fair value of investment properties are not included in real estate contribution margins, but are separately included in net earnings from real estate operations. During the three months ended March 31, 2013, the estimated fair value of investment properties decreased marginally, compared with an increase in the estimated fair value of $2.0 million in the first quarter of the prior year, reflecting increased rental rates and lower capitalization rates in that period. Estimated fair values were determined using the discounted cash flow method, which discounts the expected future cash flows, generally over a term of 10 years, and uses discount rates and terminal capitalization rates specific to each property.

Margins from Income-Producing Properties

Revenue from income-producing properties increased to $8.8 million in the three months ended March 31, 2013, from $7.2 million in the same period of the prior year, resulting in a small increase of $0.2 million in contribution margins. Margins from income-producing properties continue to be adversely affected by Dundee Realty's 17% interest in the King Edward Hotel as ongoing construction work limits hotel availability in the short term. Construction work is expected to be completed by the end of 2013.

CHANGES IN FINANCIAL CONDITION

Real Estate Assets

As at		March 31, 2013	% Change		December 31, 2012
Inventory					
Land	$	392,799	9%	$	359,187
Housing		49,872	3%		48,260
Condominiums		78,004	(14%)		90,267
		520,675	5%		497,714
Investment properties		51,691	1%		51,008
Income-producing properties		24,161	0%		24,156
	$	596,527	4%	$	572,878

Land Held for Development and Land Under Development

At March 31, 2013, Dundee Realty's land portfolio, including land held for development and land under development, consisted of over 7,000 acres and 700 development lots extending across both Canada and the United States.

Land inventory at	Land Held for Development			Land Under Development					
March 31, 2013 consists of:		Cost	Acres		Cost	Acres	Lots		Total Cost
Saskatoon	$	54,784	2,449	$	11,046	5	144	$	65,830
Regina		74,003	1,673		25,963	108	158		99,966
Calgary		140,454	2,277		39,367	74	212		179,821
Edmonton		19,993	671		24,385	21	220		44,378
Toronto		-	-		1,377	14	1		1,377
United States		1,427	3		-	-	-		1,427
	$	290,661	7,073	$	102,138	222	735	$	392,799

The carrying value of Dundee Realty's land portfolio increased by 9% to $392.8 million at March 31, 2013 from $359.2 million at December 31, 2012.

Balance of land inventory, December 31, 2012	$	359,187
New acquisitions completed during the period		59,621
Costs of development		10,392
Transfer to cost of goods sold		(35,445)
Other		(956)
Balance of land inventory, March 31, 2013	$	392,799

Dundee Realty completed several strategic acquisitions in the three months ended March 31, 2013 at a cost of $59.6 million and it incurred development costs of a further $10.4 million, primarily in western Canada. Funding was provided from operating cash flow as well as Dundee Realty's borrowing facilities.

Other Real Estate Inventory

Other real estate inventory includes Dundee Realty's inventory of housing and condominium projects.

Housing and condominium projects at	Housing			Condo*				Total
March 31, 2013 consist of:	# of Units		Cost	# of Units		Cost		Cost
Western Canada	262	$	49,775	-	$	-	$	49,775
Ontario	1		97	205		75,203		75,300
United States	-		-	12		2,801		2,801
	263	$	49,872	217	$	78,004	$	127,876

** Condo units represent units still available for sale in inventory.*

Dundee Realty incurred significant development costs during the three months ended March 31, 2013, including $13.2 million in housing-related costs, primarily in western Canada and $11.6 million in condominium-related costs, primarily in Toronto. In addition to development costs incurred during the three months ended March 31, 2013, Dundee Realty also invested $1.8 million to acquire lots for future development.

	Housing	Condominiums	Total
Balance of other real estate inventory, December 31, 2012	$ 48,260	$ 90,267	$ 138,527
New acquisitions	1,765	-	1,765
Costs of development	13,157	11,568	24,725
Transfer to cost of goods sold	(13,310)	(23,858)	(37,168)
Other	-	27	27
Balance of other real estate inventory, March 31, 2013	$ 49,872	$ 78,004	$ 127,876

Investment Properties

Dundee Realty's investment properties are located predominantly in downtown Toronto. The carrying value of these assets increased from $51.0 million at December 31, 2012 to $51.7 million at March 31, 2013.

Balance of investment properties, December 31, 2012	$ 51,008
Initial leasing costs and incentives	700
Fair value changes	(16)
Other	(1)
Balance of investment properties, March 31, 2013	$ 51,691

Income-Producing Properties

The carrying value of income-producing properties at March 31, 2013 was $24.2 million, effectively unchanged from $24.2 million at December 31, 2012.

Balance of income-producing properties, December 31, 2012	$ 24,156
Net additions	145
Depreciation	(585)
Other	445
Balance of income-producing properties, March 31, 2013	$ 24,161

Income-producing properties include:

Project	Location	Carrying value
Arapahoe Basin	Colorado	$ 11,753
King Edward Hotel	Toronto	7,162
Willows Golf Course	Saskatoon	2,747
Other		2,499
		$ 24,161

Real Estate Joint Venture Investments

During the three months ended March 31, 2013, the carrying value of Dundee Realty's joint venture investments increased to $70.6 million compared with $65.2 million at the end of the prior year.

	Firelight Infrastructure Fund	Dundee Kilmer Developments	Other	Total Real Estate Joint Ventures
Balance of equity investments, December 31, 2012	$ 34,737	$ 13,828	$ 16,639	$ 65,204
Equity income for the period	218	(60)	1,531	1,689
Net cash investments	3,890	-	1,144	5,034
Cash distribution	(642)	-	(965)	(1,607)
Other	-	-	231	231
Balance of equity investments, March 31, 2013	$ 38,203	$ 13,768	$ 18,580	$ 70,551

Firelight Infrastructure Fund (“Firelight”)
Included in Dundee Realty’s joint venture investments is its 20% interest in Firelight. Firelight has committed $300 million to fund renewable energy projects and is currently invested in RMS Energy Dalhousie Mountain LP, a 51 megawatt (“MW”) wind farm in Pictou County, Nova Scotia. At March 31, 2013, Dundee Realty’s carrying value of this investment was $38.2 million.

During the three months ended March 31, 2013, Firelight exercised an option to purchase three additional 10 MW ground mount solar projects in Ontario. Deposits totalling $8.3 million were made against the purchase of the three projects, of which Dundee Realty’s equity commitment of $1.7 million has been fully funded. In addition, Firelight purchased the remaining 51% of SunE Norfolk Bloomsburg LP upon reaching commercial operations at the end of March 2013.

Firelight also holds a 96% beneficial interest in Xeneca Limited Partnership, through which it invests in the development of water power sites in Ontario.

Dundee Kilmer Developments
Dundee Kilmer Developments (“Dundee Kilmer”) is a partnership between Dundee Realty and Kilmer Van Nostrand Co. Limited for the purpose of developing the Canary District, the Toronto 2015 Pan/Parapan American Games Athlete’s Village project in the West Don Lands in Toronto. Anchored at Front and Cherry Streets, the Canary District is a visionary community, adjacent to Waterfront Toronto’s new 18-acre Don River Park, with lively street retail and dining, inspiring works of public art and sculpture. Being built as a temporary home for the athletes of the 2015 Pan Am Games, the Canary District will evolve into the largest urban village in Toronto’s history. At March 31, 2013, Dundee Realty’s carrying value of this investment was $13.8 million.

Real Estate Debt
Real estate debt as at March 31, 2013 was $281.3 million (December 31, 2012 – $233.6 million), including $92.0 million relating to a revolving term credit facility, with the balance divided among mortgages on investment properties, income-producing properties, land servicing loans, vendor-take-back financing of land purchases and housing construction loans. Debt is generally secured by charges on specific properties to which the debt relates. As at March 31, 2013, $88.0 million (December 31, 2012 – $86.9 million) of aggregate debt in Dundee Realty was subject to a fixed, weighted average interest rate of 5.62% (December 31, 2012 – 5.57%) and matures between 2013 and 2016. A further $193.3 million (December 31, 2012 – $146.7 million) of real estate debt is subject to a weighted average variable interest rate of 3.59% (December 31, 2012 – 3.61%) and matures between 2013 and 2018.

Borrowings under Dundee Realty’s revolving term credit facility are available up to a formula-based maximum not to exceed $190.0 million. The facility bears interest at prime plus 1.25% or at the corporate bankers’ acceptance rate plus 2.50% as at March 31, 2013. The facility is secured by a general security agreement and first charges against lots and parcels, as well as certain land held for development in western Canada. At March 31, 2013, Dundee Realty had drawn $184.1 million against its revolving term credit facility, including $92.1 million in the form of letters of credit. As at March 31, 2013, the amount still available under this facility was $5.9 million.

DUNDEE ENERGY LIMITED
During the three months ended March 31, 2013, Dundee Energy Limited (“Dundee Energy”) (*www.dundee-energy.com*) incurred a loss attributable to the parent of $1.0 million. This compares to a loss of $0.3 million for the three months ended March 31, 2012. First quarter results in 2013 were adversely affected by mark-to-market depreciation of $0.4 million in respect of Dundee Energy’s risk management contracts, compared with a mark-to-market gain of $1.3 million realized in the first quarter of the prior year.

RESULTS OF OPERATIONS

For the three months ended March 31,	2013	2012
Revenues		
Oil and gas sales	$ 7,359	$ 8,074
Interest and dividends	69	37
	7,428	8,111
Cost of sales	(2,848)	(3,045)
Other items in net earnings before taxes		
Depreciation and depletion	(3,029)	(3,756)
General and administrative	(1,591)	(1,992)
(Loss) gain on derivative financial instruments	(366)	1,260
Interest expense	(1,082)	(1,073)
Foreign exchange gain (loss)	52	(28)
Net earnings before taxes, Dundee Energy Limited	**$ (1,436)**	**$ (523)**
Net earnings before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	$ (958)	$ (335)
Non-controlling interest	(478)	(188)
Net earnings before taxes, Dundee Energy Limited	**$ (1,436)**	**$ (523)**

Field Level Cash Flows and Field Netbacks

During the three months ended March 31, 2013, Dundee Energy earned field level cash flows of $4.8 million compared with $5.9 million earned in the same period of the prior year.

For the three months ended March 31,			2013			2012
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	$ 3,431	$ 5,241	$ 8,672	$ 2,875	$ 6,571	$ 9,446
Realized risk management gain (loss)	-	243	243	979	(137)	842
Royalties	(509)	(804)	(1,313)	(433)	(939)	(1,372)
Production expenditures	(1,412)	(1,436)	(2,848)	(1,444)	(1,601)	(3,045)
Field level cash flows	$ 1,510	$ 3,244	$ 4,754	$ 1,977	$ 3,894	$ 5,871

Field netbacks from natural gas were $1.85/Mcf in the three months ended March 31, 2013 compared with $2.14/Mcf in the same period of 2012. The decrease of $0.29/Mcf in field netbacks reflects the impact of declining production volume in the first quarter of 2013 compared to the same period of the prior year. Field netbacks from oil and liquids were $56.32/bbl during the three months ended March 31, 2013 compared with $56.07/bbl in the same period of the prior year.

For the three months ended March 31,			2013			2012
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	$/Mcf	$/bbl	$/boe	$/Mcf	$/bbl	$/boe
Total sales	$ 4.19	$ 90.98	$ 44.70	$ 3.12	$ 94.61	$ 42.36
Realized risk management gain (loss)	-	4.22	1.25	1.06	(1.97)	3.78
Royalties	(0.62)	(13.95)	(6.77)	(0.47)	(13.52)	(6.15)
Production expenditures	(1.72)	(24.93)	(14.68)	(1.57)	(23.05)	(13.65)
Field netbacks	$ 1.85	$ 56.32	$ 24.50	$ 2.14	$ 56.07	$ 26.34

Prices for natural gas rebounded in the first quarter of 2013, reflecting both a decrease in North American inventories, as well as an increase in consumption from closer-to-average winter weather in the first quarter of 2013, compared with the unusually warmer winter weather experienced in the first quarter of the prior year. Dundee Energy realized an average price on sales of natural gas of $4.19/Mcf during the three months ended March 31, 2013, an increase of 34% from the average price of $3.12/Mcf realized in the same period of the prior year. Due to the proximity of Dundee Energy's operations to the Dawn Hub, a leading provider of natural gas supply to the greater Toronto market area, Dundee Energy's realized price from sales of natural gas continues to include a positive basis differential from the average industry benchmarks.

Amid uncertainties about the state of the world economy, the price for West Texas Intermediate ("WTI") crude averaged US$94.33/bbl in the first quarter of 2013, down approximately 8% from an average of US$102.98/bbl in the first quarter of the prior year. As Dundee Energy's production enters the western Canadian crude stream at Sarnia, Dundee Energy's realized oil price per barrel is more closely correlated to the Edmonton Par price. While the differential between the WTI price and the Edmonton Par price narrowed during the first quarter of 2013, the Edmonton Par price decreased over 4% to $88.61/bbl compared with $92.71/bbl in the first quarter of the prior year. During the first quarter of 2013, Dundee Energy realized an average price on sales of crude oil of $92.26/bbl (three months ended March 31, 2012 – $95.89/bbl), representing a premium of approximately 4% (three months ended March 31, 2012 – 3%) over the average price of the Edmonton Par. Dundee Energy is continuing to explore alternative marketing options to realign the price received for its Ontario oil production to the WTI benchmark for crude oil.

In order to mitigate its exposure to price volatility, Dundee Energy may, from time to time, enter into fixed price commodity contracts. These price risk management strategies assist Dundee Energy in securing a stable amount of cash flow to protect a desired level of capital spending and for debt management. Dundee Energy's risk management contracts at March 31, 2013 had a negative value of $0.4 million, resulting from forecasted increases in underlying commodity prices during the periods covered, compared with the fixed price pursuant to the terms of the contracts. An unrealized risk management gain or loss may or may not be realized in subsequent periods, depending upon subsequent fluctuations in commodity prices or foreign exchange rates affecting the risk management contracts.

CHANGES IN FINANCIAL CONDITION

Rights Offering
On April 5, 2013, Dundee Energy received gross proceeds of $8.9 million and it issued 5.7 million common shares and 17.8 million flow-through common shares pursuant to the completion of a rights offering to its shareholders. The Corporation purchased 15.8 million flow-through common shares pursuant to the transaction at a cost of $6.2 million. The purchase increased the Corporation's interest in Dundee Energy to 58%.

Capital Expenditures
Dundee Energy incurred capital expenditures of $1.9 million in the first quarter of 2013 compared to $1.4 million in the same period of the prior year, primarily in southern Ontario. Following completion of its rights offering, Dundee Energy revised its planned 2013 work program, increasing its planned spending to $13.2 million, including additional drilling work and the acquisition or processing of seismic data.

Demand Revolving Credit Facilities
Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy, has established a $70.0 million credit facility with a Canadian chartered bank. The credit facility is structured as a demand revolving loan, and is subject to a tiered interest rate structure that varies based on the net debt to cash flow ratio generated by DELP. Based on current ratios, draws on the credit facility bear interest at prime plus 3% for loans and letters of credit or, for bankers' acceptances, at the bankers' acceptance rate plus 4%. At March 31, 2013, an aggregate of $66.6 million had been drawn against the facility and as required by statute, included a letter of credit for $3.3 million in favour of the Ministry of Natural Resources in connection with future abandonment and site restoration obligations.

Escal UGS S.L. ("Escal")
Dundee Energy holds an indirect interest in the Castor underground gas storage project, a Spanish infrastructure project that has converted the abandoned Amposta oil field, located off the eastern Mediterranean coast of Spain, to a natural gas storage facility (the "Castor Project"). The Castor Project is owned by Escal and is managed by ACS Servicios Comunicaciones y Energia S.L. ("ACS"), the largest construction group in Spain and a 67% shareholder of Escal. Dundee Energy's 74% owned subsidiary, Castor UGS Limited Partnership ("CLP"), owns the remaining 33% of Escal. Escal reached an agreement with Enagas S.A., the leading gas transporter in Spain, to provide the 600 million cubic metres of cushion gas required for completion of the Castor Project. Following the completion of the injection process, the Castor Project will be required to undergo a 48-hour performance test before becoming operational and eligible for inclusion into the Spanish gas system.

EUROGAS INTERNATIONAL INC.

Eurogas International Inc. ("EII") (*www.eurogasinternational.com*), is currently conducting exploration and evaluation programs for oil and natural gas in the shallow Mediterranean waters offshore Tunisia, where it holds a 45% working interest in the Sfax permit ("Sfax Permit"). The carrying value of EII's Tunisian properties at March 31, 2013 was $10.8 million (December 31, 2012 – $10.3 million).

In November 2012, EII announced that, together with its joint venture partner, Atlas Petroleum Exploration Worldwide Ltd., it had received approval from the Tunisian regulatory authorities for a renewal of the Sfax Permit from December 9, 2012 to December 8, 2015 (the "First Renewal Period"). As part of the granting of the First Renewal Period, the joint venture partners were required to relinquish 807 square kilometres of land in the southwestern region of the Gulf of Gabes. The Sfax Permit now encompasses approximately 800,000 acres, located within a prolific hydrocarbon fairway extending from offshore Libya, through the Gulf of Gabes, to onshore Tunisia. It is surrounded by producing oil and natural gas fields to the west, north and east, including the Ashtart oil field that lies along the southeast boundary.

The terms of the First Renewal Period include an obligation for the joint venture partners to drill an exploration well (the "First Renewal Well Obligation") of sufficient depth to enable an appropriate assessment of potential reserves. The First Renewal Well Obligation is in addition to the obligation of the joint venture partners to drill an exploration well under the initial terms of the Sfax Permit (the "Initial Well Obligation"). With the concurrence of the Tunisian authorities, and as a condition to the approval of the First Renewal Period, the Initial Well Obligation has been transferred to the First Renewal Period. The Initial Well Obligation must be drilled to sufficient depth to reach the Bireno limestones of the Cretaceous age.

The actual cost of drilling these two wells will depend on the selection of the prospect and location within the Sfax Permit. Based on current information, EII estimates that its share of the cost to meet the Initial Well Obligation ranges from between US$6 million and US$9 million. EII has not yet completed its assessment of the costs associated with the First Renewal Well Obligation. In the event that EII's drilling commitments are not completed prior to the expiry of the First Renewal Period, a compensatory payment of up to US$8 million per well will be payable to the Tunisian government by the joint venture partners, less any amounts incurred by the joint venture partners in respect of the completion of these obligations.

In support of its exploration and evaluation activities, the Corporation has committed to EII to provide the necessary financial resources to enable it to complete the Initial Well Obligation, subject to certain conditions. EII is also considering alternate financing options, including farmout arrangements, possible debt or equity issuances or the monetization of certain assets in order to meet its commitments. There can be no assurance that EII will be successful in any of these other alternatives.

During the three months ended March 31, 2013, EII incurred a loss before income taxes of $0.2 million (three months ended March 31, 2012 – $0.3 million).

NICHROMET EXTRACTION INC.

Nichromet Extraction Inc. ("Nichromet") is a private Canadian company that has developed patented precious and base metal extraction processes that are environmentally friendly in that the residues of mining operations are totally void of contaminants such as cyanide, sulfur and arsenic. These processes are based on a new patented process using chlorination and have tested particularly efficient for the treatment of polymetallic ores either in the form of sulfides, oxides or arsenides. The Corporation holds a 75% interest in Nichromet.

In February 2013, Nichromet announced the receipt of a $5 million grant from the Government of Canada through Sustainable Development Technology Canada for the development of a demonstration plant project, which is estimated to cost approximately $23 million. The grant is a strong endorsement of Nichromet's scientific advancements and technological process towards commercialization of its patented processes. The Corporation has indicated to Nichromet its intent to assist with obtaining the necessary financing to complete the project.

During the three months ended March 31, 2013, Nichromet incurred a loss before income taxes of $1.0 million (three months ended March 31, 2012 – $0.9 million) and had net assets of $8.5 million at March 31, 2013.

BLUE GOOSE CAPITAL CORP.

At March 31, 2013, the Corporation held an 85% interest in Blue Goose Capital Corp. ("Blue Goose"), a Canadian private company focused on the production of clean protein.

RESULTS OF OPERATIONS

For the three months ended March 31,		2013		2012
Revenues				
Sale of livestock	$	2,502	$	1,201
		2,502		1,201
Cost of sales		(4,818)		(1,650)
Other items in net earnings before taxes				
Depreciation and depletion		(582)		(67)
General and administrative		(1,164)		(1,187)
Fair value changes in livestock		1,692		987
Interest expense		(27)		-
Foreign exchange gain		13		-
Net earnings before taxes, Blue Goose Capital Corp.	**$**	**(2,384)**	**$**	**(716)**
Net earnings before taxes, Blue Goose Capital Corp. attributable to:				
Owners of Dundee Corporation	$	(1,981)	$	(566)
Non-controlling interest		(403)		(150)
Net earnings before taxes, Blue Goose Capital Corp.	**$**	**(2,384)**	**$**	**(716)**

During the three months ended March 31, 2013, Blue Goose earned revenues of $2.5 million, compared to $1.2 million in the same period of the prior year. Included in revenues during the quarter ended March 31, 2013 are sales of processed meat of $1.7 million. Blue Goose has significantly expanded its beef sales within British Columbia, and plans to expand beef product sales into Ontario and other provinces in Canada during the remainder of 2013. Similarly, Blue Goose intends to expand its sales of organic rainbow trout, currently sold primarily in Ontario by leveraging its existing client base in western Canada.

Reflective of its current stage of rapid development, during the three months ended March 31, 2013, Blue Goose incurred a loss attributable to the parent of $2.0 million compared to $0.6 million in the same period of the prior year. The current quarter operating loss was partially offset by the recognition of a $1.7 million gain in the estimated fair value of livestock, primarily attributable to growth of the cattle herd. This compares to an estimated fair value gain of $1.0 million recognized in the first quarter of the prior year.

CHANGES IN FINANCIAL CONDITION

Recent Acquisitions

Blue Goose is pursuing an aggressive program to expand its clean protein operations, including expanding Blue Goose's presence in Ontario and into the United States.

For the three months ended March 31, 2013		
Net assets acquired:		
Capital assets		
Land and buildings	$	14,044
Machinery and equipment		680
Livestock		
Biological assets		2,021
Inventory		100
Timber		2,451
	$	19,296
Aggregate consideration transferred		
Cash	$	19,296
	$	19,296

During the first quarter of 2013, Blue Goose expended $19.3 million in new acquisitions, including the acquisition of Emma Farms Cattle Company, also known as Emma Farms Wagyu, which produces purebred Wagyu in Colorado and Oklahoma. Blue Goose intends to increase its Wagyu herd size significantly in the coming years. Emma Farms Wagyu currently sells to five-star restaurants in Colorado and, as the herd size increases, plans to increase sales volumes to upscale restaurants throughout the United States.

Blue Goose also expanded its organic rainbow trout line with the $1.2 million acquisition of Northwinds Fisheries on Manitoulin Island, Ontario.

As part of its business plan, Blue Goose seeks to acquire high quality, productive land acreage that is fully irrigated, and which provides quality hay fields for cattle grazing. Blue Goose has expanded its landholdings to over 1.0 million acres, including both freehold (deeded) acres and leasehold acreage in British Columbia and Ontario.

	Number of Acres Deeded or Leased as at	
(in thousands)	March 31, 2013	December 31, 2012
British Columbia	1,107	1,093
Ontario	10	4
	1,117	1,097

Blue Goose plans to continue acquiring farmland property in British Columbia, Ontario and other locations in order to implement its vertically integrated business model, which will allow it to control the production, processing and distribution of product. As part of this business plan, Blue Goose also acquired a transportation company and constructed a provincially regulated abattoir on one of its owned properties in British Columbia. With the expansion of its land portfolio, Blue Goose has increased its organic cattle herd to over 11,000 at March 31, 2013.

		Cattle Herd as at
(number of animals)	March 31, 2013	December 31, 2012
Breeding cattle and bulls	4,988	3,091
Immature livestock and feeder cattle	6,914	5,378
	11,902	8,469

Changes in the Carrying Value of Livestock

The carrying value of livestock was $22.6 million at March 31, 2013, compared with $17.7 million at December 31, 2012.

	Cattle	Fish	Timber	Inventory and Supply	TOTAL
Opening balance	$ 13,111	$ 598	$ -	$ 3,942	$ 17,651
Changes during the three months ended March 31, 2013					
Acquisitions	1,184	837	2,451	100	4,572
Net additions	1,301	-	-	33	1,334
Herd growth	1,459	97	-	-	1,556
Price changes	-	136	-	-	136
Net of product processed	(1,633)	-	-	(1,039)	(2,672)
	$ 15,422	$ 1,668	$ 2,451	$ 3,036	$ 22,577

Blue Goose has recently entered into a partnership to produce organic poultry with an established Canadian poultry processor. This business will launch in the second quarter of 2013 and will initially focus on the Ontario market. Blue Goose plans to integrate this division further by eventually sourcing, producing and processing its own feed supply.

Corporate Debt

Blue Goose has entered into a $14.8 million advance loan facility, maturing July 1, 2017, with a Canadian financial institution and leading lender to the agriculture industry. Amounts borrowed pursuant to the credit facility are subject to variable interest rates with a weighted average rate of 4.2% at March 31, 2013. The facility is secured by a first charge mortgage against various real estate assets held by Blue Goose and by certain wholly owned subsidiaries of Blue Goose, some of which have also provided guarantees in respect of amounts borrowed pursuant to the loan facility. At March 31, 2013, Blue Goose had drawn $5.1 million against this facility. In addition, this lender has also provided Blue Goose with an amount of $0.1 million to facilitate the purchase of equipment.

Certain wholly owned subsidiaries of Blue Goose have entered into demand revolving credit facilities in the aggregate amount of $5.5 million with a Canadian chartered bank. Borrowings under these arrangements bear interest at a rate per annum ranging from the bank's prime lending rate for loans plus 0.50% to 1.50%. The facilities are secured by a general security agreement against all of the assets of the subsidiaries and are guaranteed by Blue Goose. At March 31, 2013, an aggregate of $3.7 million had been drawn against these facilities.

Expansion of the Agriculture Portfolio

In the first quarter of 2013, the Corporation raised its common equity interest in AgriMarine Holdings Inc. ("AgriMarine") to 16.9%, acquired all of the company's secured debt from a third party, and lent to the company new secured debt. This aquaculture company has been strategically refocused on farming fish in a manner that is environmentally sustainable and economically attractive, both in Canada and abroad.

Founded in 2007, AgriMarine is a TSX-Venture listed company and owner of intellectual property, patents, and licenses that permit it to raise salmon, trout, and other high value fin fish species in solid-wall closed-containment fish tanks. The Corporation contends that this innovative fish farming system is superior to traditional open net-pen cage and land-based containment systems used by competitors.

GOODMAN INVESTMENT COUNSEL INC.

Asset management activities are carried out by the Corporation's 100% owned subsidiary, Goodman Investment Counsel Inc. ("GIC"), a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland. At March 31, 2013, GIC managed AUM of $0.7 billion (December 31, 2012 - $1.0 billion).

On January 1, 2013, the management contracts for all of the flow-though limited partnership business carried out under the "CMP", "CDR" and "Canada Dominion Resources" brands, along with Goodman Gold Trust (formerly CMP Gold Trust) were assigned to GIC from the Corporation's brokerage subsidiary, permitting GIC to carry out both investment management and investment advisory activities on behalf of the Corporation. As a result, revenues earned by GIC during the three months ended March 31, 2013 increased to $1.3 million, compared with $1.0 million earned in the first quarter of the prior year.

During the three months ended March 31, 2013, GIC incurred a loss of $0.9 million (three months ended March 31, 2012 – $0.5 million). The increased loss reflects additional overhead incurred by GIC in scaling up its advisory business following the transfer of the management contracts as outlined above.

DUNDEE SECURITIES LTD.

Dundee Securities Ltd. is a full-service securities broker and member of the Investment Industry Regulatory Organization of Canada and operates directly and through its sister companies, Dundee Securities Europe LLP, authorized by the Financial Services Authority in the United Kingdom for the purposes of security brokering and asset management, Dundee Securities Inc., a member of the Financial Industry Regulatory Authorities and registered as a broker dealer with the U.S. Securities Exchange Commission, and DCM Insurance Agency Ltd., licensed by the Financial Services Commission of Ontario to carry on business as a life insurance agency (collectively "Dundee Securities").

RESULTS OF OPERATIONS

For the three months ended March 31,	2013	2012
Revenues		
Management fees	$ 1,640	$ 3,357
Financial services		
Investment banking	8,929	15,818
Commissions	9,403	11,220
Principal trading	(2,258)	5,288
Foreign exchange trading	200	205
Interest and dividends	2,724	1,649
	20,638	37,537
Cost of sales		
Variable compensation	(8,696)	(17,849)
Other items in net earnings		
Depreciation	(690)	(644)
General and administrative	(15,172)	(15,166)
Interest expense	(136)	(81)
Foreign exchange loss	(147)	(32)
Net earnings attributable to Dundee Securities Ltd.	**$ (4,203)**	**$ 3,765**
Net earnings before taxes, Dundee Securities Ltd. attributable to:		
Owners of Dundee Corporation	$ (4,203)	$ 3,765
Non-controlling interest	-	-
Net earnings before taxes, Dundee Securities Ltd.	**$ (4,203)**	**$ 3,765**

Assets Under Management and Assets Under Administration

As previously indicated, on January 1, 2013, certain management contracts were transferred by Dundee Securities to the Corporation's asset management subsidiary, GIC. As a result, during the first quarter of 2013, management fee revenues earned were $1.6 million, a substantial decrease from the $3.4 million earned in the same period of the prior year.

(in millions of dollars)

As at	March 31, 2013	December 31, 2012	March 31, 2012
AUA	$ 3,138	$ 3,119	$ 3,125
AUM	811	1,040	1,101

(in millions of dollars)

Balance of AUM, December 31, 2012	$ 1,040
AUM transfered to GIC on January 1, 2013	(181)
AUM decrease during the period	(48)
Balance of AUM, March 31, 2013	$ 811

Financial Services Revenue

Investment banking revenue, including revenue from new issues and advisory services fees, was $8.9 million in the first three months of 2013, a 44% decrease over the $15.8 million earned in the same period of the prior year. During the three months ended March 31, 2013, Dundee Securities participated in 31 (three months ended March 31, 2012 – 56) public and private new issue transactions, with the mining and oil and gas sectors representing 29% of new issue activity. These new issue financings generated revenue of $4.6 million in the first three months of 2013, a significant decrease compared with the $14.9 million of revenue earned in the same period of the prior year. Partially offsetting the decrease in new issue revenue were advisory fees of $4.3 million realized in the three months ended March 31, 2013, compared with $0.9 million in the same period of the prior year. Advisory mandates are generally long term in nature, and fees are earned only on the successful completion of a transaction.

Commission revenue was $9.4 million during the three months ended March 31, 2013, compared to $11.2 million earned in the same period of the prior year. Commission revenue was adversely affected by challenging financial markets and business conditions that persisted globally during 2012 and continued during the first quarter of 2013.

Principal trading activities generated losses of $2.3 million during the three months ended March 31, 2013, compared with revenues of $5.3 million in the same period of the prior year, reflecting marked-to-market depreciation in respect of proprietary investment banking positions, increased facilitation trading losses and decreased revenues from Dundee Securities' portfolio of trading securities.

Variable Compensation Expense

During the three months ended March 31, 2013, variable compensation expense paid to capital markets professionals was $8.7 million (three months ended March 31, 2012 – $17.8 million), representing approximately 49% (three months ended March 31, 2012 – 52%) of related financial services revenue, resulting in contribution margins of 51% (three months ended March 31, 2012 – 48%). The change in contribution margins reflects the change in variable compensation rates that are paid with reduced revenue generation.

FINANCIAL CONDITION

Balances Directly Related to Dundee Securities

As at	March 31, 2013	December 31, 2012
Client accounts receivable	$ 333,386	$ 332,627
Client deposits and related liabilities	(375,231)	(360,209)
Securities owned	69,890	73,799
Securities sold short	(16,338)	(17,289)

Client account balances represent funds owing from or belonging to clients, and amounts due to or from brokers and dealers that are pending settlement. While these amounts may vary significantly on a day-to-day basis, they do not necessarily reflect any meaningful change in Dundee Securities' financial position.

Securities owned and securities sold short represent trading positions of Dundee Securities. Trading positions may also vary significantly on a day-to-day basis depending upon trading strategies in response to market conditions and in anticipation of price movements. These variances do not necessarily reflect any meaningful changes to Dundee Securities' financial position. Trading positions are recorded at their market value based on quoted prices where available, with changes in market values included in principal trading revenue.

CORPORATE AND OTHER PORTFOLIO INVESTMENTS

Equity Accounted Investments including Real Estate Joint Venture Investments

As at			March 31, 2013			December 31, 2012		
Trade Symbol	Ref	Investment	Ownership	Carrying Value	Market Value	Ownership	Carrying Value	Market Value
D.UN	1	Dundee Real Estate Investment Trust	6%	$ 214,057	$ 220,778	6%	$ 208,326	$ 225,382
DPM		Dundee Precious Metals Inc.	24%	150,898	239,698	23%	136,328	242,529
DI.UN	2	Dundee International Real Estate Investment Trust	13%	106,913	136,064	18%	106,603	138,880
RYG		Ryan Gold Corp.	12%	1,601	1,601	12%	2,785	2,785
VOX		360 VOX Corporation	18%	4,346	6,724	22%	5,378	6,484
CRG		Corona Gold Corporation	23%	3,865	2,834	23%	4,705	3,231
ODX		Odyssey Resources Limited	31%	370	625	31%	411	1,307
n/a	3	Escal UGS S.L.	33%	-	-	33%	-	-
n/a	4	Real Estate Joint Ventures	n/a	70,551	70,551	n/a	65,204	65,204
				$ 552,601	**$ 678,875**		**$ 529,740**	**$ 685,802**

References:

1. At March 31, 2013, the Corporation held 6.0 million units of Dundee REIT, of which 1.1 million units were held directly by Dundee Realty.
2. At March 31, 2013, the Corporation held 12.8 million units of Dundee International REIT, of which 2.8 million units were held directly by Dundee Realty.
3. The Corporation's 33% interest in Escal is held through Dundee Energy's 74% owned subsidiary, CLP, giving Dundee Energy an effective 25% interest in Escal.
4. As there are no publicly traded market values for the Corporation's real estate joint ventures, in determining market value, the Corporation has not included any market appreciation or depreciation on these investments from their current cost.

During the three months ended March 31, 2013, the Corporation invested $18.4 million in its portfolio of equity accounted investments, including $13.3 million invested in Dundee Precious Metals Inc. ("Dundee Precious") and $5.1 million invested in real estate joint ventures. At March 31, 2013, the market value of equity accounted investments was $678.9 million (December 31, 2012 – $685.8 million).

		Three months ended 31-Mar-13
Carrying value of equity accounted investments, beginning of period	$	529,740
Transactions during the period		
Cash invested in equity accounted investments		18,350
Distributions received, net of reinvestments		(6,856)
Share of earnings from equity accounted investments		12,009
Share of other comprehensive loss from equity accounted investments		(532)
Disposition		(341)
Other		231
Carrying value of equity accounted investments, end of period	**$**	**552,601**

The Corporation realized earnings of $12.0 million from these equity accounted investments (three months ended March 31, 2012 - $10.6 million), including dilution gains of $6.2 million.

For the three months ended		March 31, 2013		March 31, 2012
Dundee Real Estate Investment Trust	$	8,760	$	5,962
Dundee Precious Metals Inc.		586		3,075
Dundee International Real Estate Investment Trust		3,457		1,979
Ryan Gold Corp.		(1,164)		(50)
360 VOX Corporation		(1,049)		(554)
Corona Gold Corporation		(229)		149
Odyssey Resources Limited		(41)		-
Escal UGS S.L.		-		-
		10,320		10,561
Real estate joint venture investments		1,689		69
	$	**12,009**	**$**	**10,630**

Dundee Real Estate Investment Trust ("Dundee REIT")

Dundee REIT (*www.dundeereit.com*) is an unincorporated, real estate investment trust and is a leading provider of high quality, affordable business premises. During the first quarter of 2013, Dundee REIT completed approximately $151.7 million of portfolio acquisitions, adding 0.5 million square feet of gross leaseable area ("GLA"). At March 31, 2013, Dundee REIT's portfolio consisted of approximately 23.3 million square feet (December 31, 2012 – 22.9 million square feet) of GLA across Canada, excluding properties classified as held for sale and redevelopment.

Dundee REIT generated net earnings of $148.7 million in the three months ended March 31, 2013 (three months ended March 31, 2012 – $67.7 million), including an estimated fair value gain of $61.4 million (three months ended March 31, 2012 – $36.6 million) in respect of Dundee REIT's investment properties and an estimated fair value gain of $17.2 million (three months ended March 31, 2012 – $5.6 million) in respect of joint venture investment properties. Changes in estimated fair values of investment properties may cause significant variations in net earnings. The Corporation's share of earnings from its investment in Dundee REIT for the three months ended March 31, 2013 was $8.8 million (three months ended March 31, 2012 – $6.0 million). Dundee Corporation received distributions from Dundee REIT of $3.3 million during the three months ended March 31, 2013 (three months ended March 31, 2012 – $3.0 million), of which $0.6 million (three months ended March 31, 2012 – $0.6 million) were reinvested in Dundee REIT as part of its dividend reinvestment program.

At March 31, 2013, the Corporation held 6.0 million units of Dundee REIT with a market value of $220.8 million, representing a 6% equity interest. Included in the Corporation's aggregate investment in Dundee REIT at March 31, 2013 are 1.1 million units with a market value of $41.8 million that are held directly by Dundee Realty. The Corporation continues to account for its investment in Dundee REIT on an equity basis, as it continues to exert significant influence over the operations and financial results of Dundee REIT.

Subsequent to March 31, 2013, Dundee REIT completed a public offering of 6.4 million units at a price of $36.20 for gross proceeds of $230.0 million. The Corporation did not participate in the offering, resulting in a dilution of the Corporation's interest.

Dundee Precious Metals Inc.

Dundee Precious *(www.dundeeprecious.com)* is a Canadian based international mining company engaged in the acquisition, exploration, development, mining and processing of precious and base metals in Bulgaria, Namibia, Armenia and Serbia.

During the three months ended March 31, 2013, revenue from sales generated by Dundee Precious was US$88.0 million, a decrease of US$12.0 million over revenue of US$100.0 million generated in the same period of the prior year. The decline was mainly attributable to lower volumes of concentrate smelted and lower metal prices partially offset by higher volumes of payable gold and copper concentrate sold. Revenue less cost of sales ("Gross Profit") from mining operations was US$24.3 million during the three months ended March 31, 2013, compared with US$48.4 million in the same period of the prior year. The decrease in Gross Profit is consistent with the decline in net revenue, reflecting lower metal prices partially offset by higher volumes of concentrates sold.

Dundee Precious reported net earnings attributable to common shareholders of US$0.7 million during the three months ended March 31, 2013, compared with US$8.2 million in the same period of the prior year. This decrease was due primarily to lower metal prices, lower volumes of concentrate smelted and higher operating expenses, which also resulted in higher treatment charges, a higher cost per tonne of concentrate sold and higher taxes. These unfavourable variances were partially offset by higher volumes of payable gold and copper in concentrate sold, and a stronger U.S. dollar. The Corporation's share of earnings from its investment in Dundee Precious was $0.6 million during the first quarter of 2013 (three months ended March 31, 2012 - $3.1 million).

During the first quarter of 2013, the Corporation acquired 1.6 million common shares of Dundee Precious in the open market at a cost of $13.3 million. At March 31, 2013, the Corporation held 30.4 million common shares of Dundee Precious with a market value of $239.7 million, representing a 24% equity interest.

Dundee International Real Estate Investment Trust ("Dundee International REIT")

Dundee International REIT (*www.dundeeinternational.com*) is an unincorporated, open-ended real estate investment trust that provides investors with the opportunity to invest in commercial real estate exclusively outside of Canada. At March 31, 2013, Dundee International REIT's portfolio consisted of approximately 15.0 million square feet (December 31, 2012 – 13.2 million square feet) of GLA, all located in Germany.

On March 15, 2013, Dundee International REIT completed the acquisition of 11 office properties in Germany, comprising 1.5 million square feet, for approximately $559 million. In order to provide partial funding for the acquisition, Dundee International REIT issued 23.2 million units for gross proceeds of $253.2 million. These transactions diluted the Corporation's interest in Dundee International REIT to 13% at March 31, 2013 (December 31, 2012 – 18%). Included in *"share of earnings from equity accounted investments"* is an associated $5.6 million dilution gain.

During the three months ended March 31, 2013, Dundee International REIT reported a loss of $19.2 million (three months ended March 31, 2012 – net earnings of $6.8 million). The loss included estimated fair value depreciation of $46.2 million in respect of Dundee International REIT's investment properties. The Corporation's share of losses from its investment in Dundee International REIT during the three months ended March 31, 2013 was $2.1 million (three months ended March 31, 2012 – earnings of $2.0 million). During the three months ended March 31, 2013, the Corporation received cash distributions from Dundee International REIT of $2.6 million (three months ended March 31, 2012 – $2.6 million).

At March 31, 2013, the Corporation held 12.8 million units of Dundee International REIT with a market value of $136.1 million, representing a 13% equity interest. Included in the Corporation's aggregate investment in Dundee International REIT at March 31, 2013 are 2.8 million units with a market value of $29.8 million that are held directly by Dundee Realty. Similar to its investment in Dundee REIT, the Corporation continues to account for its investment in Dundee International REIT on an equity basis, as it continues to exert significant influence over its operations and financial results.

The Corporation has also entered into a sub-participation agreement for €28.9 million with a Canadian chartered bank pursuant to which the Corporation agreed to participate in the Canadian bank's participation in Dundee International REIT's credit facility. At March 31, 2013, amounts outstanding pursuant to these arrangements were $37.6 million (December 31, 2012 – $37.8 million).

Ryan Gold Corp. ("Ryan Gold")

The Corporation holds a 12% interest in Ryan Gold, a publicly traded prospective gold exploration company. During the three months ended March 31, 2013, the Corporation's share of equity losses from its investment in Ryan Gold was $1.2 million (three months ended March 31, 2012 – $0.1 million).

360 VOX Corporation ("360 VOX")

360 VOX (*www.360vox.com*) is a publicly traded company listed on the TSX Venture Exchange under the symbol "VOX". 360 VOX is engaged in the business of managing, developing and marketing residential, commercial and hospitality-based real estate projects, both directly and through joint ventures. During the three months ended March 31, 2013, equity losses from the Corporation's investment in 360 VOX were $1.0 million (three months ended March 31, 2012 – $0.6 million).

At March 31, 2013, Dundee Corporation held 48 million shares of 360 VOX with a market value of $6.7 million. Subsequent to March 31, 2013, the Corporation acquired a further 8,800 units issued under a private placement at a price of $1,000 per unit. Each unit consisted of one convertible unsecured debenture of 360 VOX at a principal amount of $1,000 and 2,380 common share purchase warrants. Each warrant entitles the Corporation to one common share of 360 VOX at an exercise price of $0.30 per warrant for a period of 36 months.

Other Equity Accounted Resource Investments

Other equity accounted resource investments include Odyssey Resources Limited and Corona Gold Corporation. The market value of these investments was $3.5 million as at March 31, 2013 compared with $4.5 million at December 31, 2012. During the three months ended March 31, 2013, the Corporation's share of losses from these investments was $0.2 million (three months ended March 31, 2012 – gain of $0.2 million).

Other Direct Investments

		Three months ended 31-Mar-13
Market value of investments, beginning of period	$	1,228,512
Transactions during the period		
New investments		117,122
Proceeds from sales of investments		(13,777)
Changes in market values		(64,386)
Other transactions		8,315
Market value of investments, end of period	**$**	**1,275,786**
Represented by:		
Publicly traded securities	$	771,834
Private investments		264,875
Mutual funds and other short term investments		6,309
Debt securities (at amortized cost)		212,745
Warrants and options		20,023
	$	**1,275,786**

Dundee Corporation's investments include several public and private investments in a variety of industry sectors. At March 31, 2013, the aggregate market value of the Corporation's investment portfolio, excluding its investments in equity accounted entities, was $1.3 billion, including $0.5 billion related to the Corporation's investment in The Bank of Nova Scotia ("Scotiabank"). During the three months ended March 31, 2013, the Corporation invested a total of $117.1 million in new portfolio investments or in increasing its interest in existing portfolio investments, and it received gross proceeds of $13.8 million from the divestments of other securities.

Income from Corporate Investments

During the three months ended March 31, 2013, the Corporation earned revenues of $11.7 million (three months ended March 31, 2012 – $13.5 million), primarily from interest and dividends earned from cash resources and its corporate investment portfolio, including dividend revenue of $5.2 million (three months ended March 31, 2012 – $10.6 million) from the Corporation's investment in Scotiabank.

The Corporation also realizes a gain or loss in net earnings when it disposes of an investment. Realized gains or losses may vary significantly from period to period and are dependent on levels of investment activities. During the three months ended March 31, 2013, the Corporation realized a loss from investments of $36.1 million (three months ended March 31, 2012 – gain of $21.6 million), as outlined in the table below.

	Three months ended	
	31-Mar-13	31-Mar-12
Realized loss (gains) from sales of investments	$ 171	$ (820)
Provisions against changes in marked-to-market values	(33,224)	(8,067)
Estimated fair value changes - options and warrants	(3,004)	30,463
	$ (36,057)	$ 21,576

Changes in the unrealized market values of equity securities that are designated as available-for-sale securities are recorded as a component of other comprehensive income, subject to decreases in market values that are considered other-than-temporary, in which case they are recorded in net earnings as provisions. During the three months ended March 31, 2013, the Corporation realized a pre-tax amount of $28.4 million relating to unrealized decreases in market value changes of available-for-sale securities (three months ended March 31, 2012 – unrealized increase of $122.3 million). The decrease in the current quarter is reflective of global market uncertainties, especially downward pressure on market values of entities in the resource sector, in which the Corporation's portfolio is heavily weighted.

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. Consistent with results in the first quarter of 2012, these costs aggregated $6.4 million during the three months ended March 31, 2013.

Corporate Interest Expense

Corporate interest expense was $4.4 million in the three months ended March 31, 2013, a $1.1 million decrease from the $5.5 million of interest expense incurred in the same period of the prior year, reflecting a decrease in average borrowings over the respective periods.

Income Tax Expense

The Corporation's effective income tax rate was 20.5% for the three months ended March 31, 2013 (three months ended March 31, 2012 – 29.6%). This effective income tax recovery rate is lower than the statutory combined federal and provincial tax rate of 26.5% and can be attributed primarily to non-tax deductible items including preference share dividends paid, which were classified as interest expense for accounting purposes, and the Part IV tax rate paid on dividend income, which is higher than the statutory income tax rate. The impact of these items on the effective income tax recovery rate is partially offset by certain non-taxable revenues.

Net Deferred Income Tax Liabilities

The Corporation's net deferred income tax liabilities at March 31, 2013 were $142.4 million, and represented deferred income tax liabilities of $177.8 million, offset by deferred income tax assets of $35.4 million. This compares to net deferred income tax liabilities of $153.2 million at December 31, 2012. Deferred income tax liabilities decreased as a result of a decline in the market value of the Corporation's investments as well as changes relating to the real estate segment. Components of the Corporation's net deferred income tax liabilities are detailed in Note 27 to the March 2013 Interim Consolidated Financial Statements.

The Corporation's aggregate income tax loss carry forwards at March 31, 2013 were $64.7 million (December 31, 2012 – $52.2 million). Included in the Corporation's deferred income tax balances is a tax benefit of $12.2 million (December 31, 2012 – $10.0 million) in respect of these tax losses.

Corporate Debt

			Revolving Term Credit Facilities					
	$6.5 million Exchangeable Debentures	$92.8 million Corporate	$225 million Corporate	$70 million Dundee Energy	$190 million Dundee Realty	Other Real Estate Debt	Agriculture Debt	TOTAL
Balance, January 1, 2012	$ 9,883	$ 42,800	$ 224,265	$ 59,191	$ 88,000	$ 122,458	$ -	$ 546,597
Fixed term credit facility	-	(42,800)	-	-	-	-	75	(42,725)
Revolving term credit facilities	-	-	(196,872)	3,442	(43,000)	-	992	(235,438)
Changes in real estate debt	-	-	-	-	-	66,115	-	66,115
Debentures submitted for exchange	(2,433)	-	-	-	-	-	-	(2,433)
Unrealized revaluation adjustment	842	-	-	-	-	-	-	842
Other	104	-	-	-	-	-	-	104
Balance, December 31, 2012	8,396	-	27,393	62,633	45,000	188,573	1,067	333,062
Fixed term credit facility	-	-	-	-	-	-	5,122	5,122
Revolving term credit facilities	-	-	92,607	201	47,000	-	2,753	142,561
Changes in real estate debt	-	-	-	-	-	708	-	708
Debentures submitted for exchange	(204)	-	-	-	-	-	-	(204)
Unrealized revaluation adjustment	(231)	-	-	-	-	-	-	(231)
Other	15	-	-	-	-	-	-	15
Balance, March 31, 2013	$ 7,976	$ -	$ 120,000	$ 62,834	$ 92,000	$ 189,281	$ 8,942	$ 481,033

Corporate Revolving Term Credit Facilities – The Corporation has established a $225 million credit facility with a Canadian Schedule I Chartered Bank which matures on March 10, 2014. At March 31, 2013, the Corporation had borrowed $120.0 million pursuant to this facility. The Corporation has pledged certain of its holdings in common and preferred shares of Scotiabank as security against this credit facility.

5.85% Exchangeable Unsecured Subordinated Debentures ─ The terms of the Corporation's exchangeable debentures provide for the exchange, at the option of the holder, of one $1,000 exchangeable debenture for 33.6134 units of Dundee REIT, subject to certain conditions. The Corporation has placed sufficient units of Dundee REIT into an escrow arrangement established for the purpose of satisfying any potential obligation pursuant to the terms of the exchangeable debentures. During the three months ended March 31, 2013, debenture holders tendered $0.2 million of exchangeable debentures and received 6,856 units of Dundee REIT on the exchange. The Corporation's exchangeable debentures mature on June 30, 2015.

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 – Changes in Financial Condition*".

Share Capital

As at March 31, 2013, there were 50,947,516 Subordinate Shares and 3,116,333 Class B common shares outstanding. On March 28, 2013, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from April 1, 2013 to March 31, 2014. The normal course issuer bid allows the Corporation to purchase up to a maximum of 2,704,138 Subordinate Shares for subsequent cancellation, representing approximately 10% of the public float at the time approval for the normal course issuer bid was granted. At May 13, 2013, there were 50,977,854 Subordinate Shares and 3,116,332 Class B common shares outstanding.

As at March 31, 2013, the Corporation had granted 1,285,000 options with a weighted average exercise price of $9.40, of which 759,000 were exercisable, as holders had met the vesting criteria.

At March 31, 2013, the Corporation had 6.0 million 5.00% cumulative redeemable first preference shares, series 1 ("Preference Shares, series 1") and 5.2 million 6.75% cumulative redeemable first preference shares, series 2 ("Preference Shares, series 2") issued and outstanding. A full description of the terms of the Preference Shares, series 1 and Preference Shares, series 2 is provided in Note 19 to the 2012 Audited Consolidated Financial Statements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2013, the Corporation had cash of $36.7 million compared with cash of $41.8 million at December 31, 2012. In addition, available credit under credit facilities available to the Corporation and its subsidiaries was $123.9 million.

Included in the Corporation's consolidated cash balance is cash used in the operating business of the Corporation's brokerage subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets in accordance with regulatory requirements. The amount of capital that exists within these regulated entities may dictate the level of business operations, including margin lending, securities trading and corporate finance commitments. Furthermore, the ability to transfer cash resources, which, at March 31, 2013, were $15.9 million, out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements.

As a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in certain provinces, GIC is also required to maintain minimum capital as prescribed by regulation. At March 31, 2013 and December 31, 2012, all of the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

Significant Sources and Uses of Cash

The Corporation incurred net cash outflows of $5.1 million during the three months ended March 31, 2013 (three months ended March 31, 2012 – $101.3 million). Significant cash flow items are as follows:

Significant Cash Flows – Operating Activities

For the three months ended March 31,	2013	2012
Operating activities:		
Adjusted net earnings	$ 28,060	$ 22,989
Changes in balances relating to investment dealer activities	98,534	(37,162)
Changes in real estate working capital	(73,479)	16,386
Changes in agricultural working capital	1,039	948
Changes in other working capital amounts	(7,082)	8,841
Changes in income taxes	(61,553)	(6,483)
Cash (used in) provided from operating activities	$ (14,481)	$ 5,519

- The effect of changes in balances related to investment dealer activities, including client account balances and brokerage securities owned and sold short, will vary significantly on a day-to-day basis. Cash flow balances relating to investment dealer activities also include amounts borrowed or repaid pursuant to call loan facilities. During the three months ended March 31, 2013, these balances resulted in net cash inflow of $98.5 million (three months ended March 31, 2012 – $37.2 million net cash outflow). Changes in cash resulting from these types of transactions may not necessarily reflect any meaningful change in the Corporation's financial position, or that of its subsidiaries.
- During the three months ended March 31, 2013, real estate activities required cash outflows of $73.5 million compared with cash inflows of $16.4 million in the same period of the prior year. Due to the longer-term nature of some real estate projects, operating cash flow may vary from period to period.

Significant Cash Flows – Investing Activities

For the three months ended March 31,	2013	2012
Investing activities:		
Net (acquisitions) dispositions of direct investments	$ (116,548)	$ 21,738
Net investment in real estate operations	808	(3,603)
Net investment in resource properties	(2,997)	(3,415)
Net investment in livestock and other agricultural assets	(20,530)	(10,667)
Other investment activities	(3,297)	(1,107)
Cash (used in) provided from investing activities	$ (142,564)	$ 2,946

- 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. During the three months ended March 31, 2013, the Corporation invested net cash of $116.5 million in its investment portfolio (three months ended March 31, 2012 – $21.7 million generated).
- Net real estate acquisition and development activities, including investments in real estate joint ventures, generated cash of $0.8 million during the three months ended March 31, 2013, compared with $3.6 million required in the same period of the prior year.
- During the three months ended March 31, 2013, the Corporation invested $3.0 million on resource properties, compared with $3.4 million in the same period of the prior year.
- Net investment in livestock and agricultural assets during the three months ended March 31, 2013 was $20.5 million, compared to $10.7 million in the same period of the prior year.

Significant Cash Flows – Financing Activities

For the three months ended March 31,	2013	2012
Financing activities:		
Changes in corporate debt	$ 152,643	$ (20,105)
Acquisitions of non-controlling interest	-	(88,633)
Net acquisition of Class A subordinate shares	17	623
Dividends paid on Preference Shares, series 2	(2,194)	(2,194)
Net issuance of shares by subsidiaries to non-controlling interest	1,500	584
Cash provided from (used in) financing activities	$ 151,966	$ (109,725)

- Net amounts drawn on the corporate debt facilities during the three months ended March 31, 2013 were $152.6 million (three months ended March 31, 2012 – $20.1 million repaid).
- On February 1, 2012, the Corporation successfully completed the acquisition of all of the outstanding common shares of Dundee Capital Markets Inc., the parent of Dundee Securities, that it did not already own for cash of $1.125 per share, by way of an approved plan of arrangement under the *Ontario Business Corporations Act*. Total cash paid for the transaction was $88.6 million.
- During the three months ended March 31, 2013, the Corporation paid dividends of $2.2 million (three months ended March 31, 2012 – $2.2 million) on outstanding Preference Shares, series 2. The Corporation has not paid a dividend on its Subordinate 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 capital markets business, the use of capital to develop the land and housing business, and resources required for the development of resource and agricultural 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. In addition, the Corporation anticipates that its operations will continue to provide the cash necessary to fund expenses and debt service requirements. Capital may also be generated through dispositions as the Corporation repositions its investment portfolio in a manner consistent with its stated strategy to maintain a conservative level of debt, while ensuring that sufficient capital is available to execute the Corporation's business plan at all times.

On an ongoing basis, the Corporation will require cash to support regulated subsidiaries, to develop its real estate, resource and agricultural properties, to meet its obligations under its other contractual commitments, and to finance dividend and interest payments on preference shares and debt obligations. The Corporation may also require cash to finance new business initiatives or to invest in other opportunities, including growth opportunities related to its portfolio of investments.

On a consolidated basis, the Corporation believes that operating cash flow, combined with available lines of credit and its portfolio of investments, provide sufficient cash resources for the Corporation to conduct its operations for the foreseeable future.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

	2013	*2012*				*2011*		
For the three months ended	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun
Net earnings attributable to owners of the parent	$ (10,227)	$ 3,220	$ (8,060)	$ (16,795)	$ 32,461	$ 29,675	$ 88,636	$ 21,006
Earnings per share								
Basic	$ (0.23)	$ 0.02	$ (0.19)	$ (0.34)	$ 0.55	$ 0.48	$ 1.33	$ 0.28
Diluted	n/a	$ 0.02	$ (0.19)	$ (0.34)	$ 0.53	$ 0.47	$ 1.29	$ 0.27

- Included in net earnings are realized gains or losses relating to the Corporation's direct investments in public and private securities. Realized gains or losses are only recorded in net earnings upon disposal of an investment or when the Corporation has determined that a provision against the market value of an investment is required. The Corporation may therefore experience significant quarterly fluctuations in net earnings resulting from its direct investments. Included in the three months ended March 31, 2013, is a realized provision of $36.1 million relating to the Corporation's direct investments.
- In the fourth quarter of 2011, the Corporation completed a substantial issuer bid pursuant to which it acquired 10 million Subordinate Shares of the Corporation for subsequent cancellation. The reduction in the number of Subordinate Shares outstanding is reflected in the determination of earnings per share in the fourth quarter of 2011 and beyond.
- Net earnings in the third quarter of 2011 include a pre-tax gain of $95.6 million from the Corporation's divestment of a significant equity accounted investment.
- The Corporation may earn performance fee revenue if the returns on AUM exceed established benchmarks. Performance fees are contingent on the market values of the underlying portfolio at a specified point in time, generally at the calendar year end, or upon the conclusion of limited partnership arrangements. The Corporation may experience fluctuations in period-over-period revenues as performance fees are only recorded in earnings when amounts are determined with certainty.
- Revenue from real estate activities may fluctuate significantly from period to period, due to the timing of project registrations, the cyclical nature of real estate markets and the mix of assets sold. Real estate operations are project driven. Real estate revenue and associated real estate operating costs are only included in operations in periods when a development project is completed and sold. Otherwise, these costs are deferred as real estate assets. This may cause significant fluctuations in net earnings from period to period.
- The Corporation's share of earnings from equity accounted investments is included in net earnings for each quarter. Earnings from each equity accounted investment 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, COMMITMENTS AND CONTINGENCIES

Other than as disclosed elsewhere in this MD&A or in Note 32 to the March 2013 Interim Consolidated Financial Statements, there have been no significant changes in the nature of off-balance sheet arrangements, commitments and contingencies from those described in Note 33 to the 2012 Audited Consolidated Financial Statements and under *"Off-Balance Sheet Arrangements"* and *"Commitments and Contingencies"* on pages 36 through 38 in the Corporation's MD&A as at and for the year ended December 31, 2012.

RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in Note 34 to the 2012 Audited Consolidated Financial Statements and the accompanying MD&A.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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 expenses 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 expenses 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 2012 Audited Consolidated Financial Statements. There have been no significant changes in these judgments and estimates during the three months ended March 31, 2013.

Other than as disclosed in Note 2 to the March 2013 Interim Consolidated Financial Statements, there have been no changes in the accounting policies adopted in the preparation of the Corporation's March 2013 Interim Consolidated Financial Statements from those detailed in Note 3 to the Corporation's 2012 Audited Consolidated Financial Statements. The changes in accounting policies adopted during the first quarter of 2013 did not have a material impact to the March 2013 Interim Consolidated Financial Statements.

CONTROLS AND PROCEDURES

In accordance with the Canadian Securities Administrators' National Instrument 52-109, the Corporation has filed certificates signed by its Chief Executive Officer and the Chief Financial Officer certifying that, among other things, the design of disclosure controls and procedures and the design of internal control over financial reporting are adequate as at March 31, 2013.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the Corporation's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow required disclosures to be made in a timely fashion. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2013, the Corporation's disclosure controls and procedures were effective.

The Chief Executive Officer and Chief Financial Officer of the Corporation have also evaluated whether there were changes to the Corporation's internal control over financial reporting during the three months ended March 31, 2013 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 evaluation.

MANAGING RISK

Except as otherwise disclosed in this MD&A, there have been no significant changes to the nature and scope of the risks faced by the Corporation as described in the Corporation's 2012 Annual Information Form under "Risk Factors" which is available on SEDAR at *www.sedar.com*.

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 2013 and beyond, 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, real estate and resource 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 and meet financial obligations; the performance of the Corporation's principal subsidiaries; the Corporation's ability to raise additional capital; the Corporation's ability to create, attract and retain AUM and AUA; risks relating to trading activities and investments; competition faced by the Corporation; regulation of the Corporation's businesses; successful integration of the Corporation with acquired businesses and the realization of any anticipated synergies; risks associated with the Corporation's real estate and resource businesses and the Corporation's investment holdings in general, including risks associated with oil and gas and mining exploration, development and production activities, 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 for violations of investor suitability requirements; 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 of May 13, 2013.

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 real estate, resource and capital markets sectors, the Corporation considered historical economic data provided by the Canadian government and its agencies, 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
May 13, 2013

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited)

(expressed in thousands of Canadian dollars)

	Note	As at March 31, 2013	As at December 31, 2012
ASSETS			
Cash		$ 36,745	$ 41,824
Accounts receivable		333,048	315,607
Client accounts receivable	5	333,386	332,627
Derivative financial assets	6	4,946	5,135
Brokerage securities owned	7	70,505	74,381
Income taxes receivable (payable)		13,755	(47,798)
Investments	8	1,275,786	1,228,512
Equity accounted investments	9	482,050	464,536
Real estate joint venture investments	10	70,551	65,204
Real estate assets	11	596,527	572,878
Resource properties	12	168,586	169,761
Livestock	13	22,577	17,651
Capital and other assets	14	113,188	97,980
TOTAL ASSETS		**$ 3,521,650**	**$ 3,338,298**
LIABILITIES			
Bank indebtedness	15	$ 80,639	$ -
Accounts payable and accrued liabilities		238,748	261,850
Client deposits and related liabilities	16	379,927	364,198
Brokerage securities sold short	7	16,338	17,289
Corporate debt	17	481,033	333,062
Decommissioning liabilities	18	43,904	44,739
Preference Shares, series 1	19	148,861	148,773
Deferred income tax liabilities	27	142,407	153,238
		1,531,857	1,323,149
SHAREHOLDERS' EQUITY			
Share capital			
Common shares	20	207,803	207,768
Preference Shares, series 2	19	127,068	127,068
Contributed surplus		11,917	11,720
Retained earnings		1,493,748	1,506,169
Accumulated other comprehensive income	21	(5,170)	15,260
		1,835,366	1,867,985
NON-CONTROLLING INTEREST	22	154,427	147,164
		1,989,793	2,015,149
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 3,521,650**	**$ 3,338,298**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Commitments, contingencies and off-balance sheet arrangements (note 32)

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(expressed in thousands of Canadian dollars, except for per share amounts)

		For the three months ended	
	Note	March 31, 2013	March 31, 2012
REVENUES	23	$ 163,977	$ 131,283
OTHER ITEMS IN NET EARNINGS			
Cost of sales	24	(102,771)	(70,492)
Depreciation and depletion	11, 12, 14	(5,799)	(5,728)
General and administrative	26	(34,214)	(31,558)
Realized (loss) gains from investments	8	(36,057)	21,576
Share of earnings from equity accounted investments	9	12,009	10,630
Loss on sale of equity accounted investment		(24)	(71)
Fair value changes in investment properties	11	(16)	2,004
Fair value changes in livestock	13	1,692	987
Gain on derivative financial instruments	6	54	720
Interest expense	17, 18	(6,051)	(8,717)
Foreign exchange gains (loss)		743	(184)
NET EARNINGS BEFORE INCOME TAXES		(6,457)	50,450
Income taxes recovery (expense)	27	1,324	(14,911)
NET EARNINGS FOR THE PERIOD		**$ (5,133)**	**$ 35,539**
NET EARNINGS ATTRIBUTABLE TO:			
Owners of the parent		(10,227)	32,461
Non-controlling interest		5,094	3,078
		$ (5,133)	**$ 35,539**
NET EARNINGS PER SHARE	28		
Basic		$ (0.23)	$ 0.55
Diluted		n/a	$ 0.53

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

(expressed in thousands of Canadian dollars)

	For the three months ended	
	March 31, 2013	March 31, 2012
NET EARNINGS FOR THE PERIOD	$ (5,133)	$ 35,539
Other comprehensive income:		
Items that may be reclassified to net earnings		
Unrealized (loss) gains on available-for-sale securities,	(61,419)	120,842
net of associated taxes	16,518	(17,732)
Transfer of unrealized loss to net earnings,	33,053	1,432
net of associated taxes	(8,718)	(358)
Unrealized gains (loss) from foreign currency translation	754	(696)
Share of other comprehensive loss from equity accounted investments,	(532)	(5,260)
net of associated taxes	140	1,364
Total other comprehensive income for the period	(20,204)	99,592
COMPREHENSIVE INCOME FOR THE PERIOD	**$ (25,337)**	**$ 135,131**
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	(30,657)	132,265
Non-controlling interest	5,320	2,866
	$ (25,337)	**$ 135,131**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited)

(expressed in thousands of Canadian dollars)

	Attributable to Owners of the Parent						
	Common Shares	Preference Shares, Series 2	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total
Balance, December 31, 2011	$ 210,573	$ 127,068	$ 14,253	$ 1,522,522	$ (67,144)	$ 211,475	$ 2,018,747
For the three months ended March 31, 2012							
Net earnings	-	-	-	32,461	-	3,078	35,539
Other comprehensive income	-	-	-	-	99,804	(212)	99,592
Issuance of Class A subordinate shares for non-cash consideration (note 20)	18	-	-	-	-	-	18
Issuance of Class A subordinate shares for cash (note 20)	17	-	-	-	-	-	17
Dividends on Preference Shares, series 2	-	-	-	(2,194)	-	-	(2,194)
Stock based compensation (note 25)	-	-	556	-	-	-	556
Exercise of options (note 20)	634	-	(28)	-	-	-	606
Changes of ownership interest in subsidiaries (note 4)	-	-	(5,474)	-	-	(79,479)	(84,953)
Balance, March 31, 2012	211,242	127,068	9,307	1,552,789	32,660	134,862	2,067,928
From April 1, 2012 to December 31, 2012							
Net earnings	-	-	-	(21,635)	-	18,154	(3,481)
Other comprehensive income	-	-	-	-	(17,400)	19	(17,381)
Acquisition of Class A subordinate shares for cancellation (note 20)	(3,646)	-	-	(18,404)	-	-	(22,050)
Issuance of Class A subordinate shares for non-cash consideration (note 20)	52	-	-	-	-	-	52
Issuance of Class A subordinate shares for cash (note 20)	53	-	-	-	-	-	53
Dividends on Preference Shares, series 2	-	-	-	(6,581)	-	-	(6,581)
Stock based compensation (note 25)	-	-	1,866	-	-	-	1,866
Exercise of options (note 20)	67	-	(20)	-	-	-	47
Share incentive arrangements	-	-	901	-	-	-	901
Dividends paid to non-controlling interest	-	-	-	-	-	(10,500)	(10,500)
Changes of ownership interest in subsidiaries (note 4)	-	-	(334)	-	-	4,629	4,295
Balance, December 31, 2012	207,768	127,068	11,720	1,506,169	15,260	147,164	2,015,149
For the three months ended March 31, 2013							
Net earnings	-	-	-	(10,227)	-	5,094	(5,133)
Other comprehensive income	-	-	-	-	(20,430)	226	(20,204)
Issuance of Class A subordinate shares for non-cash consideration (note 20)	18	-	-	-	-	-	18
Issuance of Class A subordinate shares for cash (note 20)	17	-	-	-	-	-	17
Dividends on Preference Shares, series 2	-	-	-	(2,194)	-	-	(2,194)
Stock based compensation (note 25)	-	-	430	-	-	-	430
Changes of ownership interest in subsidiaries (note 4)	-	-	(233)	-	-	1,943	1,710
Balance, March 31, 2013	**$ 207,803**	**$ 127,068**	**$ 11,917**	**$ 1,493,748**	**$ (5,170)**	**$ 154,427**	**$ 1,989,793**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(unaudited)

(expressed in thousands of Canadian dollars)

	Note	For the three months ended March 31, 2013	March 31, 2012
OPERATING ACTIVITIES:			
Net earnings for the period		$ (5,133)	$ 35,539
Adjusted for:			
Items not affecting cash and other adjustments	29	33,193	(12,550)
Changes in non-cash working capital items	29	(42,541)	(17,470)
CASH (USED IN) PROVIDED FROM OPERATING ACTIVITIES		(14,481)	5,519
INVESTING ACTIVITIES:			
Net investment in real estate assets and real estate joint ventures		808	(3,603)
Net investment in resource properties		(2,997)	(3,415)
Net investment in livestock and other agricultural assets		(20,530)	(10,667)
Acquisition of portfolio investments		(130,438)	(55,421)
Proceeds from dispositions of portfolio investments		13,890	77,159
Net investment in capital and other assets		(3,297)	(1,107)
CASH (USED IN) PROVIDED FROM INVESTING ACTIVITIES		(142,564)	2,946
FINANCING ACTIVITIES:			
Change in corporate debt		152,643	(20,105)
Acquisitions from non-controlling interest		-	(88,633)
Issuance of Class A subordinate shares, net of issue costs		17	623
Net issuance of shares by subsidiaries to non-controlling interest		1,500	584
Dividends paid on Preference Shares, series 2		(2,194)	(2,194)
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		151,966	(109,725)
NET DECREASE IN CASH DURING THE PERIOD		(5,079)	(101,260)
Cash, beginning of period		41,824	213,523
CASH, END OF PERIOD		**$ 36,745**	**$ 112,263**
Cash flows include the following amounts:			
Interest paid		$ 6,487	$ 9,167
Taxes paid		$ 62,933	$ 11,451

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

For the three months ended March 31, 2013 and March 31, 2012
Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

1. NATURE OF OPERATIONS

Dundee Corporation (the "Corporation" or "Dundee Corporation") is a holding company owning subsidiaries engaged in the areas of the Corporation's core competencies including real estate and infrastructure, energy, resources and agriculture. The Corporation also owns and manages direct investments in these core focus areas. Information regarding the Corporation's reportable business segments is contained in note 34.

The Corporation is incorporated under the Business Corporations Act (Ontario) and is domiciled in Canada. The Corporation's head office is located at Dundee Place, 1 Adelaide Street East, 21st Floor, Toronto, Ontario, Canada, M5C 2V9. The Corporation is listed on the Toronto Stock Exchange ("TSX") under the symbol "DC.A".

At March 31, 2013, the Corporation's major operating subsidiaries included:

	As at and for the three months ended March 31, 2013		As at and for the year ended December 31, 2012	
(in alphabetical order)	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
Blue Goose Capital Corp.	83%	85%	81%	83%
Dundee Energy Limited	57%	57%	57%	57%
Dundee Realty Corporation	70%	70%	70%	70%
Dundee Securities Ltd.	100%	100%	49%	100%
Goodman Investment Counsel Inc.	100%	100%	100%	100%

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three months ended March 31, 2013 ("March 2013 Interim Consolidated Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Canadian Institute of Chartered Accountants, as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The March 2013 Interim Consolidated Financial Statements should be read in conjunction with the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2012 ("2012 Audited Consolidated Financial Statements") which were prepared in accordance with IFRS as applicable for annual financial statements. The March 2013 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on May 13, 2013.

The March 2013 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in note 3 to the 2012 Audited Consolidated Financial Statements, except as described below.

Certain items on the consolidated statement of financial position as at December 31, 2012 have been reclassified to conform to the March 31, 2013 presentation. The Corporation does not believe that these reclassifications had a material effect on the March 2013 Interim Consolidated Financial Statements, from either a quantitative or a qualitative perspective.

Changes in Accounting Policies Implemented During the Three Months Ended March 31, 2013

The Corporation has adopted the following new and revised accounting standards, including any consequential amendments thereto, effective January 1, 2013. Changes in accounting policies adopted by the Corporation were made in accordance with the applicable transitional provisions as provided in those standards and amendments.

IFRS 7, "Financial Instruments: Disclosure" ("IFRS 7")

Amendments to IFRS 7 require the disclosure of information that enables users of an entity's financial statements to evaluate the effect, or potential effect, of offsetting financial assets and financial liabilities, to the entity's financial position. The Corporation adopted IFRS 7 on January 1, 2013 and, accordingly, the Corporation has included disclosures relating to the offsetting of derivative financial assets against derivative financial liabilities, if any, in notes 6 and 8 to the March 2013 Interim Consolidated Financial Statements.

IFRS 10, "Consolidated Financial Statements" ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under prior IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, "*Consolidation — Special Purpose Entities"* and parts of IAS 27, *"Consolidated and Separate Financial Statements"*. The Corporation adopted IFRS 10 on January 1, 2013. The adoption of IFRS 10 had no impact on the Corporation's financial statements.

IFRS 11, "Joint Arrangements" ("IFRS 11")

IFRS 11 supersedes IAS 31, "Interests in Joint Ventures" and SIC-13, "Jointly Controlled Entities – Non-monetary Contributions by Venturers". IFRS 11 requires the classification of joint arrangements as either joint ventures or joint operations, reflecting the underlying contractual rights and obligations of each investor that jointly controls the arrangement. Joint arrangements that are classified as joint operations are accounted for using the proportionate consolidation method whereby the Corporation recognizes its share of the assets, liabilities, revenues and expenses of the joint operations. Joint arrangements classified as joint ventures are accounted for using the equity method as set out in IAS 28, "Investments in Associates and Joint Ventures" (amended in 2011). Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. The adoption of IFRS 11 had no impact on the Corporation's financial statements.

IFRS 12, "Disclosure of Interests in Other Entities" ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, equity accounted investments, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosure and also introduces significant additional disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities. The Corporation adopted IFRS 12 on January 1, 2013. The adoption of this disclosure standard did not have an impact on the Corporation's March 2013 Interim Consolidated Financial Statements, but is expected to result in additional disclosure in the Corporation's annual financial statements as at and for the year ending December 31, 2013.

IFRS 13, "Fair Value Measurement" ("IFRS 13")

IFRS 13 provides a single framework for measuring fair value as a marked-to-market adjustment within IFRS. The new standard requires that the measurement of the fair value of an asset or liability, as measured for accounting purposes, be based on assumptions that market participants would use when pricing the asset or liability under market conditions existing as of the date of the statement of financial position, including assumptions relating to risk. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange. The Corporation adopted IFRS 13 on January 1, 2013, on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Corporation.

IAS 1, "Presentation of Financial Statements" ("IAS 1")

The amended IAS 1 standard requires grouping together within other comprehensive income ("OCI") items that may be reclassified to net earnings in subsequent periods, separate from other items within OCI. The amendments also reaffirm the existing presentation requirements that items in OCI and net earnings should be presented as a single statement or two consecutive statements. The adoption of IAS 1 has no material impact on the presentation of items on the Corporation's financial statements of comprehensive income.

Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective

Other accounting standards, interpretations and amendments to existing standards that are not yet effective are outlined in note 3 to the 2012 Audited Consolidated Financial Statements. The Corporation has not completed its assessment of the impact that the new and amended standards will have on its financial statements, or whether to early adopt any of the new requirements.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the March 2013 Interim Consolidated Financial Statements requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, revenues and other items in net earnings, and the related disclosure of contingent assets and liabilities, if any. 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 values 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. There have been no significant changes in accounting judgments, estimates and assumptions made by the Corporation in the preparation of the March 2013 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 4 to the 2012 Audited Consolidated Financial Statements.

4. ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

	Interest Owned as at				Effect on Contributed Surplus During the three months ended	
	31-Mar-13	31-Dec-12	31-Mar-12	31-Dec-11	31-Mar-13	31-Mar-12
Blue Goose Capital Corp.	85%	83%	79%	81%	$ (146)	$ 92
Dundee Securities Ltd.	100%	100%	100%	49%	-	(4,977)
Dundee Energy Limited	57%	57%	57%	57%	28	58
Dundee Realty Corporation	70%	70%	70%	70%	-	(128)
Nichromet Extraction Inc.	75%	75%	72%	70%	(115)	(519)

Blue Goose Capital Corp.

During the three months ended March 31, 2013, the Corporation acquired 1,500,000 newly issued common shares of Blue Goose Capital Corp. ("Blue Goose") for $15,000,000. Concurrent with the Corporation's investment, Blue Goose issued shares to its non-controlling shareholders for cash and/or in consideration for asset acquisitions. On a net basis, the Corporation's investment in Blue Goose increased from 83% at December 31, 2012 to 85% at March 31, 2013, resulting in a decrease of $146,000 in contributed surplus.

During the three months ended March 31, 2012, the Corporation acquired 1,221,500 newly issued common shares of Blue Goose for $12,215,000. On a net basis, the Corporation's investment in Blue Goose was diluted from 81% at December 31, 2011 to 79% at March 31, 2012 and, accordingly, the Corporation recorded a dilution gain of $92,000 in contributed surplus.

Dundee Capital Markets Inc.

On February 1, 2012, the Corporation acquired all of Dundee Capital Markets Inc.'s ("Dundee Capital Markets") outstanding common shares held by non-controlling shareholders at a price of $1.125 per share by way of a court approved plan of arrangement under the Business Corporations Act (Ontario). Dundee Capital Markets is the parent company of Dundee Securities Ltd. ("Dundee Securities"). The Corporation paid $88,033,000 in respect of the transaction. The difference between the consideration paid and the carrying value of the non-controlling interest of $83,056,000, aggregating $4,977,000, was recorded as a decrease in contributed surplus.

Nichromet Extraction Inc.

During the three months ended March 31, 2013, the Corporation exercised warrants to acquire 4,875,000 common shares of Nichromet Extraction Inc. ("Nichromet") for $975,000. The marginal increase in ownership resulted in a reduction to contributed surplus of $115,000.

During the three months ended March 31, 2012, the Corporation acquired 2,000,000 common shares of Nichromet for $600,000 pursuant to a private transaction. The acquisition increased the Corporation's ownership from 70% to approximately 72%. Approximately $81,000 of the consideration paid was allocated to non-controlling shareholders of Nichromet with the balance recorded as a decrease in contributed surplus.

Equity Changes in Subsidiaries

As a result of changes in the equity of certain other subsidiaries, during the three months ended March 31, 2013, the Corporation recognized an increase in contributed surplus of $28,000 (three months ended March 31, 2012 – decrease of $70,000).

Dundee Energy Limited ("Dundee Energy") – Rights Offering

On April 5, 2013, Dundee Energy raised gross proceeds of $8,887,000 and it issued 5,734,067 common shares and 17,787,596 flow-through common shares pursuant to the completion of a rights offering to its shareholders. The Corporation purchased 15,771,990 flow-through common shares pursuant to the transaction at a cost of $6,151,000. The purchase increased the Corporation's interest in Dundee Energy to 58%.

5. CLIENT ACCOUNTS RECEIVABLE

As at		March 31, 2013		December 31, 2012
Client accounts	$	167,475	$	184,070
Brokers' and dealers' balances		6,125		5,516
Funds deposited into trust		107,242		132,896
Amounts receivable from carrying broker		52,544		10,145
	$	**333,386**	**$**	**332,627**

Funds deposited into trust represent client funds deposited and held by the Corporation's full service brokerage subsidiary, Dundee Securities, in registered accounts. These funds have been deposited with a Canadian trust company. Included in *"Client deposits and related liabilities"* (note 16) is a corresponding liability related to these deposits.

On January 1, 2012, Dundee Securities entered into an introducing and carrying broker arrangement with Fidelity Clearing Canada ("FCC"). "*Amounts receivable from carrying broker*" represent non-registered client balances and other corporate funds held by the carrying broker pursuant to this arrangement.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Contracts

At March 31, 2013, Dundee Energy had entered into certain risk management contracts as identified in the table below. These derivative instruments are not designated in a qualifying hedge relationship and accordingly, they are classified as financial instruments "*at fair value through profit and loss*" and are measured at their estimated fair value with changes recorded in net earnings in the period in which they occur.

Contract Fixed Price Swap	Volume	Pricing Point	Strike Price (Cdn$/unit)	Remaining Term	Fair Value March 31, 2013	
Crude oil	500 bbl/d	NYMEX	$98.22	Apr 01/13 to Dec 31/13	$	(22)
Natural gas	10,000 mbtu/d	NYMEX	$4.07	Apr 01/13 to Dec 31/13		(372)
					$	(394)

Dundee Energy has determined that its risk management contracts at March 31, 2013 resulted in a liability balance of $394,000 (December 31, 2012 – asset balance of $215,000). During the three months ended March 31, 2013, Dundee Energy recognized a loss of $366,000 (three months ended March 31, 2012 – gain of $1,260,000) from these risk management contracts.

Subsequent to March 31, 2013, Dundee Energy cancelled natural gas fixed price contracts representing 3,750 mbtu/day at a cost of $313,000.

The prices used to determine the changes in the marked-to-market value of risk management contracts reflect management's best estimate at the measurement date, and considers various factors. However, future market prices will vary from those used in such determination and it is possible that such variations could be material, causing volatility in the Corporation's financial results.

Embedded Derivative

The Corporation has determined that the redemption option feature of the Corporation's Preference Shares, series 1 (note 19) meets the definition of an embedded derivative, as the economic risks and characteristics of the redemption option are not closely related to that of the Preference Shares, series 1. Accordingly, the embedded redemption option has been bifurcated from the Preference Shares, series 1 and has been recognized in the consolidated financial statements as a derivative financial instrument. The Corporation has determined that at March 31, 2013, the estimated fair value of the embedded redemption option was $5,340,000 (December 31, 2012 – $4,920,000) and accordingly, the Corporation recognized a gain on derivative financial instruments of $420,000 (three months ended March 31, 2012 – loss of $540,000). The estimated fair value of the embedded redemption option was measured using an interest rate pricing method.

Warrants and Options Associated with Investments

Included in the Corporation's portfolio of investments are warrants and/or options, which were acquired directly by the Corporation, or which were received by the Corporation as consideration for the Corporation's investment in the underlying investee. These warrants and/or options are derivative financial assets and are carried in the Corporation's consolidated statements of financial position at their estimated fair value, determined using a modified Black Sholes option pricing model (note 8).

7. BROKERAGE SECURITIES OWNED AND BROKERAGE SECURITIES SOLD SHORT

As at		March 31, 2013		December 31, 2012
	Securities Owned	Securities Sold Short	Securities Owned	Securities Sold Short
Bonds	$ 24,917	$ 14,185	$ 22,229	$ 16,897
Equities	44,973	2,153	51,570	392
Other	615	-	582	-
	$ 70,505	**$ 16,338**	**$ 74,381**	**$ 17,289**

Bond maturities range from 2013 to 2106 (December 31, 2012 – from 2013 to 2109) and have annual interest yields ranging from 1% to 12% (December 31, 2012 – 1% to 12%).

From time to time, Dundee Securities may sell securities that it does not own and will therefore be obligated to purchase such securities at a future date to settle its obligation. These securities have been designated as *"Securities sold short"* in these consolidated financial statements. Dundee Securities may incur a loss if the market value of these securities subsequently increases.

8. INVESTMENTS

As at		March 31, 2013		December 31, 2012
	Cost	Market Value	Cost	Market Value
Publicly traded securities	$ 782,645	$ 771,834	$ 763,728	$ 776,770
Private investments	254,339	264,875	224,562	237,902
Mutual funds and other short term investments	5,434	6,309	5,753	6,894
Debt securities	213,635	212,745	183,110	184,801
Warrants and options	20,023	20,023	22,145	22,145
	$ 1,276,076	**$ 1,275,786**	**$ 1,199,298**	**$ 1,228,512**

During the three months ended March 31, 2013, the Corporation sold certain common shares and preferred shares of The Bank of Nova Scotia ("Scotiabank") for aggregate proceeds of $7,331,000 (three months ended March 31, 2012 – $74,001,000) and realized a gain on sale of $297,000 (three months ended March 31, 2012 – loss of $1,047,000). At March 31, 2013, the Corporation's remaining investment in Scotiabank had a cost of $497,323,000 and a market value of $519,140,000.

Generally, the Corporation recognizes changes in market values of available-for-sale ("AFS") securities in OCI. During the three months ended March 31, 2013, the Corporation recognized a decrease in OCI, net of taxes, of $20,566,000 (March 31, 2012 – increase of $104,184,000) in respect of its portfolio of AFS securities. Amounts transferred to the Corporation's net earnings during the three months ended March 31, 2013 include a provision against changes in marked-to-market values of financial instruments designated as AFS securities of $33,224,000 (three months ended March 31, 2012 – $8,067,000).

9. EQUITY ACCOUNTED INVESTMENTS

As at		March 31, 2013			December 31, 2012		
Trade Symbol	Investment	Ownership		Carrying Value	Ownership		Carrying Value
D.UN	Dundee Real Estate Investment Trust	6%	$	214,057	6%	$	208,326
DPM	Dundee Precious Metals Inc.	24%		150,898	23%		136,328
DI.UN	Dundee International Real Estate Investment Trust	13%		106,913	18%		106,603
RYG	Ryan Gold Corp.	12%		1,601	12%		2,785
VOX	360 VOX Corporation	18%		4,346	22%		5,378
CRG	Corona Gold Corporation	23%		3,865	23%		4,705
ODX	Odyssey Resources Limited	31%		370	31%		411
-	Escal UGS S.L.	33%		-	33%		-
			$	**482,050**		**$**	**464,536**

The aggregate market value of the Corporation's equity accounted investments as at March 31, 2013 was $608,324,000 (December 31, 2012 – $620,598,000).

Significant Transactions Affecting the Carrying Value of Equity Accounted Investments During the Three Months Ended March 31, 2013

Dundee Precious Metals Inc. ("Dundee Precious Metals")
During the three months ended March 31, 2013, the Corporation purchased 1,644,352 common shares of Dundee Precious Metals at a cost of $13,316,000, increasing the Corporation's holding from 23% at December 31, 2012 to 24% at March 31, 2013.

Dundee International Real Estate Investment Trust ("Dundee International REIT")
During the three months ended March 31, 2013, Dundee International REIT completed public offerings for the issuance of 23,230,000 units of Dundee International REIT for gross proceeds of $253,207,000. The Corporation did not participate in the offering, resulting in a dilution of the Corporation's interest from 18% at the end of December 2012 to 13% as at March 31, 2013. The Corporation continues to account for its investment in Dundee International REIT on an equity basis as it is able to exert significant influence over the operations and financial results of Dundee International REIT through its representation on the board of trustees of Dundee International REIT, through services arrangements and through senior management representation.

Escal UGS S.L. ("Escal")
Escal has established a hedging strategy to mitigate its exposure to interest rate risk associated with its project financing agreement. At March 31, 2013, the estimated fair value of Escal's obligations in respect of these hedging strategies was approximately €136,277,000 (December 31, 2012 – €140,104,000). Recognition of these losses draws Dundee Energy's carrying value in Escal to zero. At March 31, 2013, Dundee Energy had not recorded a liability of $37,163,000 (December 31, 2012 – $38,552,000) related to additional losses incurred by Escal, as it does not have the legal or constructive obligation in respect thereof.

Significant Transactions Affecting the Carrying Value of Equity Accounted Investments During the Three Months Ended March 31, 2012

Dundee Real Estate Investment Trust ("Dundee REIT")
During the three months ended March 31, 2012, Dundee REIT issued 12,580,347 units for the acquisition of Whiterock Real Estate Investment Trust, representing aggregate equity consideration of $434,800,000. In addition, Dundee REIT issued a further 6,555,000 units pursuant to a public offering for gross proceeds of $231,719,000. The Corporation purchased

364,800 Dundee REIT units pursuant to the public offering at a cost of $12,896,000. On a combined basis, these transactions diluted the Corporation's ownership interest in Dundee REIT from 8% at December 31, 2011 to 6% at March 31, 2012. Similar to its investment in Dundee International REIT, the Corporation continues to account for its investment in Dundee REIT on an equity basis as it is able to exert significant influence over the operations and financial results of Dundee REIT through its representation on the board of trustees of Dundee REIT, through services arrangements and through senior management representation.

Share of Earnings from Equity Accounted Investments

During the three months ended March 31, 2013, the Corporation's share of earnings from equity accounted investments, including its share of earnings from real estate joint venture investments (note 10), was $12,009,000 (three months ended March 31, 2012 – $10,630,000).

For the three months ended	March 31, 2013	March 31, 2012
Dundee Real Estate Investment Trust	$ 8,760	$ 5,962
Dundee Precious Metals Inc.	586	3,075
Dundee International Real Estate Investment Trust	3,457	1,979
Ryan Gold Corp.	(1,164)	(50)
360 VOX Corporation	(1,049)	(554)
Corona Gold Corporation	(229)	149
Odyssey Resources Limited	(41)	-
Escal UGS S.L.	-	-
	10,320	10,561
Real estate joint venture investments	1,689	69
	$ 12,009	**$ 10,630**

10. REAL ESTATE JOINT VENTURE INVESTMENTS

Dundee Realty Corporation ("Dundee Realty") has entered into certain real estate joint venture arrangements, primarily for the development of investment and recreational properties and for renewable energy project management. These arrangements are accounted for on an equity basis. At March 31, 2013, the carrying value of these joint venture investments was $70,551,000 (December 31, 2012 – $65,204,000). During the three months ended March 31, 2013, Dundee Realty recognized a gain of $1,689,000 (three months ended March 31, 2012 – $69,000) as its share of earnings from these investments.

11. REAL ESTATE ASSETS

	Inventory	Investment Properties	Income-Producing Properties	TOTAL
Balance, December 31, 2011	$ 380,068	$ 39,876	$ 24,661	$ 444,605
Three months ended March 31, 2012				
Additions	2,662	157	142	2,961
Cost of development	38,579	-	-	38,579
Cost of sales	(34,931)	-	-	(34,931)
Fair value changes in investment properties	-	2,004	-	2,004
Depreciation	-	-	(604)	(604)
Other	(1,251)	(2)	(391)	(1,644)
Balance, March 31, 2012	385,127	42,035	23,808	450,970
From April 1, 2012 to December 31, 2012				
Additions	131,548	508	2,266	134,322
Cost of development	234,313	-	-	234,313
Cost of sales	(254,041)	-	-	(254,041)
Fair value changes in investment properties	-	7,701	-	7,701
Depreciation	-	-	(1,947)	(1,947)
Other	767	764	29	1,560
Balance, December 31, 2012	497,714	51,008	24,156	572,878
Three months ended March 31, 2013				
Additions	61,386	700	145	62,231
Cost of development	35,116	-	-	35,116
Cost of sales	(72,612)	-	-	(72,612)
Fair value changes in investment properties	-	(16)	-	(16)
Depreciation	-	-	(585)	(585)
Other	(929)	(1)	445	(485)
Balance, March 31, 2013	$ 520,675	$ 51,691	$ 24,161	$ 596,527

In December 2012, the Corporation announced that its Board of Directors had approved to proceed with a corporate restructuring through a tax efficient plan of arrangement that will distribute to shareholders of the Corporation a 50% interest in Dundee Realty.

At March 31, 2013, the transaction was subject to a number of uncertainties, including the receipt of the necessary regulatory, court and shareholder approvals. Accordingly, the assets and liabilities of Dundee Realty, and its operating performance have not been classified as held for distribution in the Corporation's March 2013 Interim Consolidated Financial Statements.

12. RESOURCE PROPERTIES

	Property, Plant and Equipment					Exploration and Evaluation	
	Oil and Gas Development Costs	Pipeline Infrastructure	Machinery and Equipment	Land and Buildings	Other	Undeveloped Properties	TOTAL
At December 31, 2011							
Cost	$ 130,470	$ 25,317	$ 25,048	$ 4,580	$ 3,115	$ 16,254	$ 204,784
Accumulated depreciation and depletion	(17,139)	(2,959)	(1,842)	(37)	(817)	-	(22,794)
Net carrying value, December 31, 2011	113,331	22,358	23,206	4,543	2,298	16,254	181,990
Three months ended March 31, 2012							
Carrying value December 31, 2011	113,331	22,358	23,206	4,543	2,298	16,254	181,990
Net additions	219	135	22	-	46	1,407	1,829
Remeasure decommissioning liability	(1,335)	-	-	-	-	-	(1,335)
Depreciation and depletion	(2,949)	(437)	(334)	(6)	(30)	-	(3,756)
Net carrying value, March 31, 2012	109,266	22,056	22,894	4,537	2,314	17,661	178,728
At March 31, 2012							
Cost	129,354	25,452	25,070	4,580	3,161	17,661	205,278
Accumulated depreciation and depletion	(20,088)	(3,396)	(2,176)	(43)	(847)	-	(26,550)
Net carrying value, March 31, 2012	109,266	22,056	22,894	4,537	2,314	17,661	178,728
From April 1, 2012 to December 31, 2012							
Carrying value March 31, 2012	109,266	22,056	22,894	4,537	2,314	17,661	178,728
Net additions	3,411	151	3,570	-	509	8,337	15,978
Remeasure decommissioning liability	1,802	-	-	-	-	-	1,802
Depreciation and depletion	(24,326)	(1,300)	(1,010)	(20)	(91)	-	(26,747)
Net carrying value, December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
At December 31, 2012							
Cost	134,567	25,603	28,640	4,580	3,670	25,998	223,058
Accumulated depreciation and depletion	(44,414)	(4,696)	(3,186)	(63)	(938)	-	(53,297)
Net carrying value, December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
Three months ended March 31, 2013							
Carrying value December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
Net additions	1,060	1	202	41	(179)	1,666	2,791
Remeasure decommissioning liability	(937)	-	-	-	-	-	(937)
Depreciation and depletion	(2,293)	(346)	(356)	(6)	(28)	-	(3,029)
Net carrying value, March 31, 2013	87,983	20,562	25,300	4,552	2,525	27,664	168,586
At March 31, 2013							
Cost	134,690	25,604	28,842	4,621	3,491	27,664	224,912
Accumulated depreciation and depletion	(46,707)	(5,042)	(3,542)	(69)	(966)	-	(56,326)
Net carrying value, March 31, 2013	$ 87,983	$ 20,562	$ 25,300	$ 4,552	$ 2,525	$ 27,664	$ 168,586

13. LIVESTOCK

		Inventory		Biological Assets		TOTAL
At December 31, 2011						
Acquisitions and net additions	$	610	$	4,161	$	4,771
Fair value changes		-		-		-
Balance, December 31, 2011		610		4,161		4,771
Three months ended March 31, 2012						
Balance, December 31, 2011		610		4,161		4,771
Acquisitions and net additions		1,344		598		1,942
Fair value changes		-		987		987
Balance, March 31, 2012		1,954		5,746		7,700
At March 31, 2012						
Acquisitions and net additions		1,954		4,759		6,713
Fair value changes		-		987		987
Balance, March 31, 2012		1,954		5,746		7,700
From April 1, 2012 to December 31, 2012						
Balance, March 31, 2012		1,954		5,746		7,700
Acquisitions and net additions		1,988		5,104		7,092
Fair value changes		-		2,859		2,859
Balance, December 31, 2012		3,942		13,709		17,651
At December 31, 2012						
Acquisitions and net additions		3,942		9,863		13,805
Fair value changes		-		3,846		3,846
Balance, December 31, 2012		3,942		13,709		17,651
Three months ended March 31, 2013						
Balance, December 31, 2012		3,942		13,709		17,651
Acquisitions and net additions (dispositions)		(906)		4,140		3,234
Fair value changes		-		1,692		1,692
Balance, March 31, 2013		3,036		19,541		22,577
At March 31, 2013						
Acquisitions and net additions		3,036		14,003		17,039
Fair value changes		-		5,538		5,538
Balance, March 31, 2013	$	3,036	$	19,541	$	22,577

14. CAPITAL AND OTHER ASSETS

	Capital Assets				*Intangible Assets*		
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Other	Trademarks	Other Intangible Assets	TOTAL
At December 31, 2011							
Cost	$ 6,006	$ 4,558	$ 7,910	$ 15,850	$ 13,895	$ 27,082	$ 75,301
Accumulated depreciation and depletion	(4,822)	(4,146)	-	(7,761)	(4,492)	(1,415)	(22,636)
Net carrying value, December 31, 2011	1,184	412	7,910	8,089	9,403	25,667	52,665
Three months ended March 31, 2012							
Carrying value December 31, 2011	1,184	412	7,910	8,089	9,403	25,667	52,665
Net additions (dispositions)	(381)	56	9,045	3,155	79	40	11,994
Depreciation and depletion	(80)	(70)	(60)	(781)	(232)	(133)	(1,356)
Net carrying value, March 31, 2012	723	398	16,895	10,463	9,250	25,574	63,303
At March 31, 2012							
Cost	5,625	4,614	16,955	19,005	13,974	27,122	87,295
Accumulated depreciation and depletion	(4,902)	(4,216)	(60)	(8,542)	(4,724)	(1,548)	(23,992)
Net carrying value, March 31, 2012	723	398	16,895	10,463	9,250	25,574	63,303
From April 1, 2012 to December 31, 2012							
Carrying value March 31, 2012	723	398	16,895	10,463	9,250	25,574	63,303
Net additions	534	4,445	15,285	11,090	531	8,273	40,158
Depreciation and depletion	(176)	(2,147)	(72)	(1,440)	(711)	(935)	(5,481)
Net carrying value, December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
At December 31, 2012							
Cost	6,159	9,059	32,240	30,095	14,505	35,395	127,453
Accumulated depreciation and depletion	(5,078)	(6,363)	(132)	(9,982)	(5,435)	(2,483)	(29,473)
Net carrying value, December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
Three months ended March 31, 2013							
Carrying value December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
Net additions	210	60	15,042	1,663	179	867	18,021
Depreciation and depletion	(122)	(546)	(89)	(646)	(244)	(1,166)	(2,813)
Net carrying value, March 31, 2013	1,169	2,210	47,061	21,130	9,005	32,613	113,188
At March 31, 2013							
Cost	6,369	9,119	47,282	31,758	14,684	36,262	145,474
Accumulated depreciation and depletion	(5,200)	(6,909)	(221)	(10,628)	(5,679)	(3,649)	(32,286)
Net carrying value, March 31, 2013	$ 1,169	$ 2,210	$ 47,061	$ 21,130	$ 9,005	$ 32,613	$ 113,188

15. BANK INDEBTEDNESS

From time to time, Dundee Securities may utilize call loan arrangements to facilitate the securities settlement process for both client and principal securities transactions, or to fund margin lending. In connection with the establishment of an introducing and carrying broker arrangement with a third-party service provider on January 1, 2012, Dundee Securities arranged for an uncommitted call loan facility for up to $75 million at December 31, 2012. At March 31, 2013, available credit pursuant to the call loan facility was temporarily increased to $100 million.

At March 31, 2013, Dundee Securities had drawn $80,639,000 (December 31, 2012 – $nil) pursuant to these arrangements. Interest rates on amounts drawn were 1.5% on Canadian dollar denominated borrowings and ranged from 0.45% to 1.00% on borrowings denominated in U.S. dollars.

16. CLIENT DEPOSITS AND RELATED LIABILITIES

As at		March 31, 2013		December 31, 2012
Client accounts	$	368,072	$	342,968
Brokers' and dealers' balances		6,911		17,241
International banking client accounts		4,944		3,989
	$	**379,927**	**$**	**364,198**

17. CORPORATE DEBT

At March 31, 2013 and December 31, 2012, the estimated fair value of corporate debt approximated its carrying value.

As at		March 31, 2013		December 31, 2012
Corporate				
$225 million revolving term credit facility due March 10, 2014	$	120,000	$	27,393
$6.5 million, 5.85% exchangeable unsecured subordinated debentures due June 30, 2015		7,976		8,396
Subsidiaries				
$70 million demand revolving credit facility, Dundee Energy		62,834		62,633
$5.5 million demand revolving credit facilities, Blue Goose		3,745		992
$14.8 million advance loan facility, Blue Goose, due July 1, 2017		5,197		75
$190 million revolving term credit facility, Dundee Realty, due November 30, 2013		92,000		45,000
Other real estate debt		189,281		188,573
	$	**481,033**	**$**	**333,062**

$225,000,000 – Revolving Term Credit Facility, Corporate
The Corporation has established a $225 million revolving term credit facility with a Canadian Schedule I Chartered Bank maturing on March 10, 2014. Borrowings under the credit facility bear interest at a rate per annum equal to the bank's prime lending rate for loans plus 0.75% or, at the Corporation's option, at the prevailing bankers' acceptance or London Inter-Bank Offer Rate plus 1.75%. Unused amounts available under the facility are subject to an annual standby fee of 0.39375%.

Draws against the revolving term credit facility are contingent on, among other things, the pledge of certain of the Corporation's investments. The facility is subject to certain other covenants, including the maintenance of certain financial ratios and restrictions on the existence of other secured indebtedness, restrictions on the redemption, purchase or repayment of the Corporation's outstanding exchangeable debentures (see below), and restrictions on the prepayment and payment of interest on these exchangeable debentures.

At March 31, 2013, the Corporation had drawn $120,000,000 (December 31, 2012 – $27,393,000) against this facility. During the three months ended March 31, 2013, interest expense relating to the Corporation's revolving term credit facility, including standby fees and other similar costs, was $914,000 (three months ended March 31, 2012 – $2,063,000).

$6,545,000, 5.85% Exchangeable Unsecured Subordinated Debentures
At March 31, 2013, the Corporation had 6,545 (December 31, 2012 – 6,749) outstanding exchangeable unsecured subordinated debentures with a par value per debenture of $1,000. The exchangeable debentures mature on June 30, 2015 and bear interest at 5.85% per annum, payable semi-annually on June 30 and December 31 of each year. Each exchangeable debenture may be exchanged, at the option of the holder for 33.6134 units of Dundee REIT, representing a conversion price of $29.75 per Dundee REIT unit.

The Corporation has placed sufficient units of Dundee REIT or other securities exchangeable into units of Dundee REIT into escrow in order to satisfy the exchange feature of the exchangeable debentures. While these securities are held in escrow, the Corporation retains all voting rights and related privileges and is entitled to all distributions and rights of reinvestment of all distributions. During the three months ended March 31, 2013, an aggregate of $204,000 of exchangeable debentures were surrendered for exchange and the Corporation delivered 6,856 units of Dundee REIT in settlement thereof.

The carrying value of the exchangeable debentures is adjusted in the Corporation's consolidated financial statements to reflect the estimated fair value of the embedded exchange feature, provided that such adjustment does not result in a carrying value that is below the principal value of the exchangeable debentures outstanding. The estimated fair value of the exchange feature is determined using a valuation model that recognizes both the debt and exchange feature of the debentures and is based on the premise that each of these components have different default risks. Changes in the estimated fair value of the exchange feature are recorded in net earnings. Based on this valuation model, the Corporation determined that the value of the exchangeable debentures at March 31, 2013 was $8,054,000.

$70,000,000 Demand Revolving Credit Facility, Dundee Energy Limited

Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy, has established a $70 million credit facility with a Canadian chartered bank. The credit facility provides the subsidiary with a revolving demand loan, subject to a tiered interest rate structure based on its net debt to cash flow ratio, as defined in the credit facility. Based on current ratios, draws on the credit facility bear interest, at the option of the subsidiary, at either the bank's prime lending rate plus 3.0% for loans or letters of credit, or, for bankers' acceptances, at the bank's then prevailing bankers' acceptance rate plus 4.0%. The subsidiary is also subject to a standby fee of 0.50% on unused amounts under the credit facility. During the three months ended March 31, 2013, interest expense relating to this credit facility, including standby fees and other similar costs, was $856,000 (three months ended March 31, 2012 – $831,000). At March 31, 2013, the subsidiary had drawn $66,570,000 (December 31, 2012 – $66,370,000) pursuant to the credit facility, including a letter of credit for $3,270,000 (December 31, 2012 – $3,270,000).

The credit facility is secured against all of the oil and natural gas properties owned by DELP. In addition, Dundee Energy has assigned a limited recourse guarantee of its units in the subsidiary as further security pursuant to the credit facility. The credit facility is subject to certain covenants, including the maintenance of minimum levels of working capital.

$5,500,000 Demand Revolving Credit Facilities, Agricultural Subsidiaries of Blue Goose Capital Corp.

Certain wholly-owned subsidiaries of Blue Goose have entered into demand revolving credit facilities in the aggregate amount of $5,500,000 with a Canadian chartered bank. Borrowings under these arrangements bear interest at a rate per annum equal to the bank's prime lending rate for loans plus 0.50%. The facilities are secured by a general security agreement against all of the assets of the subsidiaries and are guaranteed by Blue Goose. At March 31, 2013, an aggregate of $3,745,000 (December 31, 2012 – $992,000) had been drawn against these facilities. During the three months ended March 31, 2013, interest expense incurred in respect of these facilities was $24,000 (three months ended March 31, 2012 – $nil).

$14,750,000 Advance Loan Facility, Blue Goose Capital Corp.

Blue Goose has entered into a $14.8 million advance loan facility, maturing on July 1, 2017, with a Canadian financial institution and leading lender to the agriculture industry. Amounts borrowed pursuant to the credit facility are subject to variable interest rates with a weighted average rate of 4.2% at March 31, 2013. The facility is secured by a first charge mortgage against various real estate assets held by Blue Goose and by certain wholly-owned subsidiaries of Blue Goose, some of which have also provided guarantees in respect of amounts borrowed pursuant to the facility. In addition to the advance loan facility, the lender also provided Blue Goose with lending capacity to finance the acquisition of certain equipment. At March 31, 2013, Blue Goose had drawn $5,197,000 (December 31, 2012 – $75,000) pursuant to these arrangements. During the three months ended March 31, 2013, interest expense incurred in respect of this credit facility was $2,000 (three months ended March 31, 2012 – $nil).

$190,000,000 Revolving Term Credit Facility, Dundee Realty Corporation

Dundee Realty has established a revolving term credit facility available up to a formula based maximum not to exceed $190 million (December 31, 2012 – $190 million) with a Canadian Schedule I Chartered Bank. The facility bears interest, at Dundee Realty's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% (December 31, 2012 – 1.25%), or at the bank's then prevailing bankers' acceptance rate plus 2.50% (December 31, 2012 – 2.50%). The facility was renewed on February 1, 2012 and expires on November 30, 2013. The facility is secured by a general security agreement and a first charge against various real estate assets in western Canada.

At March 31, 2013, Dundee Realty had drawn $92,000,000 (December 31, 2012 – $45,000,000) against this facility and it had issued letters of credit of $92,106,000 (December 31, 2012 – $94,268,000). At March 31, 2013, available credit under the credit facility was $5,894,000. Interest expense relating to this revolving term credit facility during the three months ended March 31, 2013, was $732,000 (three months ended March 31, 2012 – $1,130,000).

Other Real Estate Debt

Other real estate debt is secured by charges on specific properties to which the debt relates. Mortgages, including land mortgages, are secured by charges on specific properties. Housing advances are secured by charges on specific land under development, housing and condominiums under development, or land held for development. Term debt is secured by charges on specific capital equipment. At March 31, 2013, the weighted average interest rate on fixed rate debt at Dundee Realty, aggregating $87,980,000 (December 31, 2012 – $86,940,000), was 5.62% (December 31, 2012 – 5.57%). The remaining real estate debt, including in respect of Dundee Realty's demand revolving term credit facilities, is subject to variable interest rates with a weighted average rate at March 31, 2013 of 3.59% (December 31, 2012 – 3.61%). Fixed rate debt matures between 2013 and 2016. Variable rate debt, including the revolving term credit facility, matures between 2013 and 2018.

During the three months ended March 31, 2013, Dundee Realty capitalized interest of $661,000 (three months ended March 31, 2012 – $691,000), including interest incurred on its revolving term credit facility and on other real estate debt, to the carrying value of certain real estate assets.

18. DECOMMISSIONING LIABILITIES

	As at and for the three months ended March 31, 2013	As at and for the year ended December 31, 2012
Discount rates applied to future obligations	*1.01% - 2.34%*	*1.13% - 2.27%*
Inflation rate	*2.00%*	*2.00%*
Discounted future obligations, beginning of period	$ 44,739	$ 45,234
Effect of changes in estimates and		
remeasurement of discount and foreign exchange rates	(936)	562
Liabilities settled (reclamation expenditures)	(124)	(2,000)
Accretion (interest expense)	225	943
Discounted future obligations, end of period	$ 43,904	$ 44,739

19. PREFERENCE SHARES

The terms of the Corporation's preference shares are summarized in note 19 to the Corporation's 2012 Audited Consolidated Financial Statements.

Issued and Outstanding First Preference Shares, Series 1 ("Preference Shares, series 1")

	Number of Shares	Par Value	Issue Costs	Premium	Carrying Value
Balance as at December 31, 2011	6,000,000	$ 150,000	$ (2,134)	$ 557	$ 148,423
Amortization for the three months ended March 31, 2012	-	-	118	(31)	87
Balance as at March 31, 2012	6,000,000	150,000	(2,016)	526	148,510
Amortization for the period from April 1, 2012 to December 31, 2012	-	-	356	(93)	263
Balance as at December 31, 2012	6,000,000	150,000	(1,660)	433	148,773
Amortization for the three months ended March 31, 2013	-	-	119	(31)	88
Balance as at March 31, 2013	6,000,000	$ 150,000	$ (1,541)	$ 402	$ 148,861

Issued and Outstanding First Preference Shares, Series 2 ("Preference Shares, series 2")

	Number of Shares	Par Value	Issue Costs	Carrying Value
Balance as at March 31, 2013 and December 31, 2012	5,200,000	$ 130,000	$ (2,932)	$ 127,068

20. SHARE CAPITAL

The terms of the Corporation's Class A subordinate voting shares ("Subordinate Shares") and Class B common shares ("Class B Shares"), and significant transactions in respect thereof during the year ended December 31, 2012, are summarized in note 20 to the Corporation's 2012 Audited Consolidated Financial Statements.

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2011	51,736,024	$ 202,414	3,116,837	$ 8,159	54,852,861	$ 210,573
Transactions during the three months ended March 31, 2012						
Issuance of shares under the share incentive plan	1,456	35	-	-	1,456	35
Options exercised	112,000	634	-	-	112,000	634
Conversion from Class B Shares to Subordinate Shares	395	1	(395)	(1)	-	-
Outstanding March 31, 2012	**51,849,875**	**203,084**	**3,116,442**	**8,158**	**54,966,317**	**211,242**
Transactions during the period from April 1, 2012 to December 31, 2012						
Redeemed pursuant to normal course issuer bid	(912,900)	(3,646)	-	-	(912,900)	(3,646)
Issuance of shares under the share incentive plan	4,394	105	-	-	4,394	105
Options exercised	5,000	67	-	-	5,000	67
Conversion from Class B Shares to Subordinate Shares	109	-	(109)	-	-	-
Outstanding December 31, 2012	**50,946,478**	**199,610**	**3,116,333**	**8,158**	**54,062,811**	**207,768**
Transactions during the three months ended March 31, 2013						
Issuance of shares under the share incentive plan	1,038	35	-	-	1,038	35
Outstanding March 31, 2013	**50,947,516**	**$ 199,645**	**3,116,333**	**$ 8,158**	**54,063,849**	**$ 207,803**

Normal Course Issuer Bid

On March 28, 2013, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from April 1, 2013 to March 31, 2014. Subject to certain conditions, the Corporation may purchase up to a maximum of 2,704,138 Subordinate Shares pursuant to these arrangements, representing approximately 10% of its public float at the time approval for the normal course issuer bid was granted.

Share Purchase Plan

As part of its share incentive arrangements, the Corporation established a share purchase plan pursuant to which eligible participants may contribute up to a specified maximum amount of their basic annual salary towards the purchase of Subordinate Shares of the Corporation, either from treasury or in the open market, at the discretion of the Corporation. Compensation expense associated with the share purchase plan during the three months ended March 31, 2013 was $181,000 (three months ended March 31, 2012 – $145,000).

During the three months ended March 31, 2013, the Corporation issued 1,038 (three months ended March 31, 2012 – 1,456) Subordinate Shares from treasury pursuant to the share purchase plan, with the balance of the amounts contributed to the share purchase plan being used to purchase shares in the open market.

21. ACCUMULATED OTHER COMPREHENSIVE INCOME

	Net unrealized (loss) gains, net of taxes				
	Available-for-Sale Securities	Equity Accounted Investments	Foreign Currency Translation	Non-controlling Interest	Total
Balance at December 31, 2011	$ (64,895)	$ (4,008)	$ (547)	$ 2,306	$ (67,144)
Transactions during the three months ended March 31, 2012					
Other comprehensive income	104,184	(3,896)	(696)	212	99,804
Balance at March 31, 2012	39,289	(7,904)	(1,243)	2,518	32,660
Transactions during the period from April 1, 2012 to December 31, 2012					
Other comprehensive income	(16,080)	(1,316)	15	(19)	(17,400)
Balance at December 31, 2012	23,209	(9,220)	(1,228)	2,499	15,260
Transactions during the three months ended March 31, 2013					
Other comprehensive income	(20,566)	(392)	754	(226)	(20,430)
Balance at March 31, 2013	**$ 2,643**	**$ (9,612)**	**$ (474)**	**$ 2,273**	**$ (5,170)**

22. NON-CONTROLLING INTEREST

As at	March 31, 2013	December 31, 2012
Non-controlling interest in:		
Dundee Realty Corporation	$ 115,073	$ 108,537
Dundee Energy Limited	24,378	24,834
Blue Goose Capital Corp.	10,932	9,641
Other	4,044	4,152
	$ 154,427	**$ 147,164**

23. REVENUES

For the three months ended	March 31, 2013	March 31, 2012
Management fees	$ 14,987	$ 18,224
Financial services	14,625	32,554
Real estate	111,651	57,643
Oil and gas, net of royalties	7,359	8,074
Agriculture	2,502	1,201
Interest and dividends	12,853	13,587
	$ 163,977	**$ 131,283**

24. COST OF SALES

For the three months ended	March 31, 2013	March 31, 2012
Variable compensation	$ 8,696	$ 17,849
Real estate expenses	86,409	47,948
Oil and gas expenses	2,848	3,045
Agriculture expenses	4,818	1,650
	$ 102,771	**$ 70,492**

25. SHARE INCENTIVE PLAN ARRANGEMENTS

The terms of the Corporation's share based compensation plans are summarized in note 25 to the Corporation's 2012 Audited Consolidated Financial Statements.

Stock Based Compensation

During the three months ended March 31, 2013, the Corporation recognized stock based compensation expense of $430,000 (three months ended March 31, 2012 – $556,000) related to share incentive arrangements, before similar arrangements of its subsidiaries, as described in the following table.

For the three months ended	March 31, 2013	March 31, 2012
Share option plan	$ 256	$ 275
Deferred share unit plan	174	281
	$ 430	**$ 556**

Share Option Plan

There were no share option awards granted in the three months ended March 31, 2013 and the year ended December 31, 2012. A summary of the status of the Corporation's share option plan as at March 31, 2013 and December 31, 2012, and the changes during the periods then ended, are as follows:

	Three months ended March 31, 2013		Year ended December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,285,000	$9.40	1,402,000	$9.09
Exercised	-	-	(117,000)	$5.58
Outstanding, end of period	**1,285,000**	**$9.40**	**1,285,000**	**$9.40**
Exercisable options	759,000	$9.40	759,000	$9.40

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Options Exercisable
Options issued with an exercise price of $9.40	1,265,000	1.87	749,000
Options issued with an exercise price of $9.67	20,000	1.87	10,000

Deferred Share Unit Plan

The Corporation did not issue any deferred share units (“DSUs”) during the three months ended March 31, 2013. At March 31, 2013 and December 31, 2012, there were 1,224,644 DSUs outstanding.

Share Option Plan of Dundee Energy

Dundee Energy has established a share incentive plan for its directors, officers and employees. As at March 31, 2013, Dundee Energy had 3,715,000 (December 31, 2012 – 3,815,000) share options outstanding at a weighted average exercise price of $0.77 (December 31, 2012 – $0.77), of which 3,448,332 share options were exercisable at March 31, 2013 (December 31, 2012 – 3,548,332). Dundee Energy also has a deferred share unit plan pursuant to which, at March 31, 2013, there were 945,310 (December 31, 2012 – 945,310) DSUs outstanding.

During the three months ended March 31, 2013, compensation expense of $50,000 (three months ended March 31, 2012 – $106,000) was recognized in respect of Dundee Energy’s share option arrangements and deferred share unit arrangements.

Stock Based Compensation of Other Subsidiaries

From time to time, other subsidiaries of the Corporation may incur stock based compensation expense pursuant to their respective share incentive plan arrangements. During the three months ended March 31, 2013, these subsidiaries incurred stock based compensation expense of $48,000 (three months ended March 31, 2012 – $173,000) relating to options granted pursuant to these arrangements.

26. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

For the three months ended	March 31, 2013	March 31, 2012
Salary and salary-related	$ 18,914	$ 16,914
Corporate and professional fees	6,557	7,959
General office	10,493	7,863
Capitalized expenditures	(3,142)	(3,224)
Expense recoveries	(375)	(445)
Other	1,767	2,491
	$ 34,214	$ 31,558

27. INCOME TAXES

During the three months ended March 31, 2013, the Corporation recognized an income tax recovery amount of $1,324,000 (three months ended March 31, 2012 – income tax expense of $14,911,000), the major components of which include the following items:

For the three months ended	March 31, 2013	March 31, 2012
Current income tax expense	$ 1,284	$ 4,968
Deferred income tax (recovery) expense	(2,608)	9,943
Total income tax (recovery) expense	**$ (1,324)**	**$ 14,911**

The income tax (recovery) expense amount on pre-tax earnings differs from the income tax (recovery) expense amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26% (March 31, 2012 – 26%), as a result of the following items:

For the three months ended	March 31, 2013	March 31, 2012
Earnings before tax at statutory rate of 26%		
(2012 – 26%)	$ (1,711)	$ 13,244
Effect on taxes of:		
Non-deductible expenses	1,394	2,126
Non-taxable revenue	(3,014)	(3,570)
Remeasurement of deferred income taxes	(199)	(314)
Net income tax not previously recognized	(343)	12
Net Part IV tax, net of dividend refund of $1,357 (2012 – $1,357)	715	2,355
Change in unrecognized temporary differences	1,123	740
Other differences	711	318
Income tax (recovery) expense	**$ (1,324)**	**$ 14,911**

Significant components of the Corporation's deferred income tax assets and liabilities are as follows:

As at	March 31, 2013	December 31, 2012
Deferred income tax assets		
Loss carry forwards	$ 12,219	$ 10,043
Capital and other assets	1,676	1,384
Non-deductible reserves	1,434	1,421
Accrued liabilities	3,593	3,235
Other	16,498	16,024
Total deferred income tax assets	35,420	32,107
Deferred income tax liabilities		
Investments including equity accounted investments	(101,997)	(105,072)
Real estate assets	(56,440)	(58,679)
Other	(19,390)	(21,594)
Total deferred income tax liabilities	(177,827)	(185,345)
Net deferred income tax liabilities	**$ (142,407)**	**$ (153,238)**

A deferred income tax asset is only recognized when management believes it is more likely than not that the benefit will be recognized.

At March 31, 2013, the Corporation had operating loss carry forwards of $64,688,000 (December 31, 2012 – $52,199,000). Operating loss carry forwards by year of expiry are summarized below.

Year of Expiry:	Recognized	Unrecognized	Total
2014	$ -	$ 9	$ 9
2015	-	40	40
Thereafter	40,479	24,160	64,639
	$ 40,479	$ 24,209	$ 64,688

28. NET EARNINGS PER SHARE

For the three months ended	March 31, 2013	March 31, 2012
Net earnings attributable to owners of the parent	$ (10,227)	$ 32,461
Less: dividends on Preference Shares, series 2	(2,194)	(2,194)
	$ (12,421)	$ 30,267
Weighted average number of shares outstanding during the period	54,063,272	54,929,483
Basic earnings per share	$ (0.23)	$ 0.55
Effect of dilutive securities on weighted average number of shares outstanding during the period	n/a	1,950,800
Diluted earnings per share	n/a	$ 0.53

29. SUPPLEMENTAL CASH FLOW INFORMATION

Items not affecting Cash and Other Adjustments

For the three months ended	March 31, 2013	March 31, 2012
Loss on sale of equity accounted investment	$ 24	$ 71
Distributions from equity accounted investments	6,856	5,237
Depreciation and depletion	5,799	5,728
Realized (loss) gains from investments	36,057	(21,576)
Share of earnings from equity accounted investments	(12,009)	(10,630)
Fair value changes in investment properties	16	(2,004)
Fair value changes in livestock	(1,692)	(987)
Deferred income taxes	(2,608)	9,943
Stock based compensation	528	835
Other	222	833
	$ 33,193	**$ (12,550)**

Changes in Non-Cash Working Capital Items

For the three months ended	March 31, 2013	March 31, 2012
Accounts receivable	$ 18,121	$ (15,090)
Accounts payable and accrued liabilities	(25,203)	23,931
Bank indebtedness	80,639	24,497
Income taxes receivable (payable)	(61,553)	(6,483)
Brokerage securities owned and sold short, net	2,925	(35,787)
Client accounts receivable, net of client deposits and related liabilities	14,970	(25,872)
Land, housing and condominium inventory	(19,837)	(7,943)
Other real estate working capital	(53,642)	24,329
Other agricultural working capital	1,039	948
	$ (42,541)	**$ (17,470)**

30. FINANCIAL INSTRUMENTS

The following table provides information about financial assets and liabilities measured at market value in the Corporation's statement of financial position and categorized by level according to the significance of the inputs used in making the measurements:

	As at March 31, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Brokerage securities owned	$ 70,505	$ 44,973	$ 25,532	$ -
Investments				
Publicly traded debt securities	47,358	47,358	-	-
Equity securities in public entities	771,834	771,834	-	-
Equity securities in private entities	264,875	-	264,875	-
Equity securities in short-term investments and mutual funds	6,309	6,309	-	-
Warrants	20,023	18,758	1,265	-
Other derivative financial assets	4,946	-	4,946	-
Financial Liabilities				
Brokerage securities sold short	(16,338)	(2,153)	(14,185)	-

The Corporation used the following techniques to value financial instruments categorized in Level 2:

- Included in brokerage securities owned and brokerage securities sold short are certain bonds which have been classified as Level 2. The estimated marked-to-market value of bonds was determined by obtaining quotes from third-parties for similar instruments.
- The Corporation's portfolio of investments includes equities in private entities, many of which are in the start up phase. The Corporation carries these investments at their original cost unless there is observable evidence, by way of a subsequent private placement or a "grey market trade" of a change to the underlying market value of the investment.
- The estimated fair value of warrants is determined using a modified Black Sholes option pricing model.
- Other derivative financial assets are calculated using a discounted cash flow model based on observable commodity prices or interest yield curves, as appropriate.

A detailed description of the Corporation's financial assets and financial liabilities and its associated risk management in respect thereof are provided in note 31 to the 2012 Audited Consolidated Financial Statements. There have been no significant changes in the business and economic circumstances and the related financial risks that affect the Corporation's financial assets and financial liabilities since December 31, 2012.

31. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as the aggregate of its shareholders' equity and interest bearing debt, including outstanding preference shares. The following table summarizes the carrying value of the Corporation's capital as at March 31, 2013 and December 31, 2012.

As at	March 31, 2013	December 31, 2012
Shareholders' equity	$ 1,835,366	$ 1,867,985
Corporate debt	481,033	333,062
Preference Shares, series 1	148,861	148,773
	$ 2,465,260	**$ 2,349,820**

The Corporation's objectives when managing capital include (i) ensuring that the Corporation and all of its regulated entities meet relevant regulatory capital requirements; (ii) ensuring that the Corporation is able to meet its financial obligations as they become due, whilst ensuring compliance with all applicable debt covenants; (iii) ensuring that the Corporation has sufficient capital to manage business activities in each of its operating segments; (iv) ensuring that the Corporation has sufficient capital available to benefit from acquisition opportunities, should they arise; and (v) ensuring adequate returns for shareholders. The Corporation regularly assesses its capital management practices in response to changing economic conditions.

Certain of the Corporation's subsidiaries are subject to regulatory capital requirements. Compliance with these requirements requires that the subsidiaries maintain sufficient cash and other liquid assets on hand to maintain regulatory capital requirements, rather than using these liquid assets in connection with its business or otherwise. As at March 31, 2013 and December 31, 2012, the Corporation and its subsidiaries complied with all regulatory capital requirements and all debt covenants.

32. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

A description of the Corporation's commitments, contingencies and off-balance sheet arrangements is provided in note 33 to the Corporation's 2012 Audited Consolidated Financial Statements. The following provides a summary of material changes to these items as at March 31, 2013.

Land Purchase Agreements and Estimated Costs to Complete

Dundee Realty had commitments under land purchase agreements totalling $35,573,000 as at March 31, 2013 (December 31, 2012 – $46,851,000) which will become payable in future periods on the satisfaction of certain conditions pursuant to these agreements.

Letters of Credit and Surety Bonds

Dundee Realty is contingently liable for letters of credit and surety bonds that have been provided to support land and condominium developments in the amount of $76,673,000 at March 31, 2013 (December 31, 2012 – $80,690,000). Dundee Realty is also contingently liable for letters of credit that have been provided to support its equity accounted investments in the amount of $45,174,000 (December 31, 2012 – $45,174,000).

Joint Ventures and Co-ownerships

Dundee Realty may conduct its real estate activities from time to time through joint ventures with third party partners. The Corporation is contingently liable for the obligations of the other owners of the unincorporated joint ventures in the amount of $68,950,000 as at March 31, 2013 (December 31, 2012 – $67,423,000). The Corporation would have available to it the other venturers' share of assets to satisfy the obligations that may arise.

Legal Contingencies

As part of a business reorganization completed in 2011, Dundee Capital Markets, the parent company of Dundee Securities, agreed to provide an indemnity with respect to certain claims. In 2011, Sino-Forest Corporation ("Sino-Forest") was delisted from the TSX, following allegations of securities violations. One of the parties indemnified by Dundee Capital Markets participated in underwriting syndicates in respect of several public equity offerings by Sino-Forest. The indemnified party is a defendant in at least one lawsuit brought by shareholders of Sino-Forest, alleging securities law and other violations. Sino-Forest received an order for creditor protection in March 2012 and its Companies' Creditors Arrangement Act plan was implemented in January 2013 and was recognized by the U.S. Bankruptcy Court under Chapter 11 of the U.S. Bankruptcy Code in March 2013. In April 2012, Sino-Forest and certain of its current and former executives received enforcement notices from the Ontario Securities Commission and the regulator commenced formal proceedings against them alleging fraud and securities law violations in May 2012. Dundee Capital Markets cannot reliably estimate the timing and quantification of any exposure it may have as a result of the Sino-Forest underwritings.

The Corporation is also a defendant in various other legal actions. The defenses to these claims and the quantification of damages are yet to be determined and the amount of the loss, if any, cannot be determined at this time. The Corporation intends to vigorously defend itself against all legal claims. Although the ultimate outcome of these matters cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management, based on information currently available, that these are not material liabilities, adequate provisions have been made for any liabilities and the resolution of these matters will not have a material adverse effect on the consolidated financial position of the Corporation.

33. RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 34 to the Corporation's 2012 Audited Consolidated Financial Statements.

34. SEGMENTED INFORMATION

The Corporation's reportable business segments are organized in a manner that reflects how management views those business activities. The tabular information that follows shows data of reportable segments reconciled to amounts reflected in these consolidated financial statements.

Business Entity	*Business Activity*
Dundee Realty Corporation	70%-owned private subsidiary operating in the land and housing business both in Canada and the United States
Dundee Energy Limited	57%-owned publicly listed subsidiary in the oil and gas industry with operations in southern Ontario and Spain
Eurogas International Inc.	53%-owned publicly listed subsidiary engaged in oil and gas exploration in Tunisia
Nichromet Extraction Inc.	75%-owned private subsidiary developing patented sustainable precious and base metals extraction processes
Blue Goose Capital Corp.	85%-owned private subsidiary operating in organic and natural protein production markets for beef, chicken and fish
Goodman Investment Counsel Inc.	100%-owned private subsidiary registered as a portfolio manager and exempt market dealer across Canada and an investment fund manager in Ontario, Quebec and Newfoundland
Dundee Securities Ltd.	100%-owned private subsidiary and a full-service Canadian investment dealer registered with the Investment Industry Regulatory Organization of Canada
Corporate and Other Portfolio Holdings	Investments in public and private equity and debt securities in diversified industry segments

Segmented Operations for the three months ended March 31, 2013

	Revenue	Cost of Sales	Other Amounts in Earnings	Net Earnings
Real estate industry				
Dundee Realty Corporation	$ 124,246	$ (87,820)	$ (8,338)	$ 28,088
Resource industry				
Dundee Energy Limited	7,428	(2,848)	(6,016)	(1,436)
Eurogas International Inc.	-	-	(196)	(196)
Nichromet Extraction Inc.	1	-	(995)	(994)
Agriculture industry				
Blue Goose Capital Corp.	2,502	(4,818)	(68)	(2,384)
Asset management and capital markets				
Goodman Investment Counsel Inc.	1,315	-	(2,252)	(937)
Dundee Securities Ltd.	20,638	(8,696)	(16,145)	(4,203)
	156,130	(104,182)	(34,010)	17,938
Corporate and other portfolio holdings	11,749	-	(36,144)	(24,395)
Intersegment	(3,902)	1,411	2,491	-
	$ 163,977	$ (102,771)	$ (67,663)	$ (6,457)
		Income tax recovery		1,324
		Non-controlling interest		(5,094)
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				$ (10,227)

Segmented Operations for the three months ended March 31, 2012

	Revenue	Cost of Sales	Other Amounts in Earnings	Net Earnings
Real estate industry				
Dundee Realty Corporation	$ 71,955	$ (48,968)	$ (5,734)	$ 17,253
Resource industry				
Dundee Energy Limited	8,111	(3,045)	(5,589)	(523)
Eurogas International Inc.	-	-	(255)	(255)
Nichromet Extraction Inc.	4	-	(923)	(919)
Agriculture industry				
Blue Goose Capital Corp.	1,201	(1,650)	(267)	(716)
Asset management and capital markets				
Goodman Investment Counsel Inc.	1,032	-	(1,492)	(460)
Dundee Securities Ltd.	37,537	(17,849)	(15,923)	3,765
	119,840	(71,512)	(30,183)	18,145
Corporate and other portfolio holdings	13,525	-	18,780	32,305
Intersegment	(2,082)	1,020	1,062	-
	$ 131,283	$ (70,492)	$ (10,341)	$ 50,450
		Income tax expense		(14,911)
		Non-controlling interest		(3,078)
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				$ 32,461

Segmented Net Assets as at March 31, 2013

	ASSETS				LIABILITIES			
	Cash	Investments	Other Assets	TOTAL	Corporate Debt	Deferred Income Taxes	Other Liabilities	TOTAL
Real estate industry								
Dundee Realty Corporation	$ 4,951	$ 72,718	$ 880,933	$ 958,602	$ (281,281)	$ (59,537)	$ (168,449)	$ (509,267)
Resource industry								
Dundee Energy Limited	170	-	157,811	157,981	(62,834)	9,638	(47,899)	(101,095)
Eurogas International Inc.	70	-	10,827	10,897	-	-	(512)	(512)
Nichromet Extraction Inc.	1,310	-	7,349	8,659	-	-	(208)	(208)
Agriculture industry								
Blue Goose Capital Corp.	-	-	84,403	84,403	(8,942)	-	(3,688)	(12,630)
Asset management and capital markets								
Goodman Investment Counsel Inc.	-	-	19,685	19,685	-	1,093	(4,450)	(3,357)
Dundee Securities Ltd.	15,950	-	423,407	439,357	-	4,239	(506,399)	(502,160)
Corporate and other portfolio holdings	14,294	1,755,669	72,103	1,842,066	(127,976)	(97,840)	(176,812)	(402,628)
TOTAL	$ 36,745	$ 1,828,387	$ 1,656,518	$ 3,521,650	$ (481,033)	$ (142,407)	$ (908,417)	$ (1,531,857)

Segmented Net Assets as at December 31, 2012

	ASSETS				LIABILITIES			
	Cash	Investments	Other Assets	TOTAL	Corporate Debt	Deferred Income Taxes	Other Liabilities	TOTAL
Real estate industry								
Dundee Realty Corporation	$ 8,487	$ 67,388	$ 816,874	$ 892,749	$ (233,573)	$ (63,709)	$ (168,027)	$ (465,309)
Resource industry								
Dundee Energy Limited	125	-	160,204	160,329	(62,633)	9,276	(49,283)	(102,640)
Eurogas International Inc.	8	-	10,373	10,381	-	-	(140)	(140)
Nichromet Extraction Inc.	1,377	-	7,198	8,575	-	-	(216)	(216)
Agriculture industry								
Blue Goose Capital Corp.	-	-	62,204	62,204	(1,067)	-	(3,535)	(4,602)
Asset management and capital markets								
Goodman Investment Counsel Inc.	-	-	1,166	1,166	-	854	(3,812)	(2,958)
Dundee Securities Ltd.	21,435	-	459,763	481,198	-	4,173	(444,151)	(439,978)
Corporate and other portfolio holdings	10,392	1,690,864	20,440	1,721,696	(35,789)	(103,832)	(167,685)	(307,306)
TOTAL	$ 41,824	$ 1,758,252	$ 1,538,222	$ 3,338,298	$ (333,062)	$ (153,238)	$ (836,849)	$ (1,323,149)

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