



**DUNDEE CORPORATION ANNOUNCES POSTPONEMENT OF SPECIAL MEETING
AND
PROPOSED AMENDED TERMS TO ITS SERIES 4 PREFERRED SHARE EXCHANGE TRANSACTION**

Toronto, Ontario – January 6, 2016 – Dundee Corporation (DC.A, DC.PR.C) (“**Dundee**” or the “**Company**”) today announced the postponement of its special meeting of holders of its First Preference Shares, Series 4 par value of \$17.84 (the “**Series 4 Preferred Shares**” and the holders thereof, the “**Series 4 Preferred Shareholders**”), which was originally scheduled for January 7, 2016 until January 28, 2016 in order for Series 4 Preferred Shareholders to consider amendments to the terms of the Company’s previously announced preferred share exchange transaction (the “**Amended Exchange Transaction**”). The December 3, 2015 record date will remain the same. The amendment follows consultations with a number of the Series 4 Preferred Shareholders. The terms of the Amended Exchange Transaction are outlined below:

- In consideration for extending the date on which the Series 4 Preferred Shares would become retractable by the holder thereof, being June 30, 2016, for an additional three year period to June 30, 2019, each Series 4 Preferred Shareholder will exchange their Series 4 Preferred Share pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) for:
 - 0.7136 of a First Preference Share, Series 5 par value \$25.00 (the “**Series 5 Preferred Shares**” and each holder thereof a “**Series 5 Preferred Shareholder**”); plus
 - 0.25 of a subordinate voting share purchase warrant (“**Warrant**”), each whole Warrant entitling the holder thereof to purchase one class A subordinate voting share of the Company (a “**Subordinate Voting Share**”) at a price of \$6.00 per Subordinate Voting Share at any time on or prior to 5:00 p.m. (Toronto time) on June 30, 2019. The Company is applying to the Toronto Stock Exchange (the “**TSX**”) for the listing of the Warrants.

The Terms of the Series 5 Preferred Shares

The rights, privileges, restrictions and conditions of the Series 5 Preferred Shares are identical to those of the Series 4 Preferred Shares, except that:

- The cumulative dividend rate will increase from 5.0% to 7.5% per annum, being an annual dividend of \$1.875 per Series 5 Preferred Share, or a quarterly dividend of \$0.46875 per Series 5 Preferred Share;
- Up to 15% of the then outstanding Series 5 Preferred Shares of each Series 5 Preferred Shareholder will be subject to redemption at the holder’s option for its par value on June 30, 2016;
- A further 17% of the then outstanding Series 5 Preferred Shares of each Series 5 Preferred Shareholder will be subject to redemption at the holder’s option for its par value on January 31, 2018; and
- The Series 5 Preferred Shares will be redeemable by Dundee at (i) \$25.75 per share if redeemed prior to June 30, 2017, (ii) \$25.50 per share if redeemed on or after June 30, 2017 and prior to June 30, 2018, (iii) \$25.25 per share if redeemed on or after June 30, 2018 and prior to June 30, 2019, and (iv) \$25.00 per share if redeemed on or after June 30, 2019, plus, in each case, an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption. Currently, the Series 4 Preferred Shares are redeemable by the Company at par together with any accrued and unpaid dividends to but excluding the redemption date.

Consent Payments

The one-time consent fee of up to 1.25% that would have been payable to Series 4 Preferred Shareholders who voted in favour of the prior proposal has been replaced by a 1.5% per year increase in the dividend rate payable to all Series 5 Preferred Shareholders in the event that the Amended Exchange Transaction proceeds. If the Amended Exchange Transaction is completed, Dundee will make certain payments (the “**Consent Payments**”) to the brokers, investment dealers, banks, trust companies or other intermediaries of the Series 4 Preferred Shareholders (collectively, the “**Intermediaries**”), subject to certain procedures and conditions which will be outlined in the revised Circular (as defined below):

- a Consent Payment of \$0.1784 per Series 4 Preferred Share, representing 1.00% of the par value of the Series 4 Preferred Shares, will be paid by Dundee to Intermediaries in respect of each Series 4 Preferred Share that is voted FOR the Arrangement Resolution (as defined below) on or prior to January 21, 2016, provided such vote is valid and is not subsequently withdrawn; and
- a Consent Payment of \$0.0892 per Series 4 Preferred Share, representing 0.50% of the par value of the Series 4 Preferred Shares, will be paid by Dundee to Intermediaries in respect of each Series 4 Preferred Share that is voted FOR the Arrangement Resolution after January 21, 2016 but on or prior to the proxy cut off time of 9:00 a.m. (Toronto time) on January 26, 2016, provided such vote is valid and is not subsequently withdrawn.

The Postponed Meeting

In connection with the Amended Exchange Transaction, a special meeting of the Series 4 Preferred Shareholders has been scheduled for 9:00 a.m. (Toronto time) on January 28, 2016 (the “**Meeting**”), at the offices of Dundee Corporation, 1 Adelaide St. East, Suite 2100, Toronto, Ontario, Canada, M5C 2V9. The Amended and Restated Management Information Circular of the Company (the “**Circular**”) for the postponed Meeting will be mailed to the Series 4 Preferred Shareholders and filed on SEDAR shortly.

Series 4 Preferred Shareholders are encouraged to vote regardless of how many Series 4 Preferred Shares they own. Series 4 Preferred Shareholders should follow the instructions on the voting instruction form to be provided by their Intermediary to ensure their vote is counted at the Meeting.

Due to the changes in the proposed terms, any votes and any dissents previously submitted by Series 4 Preferred Shareholders in accordance with the instructions provided in the previous management information circular dated December 3, 2015 will not apply to the amended terms. Shareholders can anticipate receiving a new voting instruction form and control number in the mail. Even if Series 4 Preferred Shareholders have voted previously, in order for their vote to count, they must use the new voting instruction form to instruct their Intermediary how to vote on their behalf. Series 4 Preferred Shareholders who wish to vote or dissent in respect of the Amended Exchange Transaction should refer to the instructions in the Circular on how to do so.

To be effective, the Amended Exchange Transaction must be approved by a resolution (the “**Arrangement Resolution**”) passed at the postponed Meeting by not less than two-thirds (66^{2/3}%) of the votes validly cast by the Series 4 Preferred Shareholders present in person or represented by proxy.

The completion of the Amended Exchange Transaction is conditional on, among other things, the holders of the Series 4 Preferred Shares approving the Arrangement Resolution, the approval of the TSX, dissent rights not having been exercised with respect to more than 10% of the issued and outstanding Series 4 Preferred Shares, any required lender approvals and other customary conditions (unless waived by the Company).

Reasons for the Amended Exchange Transaction

The Company has engaged GMP Securities L.P. ("**GMP**") as its financial advisor and dealer manager, and Shorecrest Group Ltd. as its proxy advisor and paying agent in connection with the Amended Exchange Transaction.

The board of directors of Dundee (the "**Board of Directors**") has unanimously determined that the Amended Exchange Transaction is fair to the Series 4 Preferred Shareholders (as well as to the holders of all other classes and series of shares) and is in the best interests of Dundee, and unanimously recommends that the Series 4 Preferred Shareholders vote FOR the Arrangement Resolution. The determination of the Board of Directors is based on various factors, including a fairness opinion prepared by GMP.

By recommending the Arrangement Resolution to the Series 4 Preferred Shareholders, the Board of Directors believes the Arrangement Resolution provides a number of anticipated benefits to the Series 4 Preferred Shareholders, including, without limitation, the following:

- (a) The Series 5 Preferred Shares will have a dividend rate of 7.5% per annum, which is greater than the current dividend rate on the Series 4 Preferred Shares of 5% per annum;
- (b) Each Series 4 Preferred Share (each having a par value and redemption price of \$17.84 per Series 4 Preferred Share) will be exchanged for (i) 0.7136 of a Series 5 Preferred Share par value \$25.00, aligning with standard market convention; plus (ii) 0.25 of a Warrant, each whole Warrant entitling the holder thereof to purchase one Subordinate Voting Share at a price of \$6.00 per Subordinate Voting Share at any time prior to 5:00 p.m. (Toronto time) on June 30, 2019;
- (c) Up to 15% of the then outstanding Series 5 Preferred Shares of each Series 5 Preferred Shareholder will be subject to redemption at the holder's option for its par value on June 30, 2016;
- (d) Up to an additional 17% of the then outstanding Series 5 Preferred Shares of each Series 5 Preferred Shareholder will be subject to redemption at the holder's option for its par value on January 31, 2018; and
- (e) Currently, the Series 4 Preferred Shares are redeemable by the Company at its option at par, together with any accrued and unpaid dividends to but excluding June 30, 2016. The Company will not be able to redeem the Series 5 Preferred Shares at its option prior to June 30, 2019 unless it pays a redemption premium over par.

The Board of Directors also believes that the Arrangement Resolution provides a number of anticipated benefits to the Company and indirect benefits to the holders of the other classes (and series) of shares of the Company as follows:

- (a) By extending the retraction date of the Series 4 Preferred Shares through the issuance of the Series 5 Preferred Shares from June 30, 2016 to June 30, 2019, the Company can repurpose certain capital that would have been needed should the holders have required the Company to redeem the Series 4 Preferred Shares on or after June 30, 2016 at the par price of \$17.84 per Series 4 Preferred Share;
- (b) The Company will maintain financial flexibility for future opportunistic business developments; and
- (c) The Series 5 Preferred Shares will continue to be serviceable at an attractive cost of capital.

About Dundee Corporation

Dundee Corporation is a public Canadian independent holding company listed on the Toronto Stock Exchange. Through its operating subsidiaries, Dundee Corporation is engaged in diverse business activities in the areas of its core competencies including investment advisory and corporate finance, energy, resources, agriculture, real estate and infrastructure. Dundee Corporation also holds, directly and indirectly, a portfolio of investments mostly in these core focus areas, as well as other select investments in both publicly listed and private companies.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects Dundee Corporation's current expectations regarding future events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dundee Corporation's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the likelihood, and anticipated timing, of closing of the Amended Exchange Transaction, and the factors discussed under "Risk Factors" in the 2014 Annual Information Form of Dundee Corporation and subsequent filings made with securities commissions in Canada. Dundee Corporation does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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