



MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

DUNDEE CORPORATION

Management's Discussion and Analysis

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

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of March 28, 2018 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2017 (the "2017 Audited Consolidated Financial Statements"), which have been prepared using International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in Canadian dollars unless otherwise specified. Tabular dollar amounts, unless otherwise specified, are in thousands of dollars, except for per share or per unit amounts. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the "Cautionary Note Regarding Forward Looking Statements" section later in this MD&A for further information.

STRATEGY

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

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

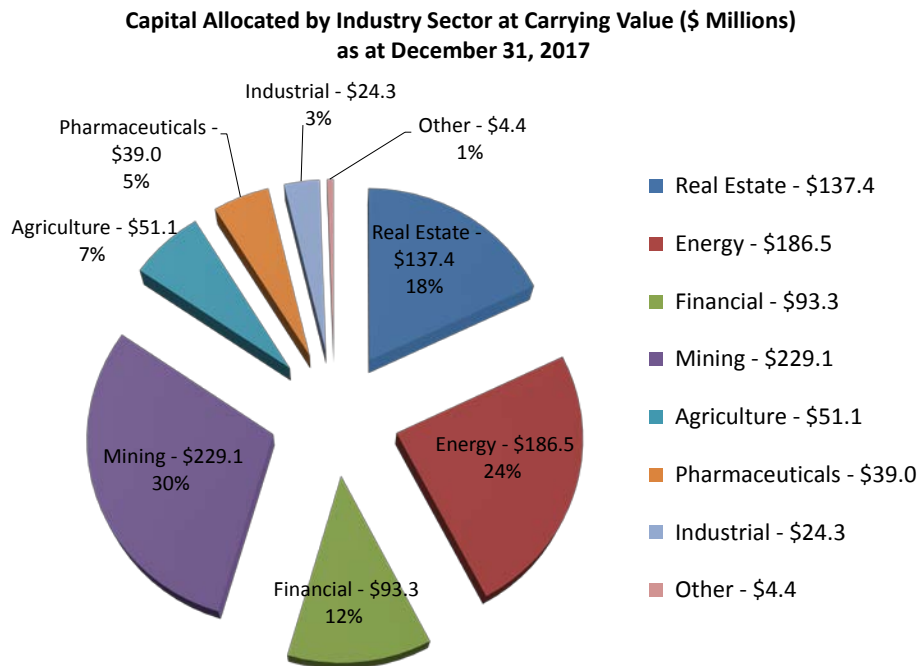
Dundee Corporation has traditionally been the sole source of capital for its investee companies. More recently, the Corporation has placed increased emphasis on investing its capital alongside industry or financial partners. In so doing, the Corporation has helped to mitigate its risk by no longer being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

During 2017, the Corporation continued to focus on the rationalization of its merchant capital portfolio. As part of this process, the Corporation is focused on investments which it considers core to its expertise and aligned with its ability to generate sustainable growth and value for shareholders. This involves the ongoing disposition of various non-core assets and the exiting of certain businesses, allowing for the redeployment of capital into other holdings, as well as the reallocation of management time.

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

The Corporation continues to take steps at the corporate level to transition and reposition its cost profile. These steps are consistent with the broader strategic goal of transforming the operating structure to adopt a leaner organizational framework that is more reflective of a holding company structure. In 2017, the Corporation made additional reductions in its head count, resulting in decreased general and administrative expenses. Furthermore, the Corporation has initiated efforts to significantly reduce costs associated with leased premises, the benefit of which will be realized in 2018 and forward.

DUNDEE CORPORATION'S CAPITAL ALLOCATED BY INDUSTRY SECTOR



UNDERSTANDING THE ALLOCATION OF DUNDEE CORPORATION'S CAPITAL

	Carrying Value December 31, 2017	Carrying Value December 31, 2016
1	<p>Operating Subsidiaries Operating subsidiaries are not recorded as individual investments in the Corporation's consolidated financial statements. Instead, the accounts of the operating subsidiary are consolidated with those of the Corporation on a line-by-line basis. For example, the revenue generated by an operating subsidiary is reported as revenue of the Corporation in the consolidated statement of operations.</p>	\$ 388,647
2	<p>Equity Accounted Investments Investments that are accounted for using the equity method are separately disclosed in the Corporation's consolidated statement of financial position as "Equity accounted investments". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee.</p>	\$ 151,183
3	<p>Investments All other investments are designated as "Investments" in the Corporation's consolidated statement of financial position. These investments may include investments in equity or debt securities of public or private companies in a variety of sectors. These investments are reported in the Corporation's consolidated financial statements at their estimated fair value.</p>	\$ 433,574
4	<p>Corporate Account Balances Corporate account balances represent balances of the Corporation's capital that are not directly attributable to a particular investment. These balances include cash held by the Corporation directly, offset by the Corporation's direct obligations, including obligations in respect of its credit facilities.</p>	\$ (113,904)
	\$ 736,560	\$ 859,500
	Less: Shareholders' equity attributable to holders of:	
	Preference Shares, series 2	(84,053)
	Preference Shares, series 3	(43,015)
	\$ 609,492	\$ 732,432
	Number of Class A Subordinate Shares and Class B Shares of the Corporation outstanding	
	Class A Subordinate Shares	55,701,603
	Class B Shares	3,114,804
	58,816,407	58,736,482
	\$ 10.36	\$ 12.47

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

PERFORMANCE MEASURES

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

- **“AUA” or “Assets under Administration”** represent the approximate period-end 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 value of client assets managed by the Corporation’s wealth management and asset management subsidiaries on a discretionary basis and in respect of which these subsidiaries earn management fee revenue and, in certain cases, performance fee revenue. AUM are not included in the Corporation’s consolidated statements of financial position.
- **“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.
- **“Contingent Resources”** are those quantities of oil estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
- **“Contingent Resources - 2C”** are considered to be the best estimate of the quantity that will actually be recovered from the Contingent Resources. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.
- **“Contingent Resources - 3C”** are considered to be the optimistic estimate of the quantity that will actually be recovered from the Contingent Resources. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability that the quantities actually recovered will equal or exceed the high estimate.
- **“Contingent Resources - 3C net of 2C”** are considered to be the additional quantity of 3C that will actually be recovered above the 2C.
- **“Contribution Margin” or “Margin”** is an important measure of earnings in certain business segments and generally represents core revenues less cost of sales. Margin generally excludes general and administrative expenses, interest expense, and income taxes and may also exclude depreciation and depletion of assets not directly associated with the activities of producing or extracting product for sale.
- **“Earnings Before Interest, Taxes, Depreciation and Amortization” or “EBITDA”** is a measure of a company’s operating performance and can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

- **“FVTPL”** means fair value through profit or loss. Certain of the Corporation’s investments in equity and debt securities have been designated as investments at FVTPL. Changes in the fair value of investments designated as investments at FVTPL are reported in net earnings or loss.
- **“Fair Value” or “Market Value”** of an investment is generally determined using quoted market prices on prescribed stock exchanges for investments that are publicly traded. Market value or fair value of an investment that is privately held is determined by reference to valuation methodologies appropriate for the investment.
- **“Field Level Cash Flows”** are 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.
- **“Prospective Resources”** are defined as those quantities of oil estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.
- **“Prospective Resources – Best Estimate”** are considered to be the best estimate of the quantity of prospective resources that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.
- **“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.
- **“Shareholders’ Equity on a Per Share Basis”** is calculated by dividing the carrying value of the Corporation’s shareholders’ equity in accordance with IFRS (or the “Market Value” or “Fair Value” of such shareholders’ equity determined using valuation methodologies as described under the definition of “Market Value” or “Fair Value” above), by the aggregate number of Subordinate Shares and Class B Shares of the Corporation issued and outstanding.

SELECTED ANNUAL INFORMATION

<i>As at and for the years ended December 31,</i>		2017		2016		2015	
Revenues	\$	183,294	\$	232,906	\$	254,559	
Net loss from continuing operations attributable to owners of the parent	\$	(2,574)	\$	(137,920)	\$	(455,169)	
Loss per share from continuing operations							
Basic	\$	(0.16)	\$	(2.46)	\$	(7.92)	
Diluted	\$	(0.16)	\$	(2.46)	\$	(7.92)	
Net loss attributable to owners of the parent	\$	(52,533)	\$	(147,020)	\$	(459,118)	
Loss per share							
Basic	\$	(1.01)	\$	(2.62)	\$	(7.99)	
Diluted	\$	(1.01)	\$	(2.62)	\$	(7.99)	
Total assets	\$	1,105,746	\$	1,401,414	\$	2,241,034	
Total liabilities	\$	345,241	\$	492,484	\$	1,159,887	
Dividends per share							
Subordinate Voting Shares	\$	-	\$	-	\$	-	
Class B Common Shares	\$	-	\$	-	\$	-	
Preference Shares, series 2	\$	1.42	\$	1.42	\$	1.42	
Preference Shares, series 3	\$	1.17	\$	1.16	\$	1.18	
Preference Shares, series 4	\$	-	\$	-	\$	0.89	
Preference Shares, series 5	\$	1.88	\$	1.88	\$	-	

RESULTS OF OPERATIONS

Year ended December 31, 2017 compared with year ended December 31, 2016

Consolidated Net Earnings

During 2017, the Corporation incurred a net loss attributable to owners of the Corporation of \$52.5 million, or a loss of \$1.01 per share. This compares with a net loss attributable to owners of the Corporation of \$147.0 million in 2016, representing a loss of \$2.62 per share. The following table summarizes the Corporation's net operating earnings or loss on a per segment basis.

<i>For the years ended December 31,</i>	2017	2016
Net earnings (loss) before income taxes from continuing operations		
Goodman & Company, Investment Counsel Inc.	\$ (6,653)	\$ (11,578)
Dundee Securities Ltd.	(4,871)	(1,492)
Dundee Energy Limited	(2,093)	(3,468)
United Hydrocarbon International Corp.	41,854	(12,787)
Dundee Sustainable Technologies Inc.	(3,569)	(3,738)
Eurogas International Inc.	(608)	(647)
Blue Goose Capital Corp.	(12,529)	(13,118)
AgriMarine Holdings Inc.	(4,579)	(6,065)
Dundee 360 Real Estate Corporation	(736)	(50,341)
	6,216	(103,234)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments	63,311	8,596
Share of loss from equity accounted investments	(54,360)	(5,639)
Other items in the corporate and other portfolio holdings segment	(14,987)	(42,956)
Income tax (expense) recovery	(1,309)	9,314
Net loss from continuing operations	(1,129)	(133,919)
Net (loss) earnings from discontinued operations		
Dundee Energy Limited Partnership	(38,412)	(18,611)
Blue Goose Pure Foods Ltd.	(30,846)	1,856
Net loss from discontinued operations	(69,258)	(16,755)
Net loss for the year	\$ (70,387)	\$ (150,674)
Net loss attributable to owners of the parent:		
Continuing operations	\$ (2,574)	\$ (137,920)
Discontinued operations	(49,959)	(9,100)
	\$ (52,533)	\$ (147,020)

Continuing Operations

During 2017, the Corporation incurred a net loss from continuing operations attributable to owners of the Corporation of \$2.6 million, or a loss of \$0.16 per share. This compares with a net loss from continuing operations attributable to owners of the Corporation of \$137.9 million in 2016, representing a loss of \$2.46 per share.

Operating results during 2017 include market appreciation from certain of the Corporation's investments that are carried in the consolidated financial statements at FVTPL. Changes in the fair value of investments carried at FVTPL, which are determined by trends and information in equity and capital markets, are recorded in the Corporation's net earnings or loss and can cause substantial volatility in operating results. The Corporation cautions that the equity and credit markets do not always necessarily reflect the underlying value of certain assets. Included as part of the "*Corporate and other portfolio holdings*" segment, these investments resulted in the recognition of a gain from investments of \$63.3 million in 2017, compared with a gain of \$8.6 million in 2016.

A number of the Corporation's investments are accounted for using the equity method of accounting, which requires that the Corporation increase or decrease the carrying value of its investment by its proportionate share of the net earnings or loss of the underlying investee. This method of accounting further subjects the Corporation to significant volatility in its operating performance as the underlying net earnings or loss of the equity accounted investee may be subject to market forces or other events over which the Corporation does not exert control. During 2017, the Corporation recognized a loss from its equity accounted investments of \$54.4 million, compared with a loss of \$5.6 million in the prior year.

- On September 29, 2017, Parq Vancouver, a Vancouver-based casino and leisure resort development project, opened its doors for business, with all gaming activities and seven of the eight restaurants and lounges operational on opening night. Both the Douglas and JW Marriott hotels began accepting reservations beginning October 23, 2017, and meeting and convention facilities became operational late in the fourth quarter of 2017. During 2017, the Corporation incurred losses from its indirect investment in Parq Vancouver of \$4.9 million, reflecting costs associated with the commencement of operations.
- The Corporation recognized losses of \$44.6 million relating to its investment in Union Group International Holdings Limited ("Union Group"). In order to determine the effects of a restructuring undertaken by Union Group to remediate liquidity concerns, the Corporation requested an audit of the net assets of Union Group, which Union Group was not able to provide in a timely manner. Until such time as Union Group is able to provide audit evidence of the existence and value of its underlying portfolio of investments, the Corporation has determined that it is appropriate to carry the value of its investment at the discounted fair value of Union Group's investment in ICC Labs Inc. The Corporation's attributed value to its investment in Union Group may vary significantly in future periods, as Union Group provides evidence of the value of its other assets.
- During 2017, the Corporation fully impaired its equity interest in Cambridge Medical Funding Group II, LLC and Cambridge Medical Capital Services LLC (together "Cambridge"), realizing a loss of \$8.5 million. The state of California has recently investigated a number of medical providers and alleged that many had engaged in excess billings and treatments related to California's Workers' Compensation claims and insurance. As a consequence, the state of California has placed significant blockades in the collection process. The ability of Cambridge to collect on receivables that it has otherwise funded has been hindered as a result.

Other items in the corporate and other portfolio holdings segment are primarily representative of head office operating costs and interest charges. During 2017, these net costs were \$15.0 million, substantially below costs of \$43.0 million incurred in the prior year. Included in these results are general and administrative expenses of \$19.4 million in 2017, a decrease of \$3.6 million over general and administrative expenses in 2016, reflective of the Corporation's ongoing cost efficiency initiatives. Head office performance also benefited from lower interest expense in 2017, as well as from higher realization of interest and dividend income from its portfolio of investments.

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

- On September 22, 2017, the Corporation's 83% owned subsidiary, United Hydrocarbon International Corp. ("UHIC"), completed a transaction whereby it sold its interest in United Hydrocarbon Chad Ltd. ("UHCL") to Delonex Energy Limited ("Delonex"), a Sub-Saharan oil and gas company focused on exploration, development and production. UHCL is the holder of the production sharing contract ("PSC") pursuant to which UHIC had indirectly carried out its exploration activities in the Republic of Chad (see "*Segmented Results of Operations – United Hydrocarbon International Corp. – Recent Developments*"). The operations of UHCL were denominated in US currency. Included in the Corporation's net earnings are foreign currency gains of \$64.4 million related to this transaction. UHIC incurred pre-tax operating losses, adjusted for foreign exchange gains on completion of the transaction with Delonex, of \$22.5 million during 2017, compared with pre-tax operating losses of \$12.8 million incurred in the prior year. Included in pre-tax operating losses during the current year are \$17.0 million of costs directly attributable to the sale of UHCL.
- Goodman & Company, Investment Counsel Inc. grew its AUM to \$194.1 million at December 31, 2017, compared with \$173.8 million at December 31, 2016. Early in 2017, it successfully launched *CMP 2017 Resource Limited Partnership*, a tax-sheltered limited partnership that raised capital of \$31.3 million, and it further grew its private client assets by \$6.6 million. Pre-tax operating losses in this division decreased to \$6.7 million during 2017, compared with \$11.6 million in the prior year, reflecting, in part, cost rationalization as the business strategy of this entity is further streamlined.
- Following the sale of its retail division in April 2016, and the subsequent transfer of ownership of its capital markets division in December 2016, Dundee Securities Ltd., and its sister company, Dundee Securities Europe Limited, continue to operate and provide services for a limited number of retail clients, and they continue to invest in proprietary trading inventory. During 2017, Dundee Securities Ltd. incurred a pre-tax operating loss of \$4.9 million, compared with a pre-tax operating loss of \$1.5 million incurred during 2016.
- Dundee Sustainable Technologies Inc. incurred a pre-tax operating loss of \$3.6 million during 2017, essentially consistent with a pre-tax operating loss incurred in 2016. Dundee Sustainable Technologies Inc. continues to expand the provision of technical services in the mining industry to evaluate processing alternatives using its state of the art metallurgy plant and skilled technical team.
- During 2017, Blue Goose Capital Corp. ("Blue Goose") incurred a net pre-tax operating loss of \$12.5 million from continuing operations, compared with a net pre-tax operating loss of \$13.1 million in 2016. Blue Goose's operating performance is partially driven by changes in the fair value of its livestock, which is subject to volatility from period over period changes in the physical growth of its biomass, as well as changes in market prices for the commodity.
- AgriMarine Holdings Inc. continues to rationalize its cost structure with the goal of achieving profitability for its fish farming operation and sourcing third-party revenue for its technology division, while it continues to validate the scientific and commercial viability of its closed-containment tank technology. During 2017, AgriMarine Holdings Inc. reported pre-tax operating losses of \$4.6 million, compared with pre-tax operating losses of \$6.1 million incurred in the prior year.
- During 2017, Dundee 360 Real Estate Corporation ("Dundee 360") incurred a pre-tax loss of \$0.7 million. Operating results include \$1.3 million of earnings from its 45% interest in the Edenarc 1800 project in Savoie, France, which saw the completion and delivery of a further phase of this real estate development project. In comparison, during the prior year, Dundee 360 incurred a net loss of \$50.3 million. During 2016, Dundee 360 restructured its international real estate project management operations to concentrate its efforts on the Canadian luxury real estate market in order to achieve greater synergistic benefits with its real estate brokerage division. These transactions resulted in one-time restructuring costs of \$36.0 million.

Discontinued Operations

The Corporation's operational performance in 2017 was adversely affected by the discontinuance of two significant business divisions. During 2017, the Corporation incurred a net loss from discontinued operations attributable to owners of the Corporation of \$50.0 million, or a loss of \$0.85 per share. This compares with a net loss from discontinued operations attributable to owners of the Corporation of \$9.1 million in 2016, representing a loss of \$0.16 per share.

- On August 16, 2017, and in response to a demand payment from its lender, Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy Limited ("Dundee Energy") commenced insolvency proceedings by filing a Notice of Intention to Make a Proposal ("NOI") pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) in order for it to run a court-supervised sale solicitation process (see "*Segmented Results of Operations – Dundee Energy Limited – Recent Developments Concerning Demand Revolving Credit Facility*"). Subsequent to December 31, 2017, and pursuant to the recommendation of the proposal trustee, the sale solicitation process was continued under the terms of the *Companies' Creditors Arrangement Act* in order to extend the timeline within which it is to be completed. The lender to DELP does not have recourse to Dundee Corporation in respect of any amounts outstanding.

Dundee Energy anticipates that a successful sale solicitation process will be completed within the first half of 2018. As a result of these events, the assets and liabilities of DELP have been classified in the 2017 Audited Consolidated Financial Statements as assets and liabilities of discontinued operations held for sale.

During 2017, and in light of restricted financial resources, DELP reassessed the carrying value of its undeveloped resource properties, impairing them by \$19.0 million and reducing their carried value to \$nil. Dundee Energy, as parent to DELP, considered the appropriateness of continuing to give recognition to its deferred income tax assets, including the benefit of loss carry forwards that were slated for utilization from taxable earnings in DELP. Dundee Energy impaired the value of its deferred income tax assets by \$18.0 million, including \$14.8 million that was attributed to DELP.

Included in the net loss from discontinued operations are operating losses of \$38.4 million (2016 – \$18.6 million) relating to DELP, of which \$22.3 million (2016 – \$10.8 million) is attributed to owners of Dundee Corporation. As required by accounting standards, the operating performance of DELP during 2016 has been restated to conform with the discontinued operations presentation. At December 31, 2017, the net assets of DELP held for sale had a negative carrying value of \$2.0 million.

- In October 2016, Blue Goose Pure Foods Ltd. ("BGPF"), a wholly-owned subsidiary of Blue Goose, acquired substantially all of the operating assets of Tender Choice Foods Inc. ("Tender Choice"), a facility specializing in the production, processing and distribution of various meat products. BGPF paid cash of \$59.0 million at closing, and it agreed to pay an additional \$35.0 million if the operations of Tender Choice exceeded certain thresholds. In order to fund the cash component of the purchase price, BGPF established a credit facility with a Canadian Schedule II Chartered Bank, drawing approximately \$35.0 million against the credit facility at closing.

On November 8, 2017, BGPF received notice from the Canadian Food Inspection Agency ("CFIA"), enforcing compliance with delinquent corrective actions relating to repairs and maintenance of the Tender Choice facility and certain equipment. On November 10, 2017, the facility was temporarily closed in order to effect the required repairs and maintenance. On December 6, 2017, a catastrophic fire at the facilities of BGPF rendered the facilities inoperative, following which, on December 7, 2017, the lender made demand on BGPF for the payment of all amounts borrowed. The lender did not have recourse to any of the other businesses of Blue Goose, nor did it have recourse to Dundee Corporation and accordingly, on December 14, 2017, the lender appointed an interim receiver with broad powers over the assets of Tender Choice. Full receivership was established by the lender on December 21, 2017. Blue Goose has determined that following the appointment of an interim receiver on December 14, 2017, it effectively lost control of the operations of BGPF and, as a result, the operating results and cash flows of BGPF have been classified as discontinued operations in the 2017 Audited Consolidated Financial Statements.

During 2017 and prior to the appointment of a receiver, BGPF reconsidered the probability metrics associated with the fair value of the contingent consideration payable on the acquisition of Tender Choice, reducing the liability by \$15.0 million to \$3.1 million. Concurrently, Blue Goose impaired the associated goodwill by \$23.6 million. These items are included in the 2017 net loss from discontinued operations of \$8.3 million (2016 – operating earnings of \$1.9 million) relating to BGPF, of which \$7.4 million (2016 – earnings of \$1.7 million) is attributable to owners of Dundee Corporation.

Furthermore, and in order to properly reflect the appointment of the receiver and the initiation of the liquidation of the net assets of BGPF, the Corporation has derecognized the net assets of BGPF in the 2017 Audited Consolidated Financial Statements and recognized an associated loss of \$22.6 million, of which \$20.3 million is attributable to owners of Dundee Corporation.

OPERATING SUBSIDIARIES AS AT DECEMBER 31, 2017

		(000's)				Non-Controlling Interests	Carrying Value as at December 31, 2017
	Ticker Symbol	# of Shares Held	Market Price/Share	Percentage Ownership	Net Assets (note 1)	(note 2)	
Subsidiaries That Are Not Publicly Listed							
				83%	\$ 195,889	\$ (34,181)	\$ 161,708
				90%	35,805	(1,818)	33,987
				100%	28,444	-	28,444
				100%	26,172	(309)	25,863
				100%	16,120	-	16,120
				100%	2,449	-	2,449
				58%	(4,185)	3,631	(554)
				58%	(3,493)	1,469	(2,024)
Subsidiaries That Are Publicly Listed							
	DST	228,068.5	\$0.04	63%	2,255	4,681	6,936
	EI	16,646.8	\$0.01	54%	(374)	2,582	2,208
TOTAL – OPERATING SUBSIDIARIES							\$ 275,137

1. See note 30 “Segmented Information” to the 2017 Audited Consolidated Financial Statements for a more detailed analysis of the carrying value of individual assets and liabilities attributed to each operating subsidiary.

2. See note 19 “Non-Controlling Interest” to the 2017 Audited Consolidated Financial Statements for information regarding the carrying value of non-controlling interest in each subsidiary.

3. Includes “Dundee Securities Europe Limited”, a sister company to Dundee Securities Ltd.

Segmented Results of Operations

The following discussion provides a more comprehensive analysis of the performance results of each of the Corporation’s operating subsidiaries, and their impact to the consolidated operating results of the Corporation. The following information is presented in a manner that corresponds to the Corporation’s reportable business segments as presented in note 30 to the 2017 Audited Consolidated Financial Statements.

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

Goodman & Company, Investment Counsel Inc. (“GCIC”) is a registered portfolio manager and exempt market dealer across Canada, and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland. GCIC is a wholly-owned subsidiary of Dundee Global Investment Management Inc. (“DGIM”) which, in turn, is a wholly-owned subsidiary of Dundee Corporation. Information about GCIC may be accessed at www.goodmanandcompany.com. GCIC and DGIM are the entities through which the Corporation intends to build out its Investment Counsel/Portfolio Management platform, targeting and servicing the unique needs of the high-net worth and ultra-high-net worth markets.

Assets Under Management at December 31, 2017

In addition to the successful launch of its most recent tax-sheltered limited partnership, *CMP 2017 Resource Limited Partnership*, which raised approximately \$31.3 million in the first quarter of 2017, AUM under managed account arrangements for private clients grew by approximately \$6.6 million during 2017. GCIC’s own series of investment products, which are geared towards its high-net worth base, and which include *Goodman & Co. Partners Strategy* and *Goodman & Co. Core Equity Strategy*, collectively raised a further \$9.0 million, net of redemptions.

Redemptions during 2017 were \$27.8 million, the majority of which relate to redemptions in *Dundee Global Resource Class*, a mutual fund, following the rollover of the assets of the Corporation’s 2015 tax-sheltered investment vehicle, *CMP 2015 Resource Limited Partnership*. At the sole discretion of investors, certain redemptions from *Dundee Global Resource Class* were undertaken in order to generate proceeds for reinvestment by those investors into *CMP 2017 Resource Limited Partnership*.

Relative under-performance of precious metals stocks observed in the third quarter of 2017 persisted in the fourth quarter. Further contributing to market value declines were the premiums paid to acquire flow-through shares of resource stocks held by *CMP 2017 Resource Limited Partnership*. As a result, market depreciation during 2017 was \$4.9 million, including market depreciation of \$1.2 million incurred during the fourth quarter of the current year.

In aggregate, AUM increased by \$20.4 million in 2017 to \$194.1 million at December 31, 2017, compared with AUM of \$173.8 million at December 31, 2016.

	For the three months ended December 31, 2017	For the year ended December 31, 2017
AUM at beginning of the period	\$ 192,879	\$ 173,756
Transactions for the period ended December 31, 2017		
Additions	3,655	46,582
Redemptions	(2,945)	(27,783)
Distributions paid	(169)	(169)
Change in market values	(1,179)	(4,862)
Change in private client assets	1,890	6,607
Net change in managed assets	1,252	20,375
AUM at end of the period	\$ 194,131	\$ 194,131
AUM Breakdown		
Private clients		\$ 98,912
Tax sheltered investment products		41,038
Mutual funds		17,433
Alternative investment products		36,748
		\$ 194,131

AUM designated as “Private clients” AUM include \$24.4 million of assets invested in the Corporation’s alternative investment products. In the above table, these same assets are also designated as “Alternative investment products”.

RESULTS OF OPERATIONS

As illustrated in the following table, GCIC incurred a net loss before income taxes of \$6.7 million in 2017, compared with a pre-tax loss of \$11.6 million incurred in the prior year.

<i>For the years ended December 31,</i>	2017	2016
Revenues		
Management and performance fees	\$ 2,213	\$ 2,734
Financial services	43	7
Interest, dividends and other	363	369
	2,619	3,110
Other items in net loss before taxes		
General and administrative	(9,306)	(14,682)
Depreciation	(9)	(5)
Net gain from investments	54	-
Interest expense	(11)	(1)
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (6,653)	\$ (11,578)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (6,653)	\$ (11,578)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (6,653)	\$ (11,578)

Management fee revenues were \$2.2 million in 2017, a decline from management fee revenues of \$2.7 million earned in the prior year. GCIC's management fee revenue is calculated and paid monthly, based on the fair value of AUM as determined on the last business day of each month. The average AUM for 2017 was \$196.9 million, compared with average AUM of \$167.5 million during the prior year. Management fee revenues were also impacted by the management fee rate charged on AUM. During 2017, the average management fee rate on AUM was 1.11%, compared with an average management fee rate of 1.40% earned in the prior year. The decrease in the average management fee rate reflects the mix of assets managed, with private client assets generally earning a lower management fee rate than tax sheltered investment products, mutual funds and closed-end investment products.

In addition to management fee revenues, GCIC may also earn performance fee revenue. Performance fees are contingent on the market values of the underlying portfolio at a specified point in time, generally at the calendar year end, or upon the conclusion of a limited partnership arrangement. The Corporation may experience fluctuations in period-over-period revenues as performance fees are only recorded in earnings when amounts are determined with certainty. During 2016, GCIC earned performance fee revenues of \$0.5 million. There were no performance fee revenues earned in 2017.

General and administrative expenses were \$9.3 million in 2017, compared with \$14.7 million of general and administrative expenses in the prior year and reflect, in part, cost rationalization as GCIC streamlines its business strategy.

DUNDEE SECURITIES LTD.

Dundee Securities Ltd., a wholly-owned subsidiary of Dundee Corporation, is registered as an investment dealer in each of the jurisdictions of Canada and as a derivatives dealer in Quebec and as such, it is subject to the oversight of the provincial securities commissions and the Investment Industry Regulatory Organization of Canada ("IIROC"). Business activities are carried out directly, and through Dundee Securities Europe Limited, a company authorized by the Financial Conduct Authority in the United Kingdom for the purposes of security brokering and asset management (collectively "Dundee Securities"). Additional information about the operations of Dundee Securities and its various business divisions may be accessed at either www.dundeegoodman.com or www.dundeesecurities.com.

Divestitures

Dundee Securities' business activities have historically been conducted through two operating divisions; (i) the capital markets division and (ii) the retail division.

In April 2016, Dundee Securities completed the sale of substantially all of the assets of its retail division to Echelon Wealth Partners Inc. ("Echelon"). The transaction with Echelon resulted in the transfer of approximately \$3.5 billion of investible client assets. In addition, and in order to accommodate the integration process with Echelon, Dundee Securities transferred a significant part of its underlying operating infrastructure and staff resources associated with its retail division. In connection with the completion of the Echelon transaction, and in order to facilitate the transition of client accounts, Dundee Securities agreed to provide Echelon with certain back-office activities on a cost-recovery basis. The provision of these services concluded during the third quarter of 2017. Dundee Securities continues to operate a business for a limited number of retail clients with a retail advisor team, and it continues to invest in a proprietary trading inventory.

Dundee Securities received cash consideration of \$9.3 million on the sale of its retail division to Echelon. Included as a recovery of general and administrative expenses in 2016 is a gain of \$2.6 million related to this transaction. In addition to cash consideration, Dundee Securities was entitled to a further payment of cash of up to \$4.2 million, contingent on the retention of AUA by Echelon over a 12-month period from completion of the sale. In April 2017, Dundee Securities received a payment of \$3.0 million in settlement of these contingent proceeds.

In December 2016, Dundee Securities completed a transaction that resulted in the sale of the assets and liabilities related to its capital markets division to Eight Capital, a partnership formed by a consortium of individuals that were previously key employees of Dundee Securities' capital markets division. The Corporation provided \$17.5 million of capital, in the form of a subordinated loan, to match the level of capital provided by key employees as equity holders. In January 2017, \$2.5 million of the subordinated loan was repaid. The subordinated loan bears interest at an annual rate of 10%. In addition, the terms of the subordinated loan were enhanced with a revenue-based royalty agreement, pursuant to which Eight Capital will pay a royalty to the Corporation, ranging between 1% and 6.5% of the revenues generated by Eight Capital over a five-year period commencing in the calendar year ended December 31, 2017 and reducing to between 1% and 2% in each of 2022 and 2023. Under the terms of this arrangement, royalty payments will cease, subject to a final royalty payment, if the subordinated loan is repaid in full, and in any case, will cease effective December 31, 2023. Subsequent to December 31, 2017, the Corporation received \$0.3 million from Eight Capital, being its first royalty payment on revenues earned by Eight Capital during 2017.

In connection with the sale of the capital markets division, during the second quarter of 2017, Dundee Securities received the necessary regulatory approvals for the further sale of its wholly-owned subsidiary, Dundee Securities Inc., to Eight Capital. Dundee Securities Inc. is a registered broker-dealer with the United States Securities and Exchange Commission in select states and is also a member of the Financial Industry Regulatory Authority. The sale transaction was completed on May 26, 2017. Dundee Securities received cash of approximately \$1.3 million on the transaction.

In order to accommodate its substantially reduced business activities, during the fourth quarter of 2016, Dundee Securities changed its introducing/carrying agreement with Fidelity Clearing Canada from a Type 4 to a Type 2 agreement. The change significantly reduced the amount of regulatory capital required in order to operate its business.

Recent Developments

Notwithstanding the divestitures described above, Dundee Securities continues to be a member of IIROC and as such, it remains subject to minimum regulatory capital requirements to operate its residual business, which currently includes a small residual retail business consisting of two key advisors and their incidental staff, a portfolio of marketable securities, and its business conducted through Dundee Securities Europe Limited.

Dundee Securities' existing platform provides an opportunity for the creation of an industry focused, capital markets group that will provide advisory and investment banking opportunities to its clients, primarily in the resource-based sectors. Dundee Securities intends to pursue this opportunity in early 2018 and, if successful, this platform will provide aligned strategies and opportunities with Dundee Corporation as it rolls out changes to its intended business strategy.

Subsequent to year-end, Dundee Securities commenced discussions pursuant to which it anticipates that it will facilitate the sale of 80% of the business of Dundee Securities Europe Limited to its key management. The transaction is expected to close during the first half of 2018.

RESULTS OF OPERATIONS

During 2017, Dundee Securities incurred a net loss before taxes of \$4.9 million, compared with a net loss before taxes of \$1.5 million in the prior year.

<i>For the years ended December 31,</i>	2017	2016
Revenues		
Management fees	\$ -	\$ 3,464
Financial services		
Investment banking	4,910	27,632
Commissions	3,487	25,627
Principal trading	1,196	(2,246)
Foreign exchange trading	-	160
Interest, dividends and other	2,456	5,831
	12,049	60,468
Cost of sales		
Variable compensation	(4,462)	(27,063)
Other items in net loss before taxes		
Depreciation	(1,020)	(998)
General and administrative	(11,466)	(33,346)
Interest expense	(45)	(189)
Foreign exchange gain (loss)	73	(364)
Net loss before taxes attributable to Dundee Securities	\$ (4,871)	\$ (1,492)
Net loss before taxes, Dundee Securities attributable to:		
Owners of Dundee Corporation	\$ (4,871)	\$ (1,492)
Non-controlling interest	-	-
Net loss before taxes, Dundee Securities	\$ (4,871)	\$ (1,492)

Revenues

Consistent with the sale of essentially all of its retail and capital markets businesses, during 2017, Dundee Securities' revenues decreased to \$12.0 million, compared with revenues of \$60.5 million generated in the prior year. Revenues in 2017 include residual new issue and advisory mandates of \$4.9 million that had been initiated prior to the sale of Dundee Securities' capital markets division.

As previously indicated, Dundee Securities continues to operate a small business for a limited number of retail clients with a retail advisor team, and it continues to invest in a proprietary trading inventory. During 2017, Dundee Securities generated commission revenues of \$3.5 million, and it generated principal trading gains of \$1.2 million related to continued capital markets positions which Dundee Securities expects to monetize in the short term.

Variable Compensation Expense

Variable compensation expense incurred in 2017 was \$4.5 million, and represented approximately 46% of related financial services revenue, resulting in contribution margins of 54%. The Corporation anticipates that, over time, its contribution margins will average approximately 50% to 55%.

General and Administrative Expenses

Dundee Securities incurred general and administrative expenses of \$11.5 million in 2017, compared with \$33.3 million in the prior year, reflecting the reduction in business activities, offset by certain termination costs including \$1.1 million in severance and other compensation related expenses, as well as \$1.9 million in write-downs related to redundant leaseholds.

As part of its sale to Echelon, Dundee Securities was subject to contingent proceeds that were dependent on the retention of AUA by Echelon over a 12-month period from completion of the sale. As required by accounting standards, the amount of the contingent proceeds prior to receipt were revalued to their fair value. Accordingly, included in general and administrative expenses is a recovery of \$0.3 million, representing the change in value of the contingent proceeds since December 31, 2016 and until the contingent proceeds were fully paid in April 2017.

CHANGES IN FINANCIAL CONDITION

Assets and Liabilities at December 31, 2017

The following table illustrates the residual net assets of Dundee Securities at December 31, 2017 and following its divestiture of each of the retail division, the capital markets division and Dundee Securities Inc.

<i>As at December 31,</i>	2017	2016
Cash	\$ 17,832	\$ 55,387
Accounts receivable	3,005	12,541
Client accounts receivable	907	5,162
Brokerage securities owned	8,841	11,843
Income taxes receivable	275	484
Capital and other assets	2,837	4,134
Accounts payable and accrued liabilities	(5,252)	(16,530)
Client deposits and related liabilities	-	(26,673)
Brokerage securities sold short	(1)	(1)
	\$ 28,444	\$ 46,347

The net assets of Dundee Securities are after the distribution of \$72.5 million of cash to the Corporation, including \$12.0 million of cash distributed during the current year. As a regulated entity and member of IIROC, the ability of Dundee Securities to transfer cash resources may be limited by its requirement to comply with regulatory capital requirements. Dundee Securities will continue to evaluate its required capital levels, with the intention of realizing on some of its existing assets to enable the further release of capital to the Corporation.

DUNDEE ENERGY LIMITED

Dundee Energy is a Canadian company focused on creating long-term value through the development and acquisition of high-impact energy projects. At December 31, 2017, and subject to certain lending arrangements as further described below, Dundee Energy held interests, both directly and indirectly, in a large accumulation of producing oil and natural gas assets in southern Ontario. On September 11, 2017, following a delisting review conducted by the TSX, the common shares of Dundee Energy were delisted from the TSX. Prior to September 11, 2017, Dundee Energy's common shares traded on the TSX under the symbol "DEN". Additional information about Dundee Energy may be accessed at www.dundee-energy.com.

Recent Developments Concerning Demand Revolving Credit Facility

Dundee Energy's southern Ontario operations are conducted through DELP, a wholly-owned subsidiary. DELP holds an approximate 93% working interest in 35,000 gross acres of onshore oil and gas properties and an approximate 98% working interest in 268,000 gross acres of offshore gas properties, all located in and around Lake Erie in southern Ontario, Canada.

DELP had established a demand credit facility whereby the lender to DELP retained full right, at its sole discretion, to demand repayment of amounts borrowed, whether in whole or in part, at any time. The credit facility was subject to certain covenants, including maintenance of minimum levels of working capital. DELP continues to generate positive cash flows and, at December 31, 2017, DELP was in compliance with all required covenants. However, low commodity prices have, in the view of DELP's lender, eroded the value of DELP's assets in southern Ontario, and therefore eroded the lender's underlying secured interest in such assets. In late 2016 and early 2017, the lender requested that DELP reduce its borrowing under the credit facility by early 2017. DELP was not able to meet those requirements. As a consequence, on January 31, 2017, DELP and Dundee Energy entered into a forbearance agreement with the lender pursuant to which, and provided that certain conditions were met, DELP's lender had agreed to forbear from exercising its enforcement rights and remedies under the terms of the credit facility until the

earlier of May 15, 2017; the occurrence of an event of default under the terms of the credit facility; or the occurrence of a default or breach of representation under the forbearance agreement. The forbearance agreement provided a definitive timeline within which DELP and Dundee Energy were required to complete a strategic review process for DELP, the purpose of which was to identify, examine and consider a range of strategic alternatives available to DELP. Under the terms of the forbearance agreement, DELP had committed to enter into a binding agreement under a strategic arrangement, which binding agreement was to be satisfactory to its lender, by April 7, 2017. The lender did not provide its consent to any of the proposals made by DELP and Dundee Energy, and the forbearance agreement expired on May 15, 2017, without resolution.

On July 21, 2017, DELP and Dundee Energy received notice from DELP's lender, demanding repayment of amounts borrowed pursuant to the credit facility by July 31, 2017, which DELP and Dundee Energy were not able to meet. On August 16, 2017, DELP commenced insolvency proceedings by filing a NOI pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) in order for DELP, with the support of its lender, to run a court-supervised sale solicitation process ("SSP"), with the goal of identifying proposals to purchase some or all of the business, properties or assets of DELP. DELP has obtained an order from the Ontario Superior Court of Justice approving the terms of the SSP. Subsequent to December 31, 2017, and pursuant to the recommendation of the proposal trustee, the SSP was continued under the terms of the *Companies' Creditors Arrangement Act* in order to extend the timeline within which the SSP is to be completed. As result of these events, the assets and liabilities of DELP have been classified in the 2017 Audited Consolidated Financial Statements as assets and liabilities of discontinued operations held for sale. Dundee Energy has assigned a limited recourse guarantee of its units in DELP as security pursuant to the credit facility. The lending arrangements provided to DELP are otherwise non-recourse to the Corporation.

The material uncertainty caused by the events described above casts significant doubt upon Dundee Energy's ability to continue as a going concern and the ultimate appropriateness of using accounting principles applicable to a going concern. Other than an assessment of DELP's ability to continue to develop its exploration properties and of the appropriateness of recognizing the benefit of Dundee Energy's deferred income tax assets, the 2017 Audited Consolidated Financial Statements have consolidated the operations of Dundee Energy using accounting principles applicable to a going concern and do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should Dundee Energy be unable to continue as a going concern. If Dundee Energy is not able to continue as a going concern, the Corporation may be required to reassess the carrying value of its assets in light of circumstances that could result in the realization of Dundee Energy's assets and the discharge of its liabilities in other than the normal course of business and at amounts different from those reflected in the 2017 Audited Consolidated Financial Statements. These differences could be material and could result in a material loss to the Corporation.

RESULTS OF OPERATIONS

During 2017, Dundee Energy incurred a net loss before income taxes of \$25.7 million, including a loss from discontinued operations of \$23.6 million related to the southern Ontario assets. This compares with a net loss before income taxes of \$26.6 million in 2016, including a loss from discontinued operations of \$23.1 million.

For the years ended December 31,	Continuing Operations		Discontinued Operations		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Oil and gas sales	\$ -	\$ -	\$ 22,430	\$ 20,310	\$ 22,430	\$ 20,310
Interest and dividends	(1,425)	(725)	183	(1,045)	(1,242)	(1,770)
	(1,425)	(725)	22,613	19,265	21,188	18,540
Cost of sales						
Production expenditures	-	-	(10,929)	(12,385)	(10,929)	(12,385)
Other items in net loss before taxes						
Depreciation and depletion	(32)	(4)	(27,299)	(20,965)	(27,331)	(20,969)
General and administrative	(576)	(2,788)	(3,692)	(2,534)	(4,268)	(5,322)
Remeasurement of resource-based financial instruments	-	-	1,299	(1,965)	1,299	(1,965)
Interest expense	-	-	(5,320)	(4,399)	(5,320)	(4,399)
Foreign exchange (loss) gain	(60)	49	(276)	(112)	(336)	(63)
Net loss before taxes, Dundee Energy Limited	\$ (2,093)	\$ (3,468)	\$ (23,604)	\$ (23,095)	\$ (25,697)	\$ (26,563)
Net loss before taxes, Dundee Energy Limited attributable to:						
Owners of Dundee Corporation	\$ 167	\$ (2,661)	\$ (7,452)	\$ (15,257)	\$ (7,285)	\$ (17,918)
Non-controlling interest	(2,260)	(807)	(16,152)	(7,838)	(18,412)	(8,645)
Net loss before taxes, Dundee Energy Limited	\$ (2,093)	\$ (3,468)	\$ (23,604)	\$ (23,095)	\$ (25,697)	\$ (26,563)

Certain of DELP's oil and gas properties were designated as exploration and evaluation properties, the exploitation of which would require financial resources substantially in excess of those currently available. In 2017, DELP determined that it was appropriate to provide a \$19.0 million provision against the carried value of these assets, reducing their carried value to \$nil. In comparison, during 2016, DELP recorded an impairment of \$11.9 million against certain natural gas properties and certain other exploration and evaluation properties, reducing their carried value to their net recoverable amount as determined at the time of the impairment.

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

During 2017, Dundee Energy's loss from continuing operations was impacted by a \$1.4 million impairment against the fair value of its 45% interest in Windiga Energy Inc. (2016 – \$0.7 million), reducing its value to \$nil.

Operating Performance of DELP – Discontinued Operations

DELP's operating performance is dependent on production volumes of oil, natural gas and natural gas liquids, as well as the prices received for these commodities. During 2017, sales of oil and natural gas, net of royalty interests, were \$22.4 million, an increase of \$2.1 million when compared with net sales of \$20.3 million earned in the prior year. Higher realized prices for underlying commodities increased aggregate net sales by \$3.8 million. Higher prices were partially offset by \$1.7 million resulting from lower production volumes, reflecting the natural depletion in DELP's resources, compounded by the curtailment of further exploitation of its producing properties due to financial constraints. Average daily natural gas production volumes during 2017 decreased to an average of 2,140 boe/d, compared with an average of 2,322 boe/d produced in 2016.

<i>Average daily volume during the years ended December 31,</i>	2017	2016
Natural gas (Mcf/d)	10,191	11,001
Oil (bbls/d)	440	485
Liquids (bbls/d)	1	3
Total (boe/d)	2,140	2,322

During 2017, DELP realized an average price on sales of natural gas of \$4.31/Mcf, approximately 21% higher than the realized average sales price of \$3.56/Mcf earned during the prior year. While the increase corresponds to increases in commodity markets, DELP's realized prices for natural gas continue to benefit from its proximity to the Dawn Hub, as it is a provider of natural gas supply to the greater Toronto market area. During 2017, DELP realized an average price on sales of crude oil of \$64.42/bbl, a 20% increase from the average price of \$53.69/bbl realized during the prior year and modestly higher than a 17% increase in both the US dollar-denominated West Texas Intermediate price for this commodity and the Canadian dollar-denominated price of Canadian light sweet crude oil.

Field level cash flows, before the effect of DELP's derivative financial instruments, increased to \$11.5 million or \$14.72/boe during 2017, a 45% increase from field level cash flows of \$7.9 million or \$9.33/boe generated in 2016. During 2017, DELP recognized a \$1.3 million net gain from its resource-based derivative financial instruments, including an unrealized gain of \$2.3 million, offset by a realized loss of \$1.0 million. This realized loss reduced field netbacks from natural gas by \$0.26/Mcf.

<i>For the years ended December 31,</i>			2017	2016		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	\$ 16,026	\$ 10,355	\$ 26,381	\$ 14,349	\$ 9,542	\$ 23,891
Royalties	(2,391)	(1,560)	(3,951)	(2,153)	(1,428)	(3,581)
Production expenditures	(7,168)	(3,761)	(10,929)	(8,130)	(4,255)	(12,385)
	6,467	5,034	11,501	4,066	3,859	7,925
Remeasurement of resource-based financial instruments	(976)	-	(976)	289	-	289
Field level cash flows	\$ 5,491	\$ 5,034	\$ 10,525	\$ 4,355	\$ 3,859	\$ 8,214

<i>For the years ended December 31,</i>			2017	2016		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	\$/Mcf	\$/bbl	\$/boe	\$/Mcf	\$/bbl	\$/boe
Total sales	\$ 4.31	\$ 64.33	\$ 33.78	\$ 3.56	\$ 53.52	\$ 28.13
Royalties	(0.64)	(9.69)	(5.06)	(0.53)	(8.01)	(4.22)
Production expenditures	(1.93)	(23.37)	(14.00)	(2.02)	(23.86)	(14.58)
	1.74	31.27	14.72	1.01	21.65	9.33
Remeasurement of resource-based financial instruments	(0.26)	-	(1.25)	0.07	-	0.34
Field netbacks	\$ 1.48	\$ 31.27	\$ 13.47	\$ 1.08	\$ 21.65	\$ 9.67

CHANGES IN FINANCIAL CONDITION

Reserves – DELP

DELP has retained Deloitte LLP (“Deloitte”), an independent qualified reserves evaluator to prepare a report on DELP's working interest in its oil and natural gas reserves. Reserves at December 31, 2017 were determined using the guidelines and definitions set out under National Instrument 51-101. At December 31, 2017, the proved and probable reserves decreased by 12% to 19,620 million boe (“Mboe”) from 22,360 Mboe at December 31, 2016. At December 31, 2017, the reserve life index for natural gas was 22.8 years (2016 – 23.5 years), while the reserve life index for oil was 14.1 years (2016 – 13.4 years). The following table outlines the change in DELP's reserves since December 31, 2016.

	Natural Gas	Oil	Natural Gas Liquids	Total	NPV @ 10%	
	(MMcf)	(Mbbbl)	(Mbbbl)	(Mboe)	Before Tax	NPV per boe
Proved Reserves						
Opening balance, January 1, 2017	96,359	2,179	11	18,249	\$ 142,568	\$ 7.81
Revisions	(10,196)	(67)	(2)	(1,768)		
Production	(3,691)	(130)	(1)	(746)		
Closing balance, December 31, 2017	82,472	1,982	8	15,735	\$ 104,914	\$ 6.67
Probable Reserves						
Opening balance, January 1, 2017	19,546	850	3	4,111	\$ 31,113	\$ 7.57
Revisions	(1,017)	(56)	-	(226)		
Production	-	-	-	-		
Closing balance, December 31, 2017	18,529	794	3	3,885	\$ 26,324	\$ 6.78
Total proved and probable	101,001	2,776	11	19,620	\$ 131,238	\$ 6.69
Percentage decrease in proved and probable reserves	(13%)	(8%)	(21%)	(12%)		

The following table outlines Deloitte’s forecasted future prices for each of oil and natural gas. These forecasts form the basis for Deloitte’s evaluation of DELP’s reserves at December 31, 2017, as outlined above.

Reserve Prices	Natural Gas		Oil
	Ontario		WTI at
	Dawn Reference Point	Cushing Oklahoma	
	CAD\$/ mmbtu*		US\$/ bbl
2018	3.85		55.00
2019	4.00		58.65
2020	4.15		62.40
2021	4.40		69.00
2022	4.60		75.75
Average five year forecast	4.20		64.16

* The Corporation’s gas quality is 1.042 mmbtu for one Mcf

In response to low commodity prices for both crude oil and natural gas, and as a result of the impact these lower prices have had on DELP’s ability to borrow pursuant to its existing lending arrangements, DELP continued to limit its 2017 capital work plan. During 2017, DELP incurred capital expenditures of \$0.5 million, all of which related to maintaining its existing and essential land portfolio. DELP has not advanced its 2018 work plan, as it is dependent on the results of the SSP. In the interim, and with the consent of its lender, DELP will continue to maintain its existing and essential land portfolio for further exploitation work in expectation of a successful SSP.

Demand Revolving Credit Facility – DELP

DELP’s existing credit facility is subject to a tiered interest rate schedule that varies based on DELP’s net debt to cash flow ratio, as defined in the credit facility. Based on DELP’s current ratios, draws on the credit facility bear interest at the bank’s prime lending rate plus 3.5%. In addition, DELP is subject to a standby fee of 0.55% on unused amounts under the credit facility. At December 31, 2017, DELP had drawn \$57.4 million against the credit facility.

Dundee Energy’s Continuing Operations – Liquidity and Capital Resources

Dundee Energy’s current cash resources and access to capital are insufficient to meet its current obligations. Dundee Energy is considering its future business strategies and assessing the possibility of alternative financing options, including possible debt or equity issuances or the monetization of certain assets. There can be no assurance that Dundee Energy will have access to alternative financial arrangements.

UNITED HYDROCARBON INTERNATIONAL CORP.

UHC is a privately held Canadian junior exploration company that is focused on seeking opportunities internationally, both directly and indirectly, for the exploration, development and production of oil and natural gas. At December 31, 2017, the Corporation’s carrying value of its 83% interest in UHC was \$161.7 million. Additional information regarding UHC may be accessed at www.unitedhydrocarbon.com.

Recent Developments

Through its wholly-owned subsidiary, UHCL, UHC has historically been engaged in exploring for oil and natural gas in the Republic of Chad under the terms of a May 2012 PSC. The PSC provides UHCL with the exclusive right to explore and develop oil and gas reserves in four distinct blocks: the DOC Block and the DOD Block (together the “Doba Basin”); Block H; and the Largeau Block.

Under the terms of the PSC, UHCL was awarded an exploration license with an initial term of five years expiring in June 2017, with a renewal right for a period of an additional three years. The three-year renewal right was exercised in the second quarter of 2017, and was recognized by the Government of Chad effective June 6, 2017. The renewal period, which will expire on June 6, 2020, required the relinquishment of 50% of the contract area, which was substantially all of the Largeau Block. Should there be a commercial discovery or discoveries, UHCL may apply for exploitation license(s) under the terms of the PSC. An exploitation license would have an initial term of 25 years, and may be renewed for an additional 10 years.

UHIC has been committed to finding ways to add value for its shareholders in a challenging environment for junior oil and gas companies. In that regard, during 2016, UHIC engaged GMP FirstEnergy LLP to seek financial or industry partners. In late January 2017, and with the approval of the special committee of its board of directors, UHIC entered into an exclusivity period with Delonex, which culminated in an agreement dated May 10, 2017, pursuant to which Delonex acquired all of the outstanding shares of UHCL and UHCL's underlying rights under the PSC, subject to certain royalty interests that were retained by UHIC. The transaction closed on September 22, 2017. Delonex is led by a management team with a proven track record in discovering, developing and operating onshore basins, and building and operating pipeline infrastructure. Currently active in Ethiopia, Kenya and Mozambique, the transaction is part of Delonex's strategy for expanding its portfolio in central and west Africa. Delonex is backed by a group of global investors with extensive oil and gas experience, led by global private equity firm Warburg Pincus and the International Finance Corporation (a part of the World Bank group).

Subject to certain amounts that were retained or otherwise held in escrow (see "*Accounting for the Transaction*"), UHIC received cash of US\$35.0 million on closing of the transaction, adjusted for working capital shortfalls of US\$2.2 million. UHIC is also entitled to receive additional contingent consideration upon Delonex achieving commercial production, including a US\$20 million bonus for first oil at Doba Basin, and a further US\$30 million for first oil at Block H. As part of the transaction, Delonex committed to a US\$65 million comprehensive exploration program for the assets in Chad to be completed within a two-year period from closing of the transaction, and it committed to a further US\$35 million investment in the Doba Basin should commerciality be achieved within three years from the closing of the transaction.

UHIC has retained a significant economic interest in the PSC through a 10% royalty on all of UHCL's cash flows generated from Doba production, and a 5% royalty on all of UHCL's cash flows generated from Block H production, payable as long as the average price of Brent crude oil is greater than US\$45.00/bbl in any calendar quarter. UHCL's cash flows from commercial production are governed by the terms of the PSC and include (i) "Cost Oil" for the recoverability of all exploration, development and production expenditures, including exploration expenditures incurred by UHCL prior to closing of the transaction with Delonex (the "Recoverable Cost Amount"); and (ii) allocations of "Profit Oil". More specifically, pursuant to the terms of the PSC, UHCL's cash flows from the PSC in the Republic of Chad are determined in the following manner:

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

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

The Doba Basin Blocks are located in southern Chad, and include both the DOC Block and the DOD Block. The prior operator of these blocks made two discoveries, being Belanga and the M'Biku, both of which now form part of the PSC. Remaining discoveries were made by UHIC during its 2014 drilling program in the Doba Basin which included the drilling of 14 wells. These drilling activities resulted in six successful oil appraisal wells at Belanga and two new oil discoveries at Lara 1 and Lara East 1, both within 10 kilometres of Belanga. All of these discoveries are situated in close proximity to the Mondouli oil field currently being produced and operated by Exxon.

Block H is located in west-central Chad on the border with Niger, directly adjacent to the Agadem block currently held by China National Petroleum Corp. and Savannah Petroleum PLC. There are two known oil discoveries within Block H, being Kumia and Kanem. UHCL also holds an extensive seismic database that has been used by previous operators to identify more than 200 exploration leads on this block. Delonex has indicated that future exploration activities will include additional scientific work related to lead and prospect identification and modern 3D seismic acquisition and interpretation.

In January 2015, the governments of Chad and Niger announced the formation of the Niger Oil Transportation Corporation (NOTCO) which has proposed a pipeline route from Niger through Block H, enroute to joining the export pipeline in the Doba Basin, an arrangement which could prove profitable in the future. Other pipeline options will be considered if commercial oil volumes are discovered.

Accounting for the Transaction

The Corporation has accounted for the transaction with Delonex as a disposition by UHIC of its interest in UHCL and accordingly, it has derecognized UHCL's assets and liabilities at the consolidated carried value immediately prior to closing of the transaction. Non-cash consideration received in exchange for the disposition of UHCL, including UHIC's entitlement to a royalty interest, was recorded at its estimated fair value, determined using a risk adjusted discounted cash flow valuation model. The carrying value of the net assets sold, together with a summary of the consideration received and the resulting gain, are illustrated in the table below.

Carrying value of net assets sold:		
Cash		\$ 3,204
Resource assets		213,441
Capital and other assets		191
Accounts payable, net of accounts receivable		(4,948)
Decommissioning liabilities		(3,114)
Foreign currency translation gain in accumulated other comprehensive income		(64,436)
		144,338
Proceeds received on disposition of net assets:		
Cash, net of escrowed amounts, holdbacks and working capital adjustments	US\$20,319	24,930
Accounts receivable		
First production bonus at estimated fair value		30,673
Escrowed consideration	US\$9,500	11,655
Holdback	US\$3,000	3,681
Other expected working capital adjustments		780
Royalty interest at estimated fair value		137,055
		208,774
Gain on sale of net assets		\$ 64,436

UHIC received cash consideration of US\$20.3 million at closing, representing the upfront payment of US\$35.0 million, less escrowed amounts and holdbacks of US\$12.5 million, and net of a working capital shortfall of US\$2.2 million.

At closing, US\$9.5 million of cash consideration was placed in an escrow account, of which US\$6.9 million will be released to UHIC on March 22, 2019, subject to any claims by Delonex for breaches against representations, warranties or covenants in the transaction agreement, or against any other indemnity provisions. Subject to certain conditions, the remaining US\$2.6 million will be released at the earlier of first production or September 22, 2020.

In addition, UHIC and Delonex have entered into a further commercial contract in respect of a holdback of US\$3.0 million, which is available to Delonex to fund any fees associated with a further extension of the current three-year term of the PSC. Upon the granting of such extension by the Republic of Chad, any amounts not used by Delonex to secure the extension will be returned to UHIC. As part of its agreement with Delonex, UHIC has agreed to fund up to US\$10.0 million of costs associated with the extension, any additional amount of which will be withheld from the US\$50 million contingent bonus payment. Should the extension costs exceed US\$10 million, 50% of any excess will be funded by UHIC. Should an extension not be granted prior to June 5, 2020, the holdback will be forfeited by UHIC to Delonex.

The amounts held in escrow and the amount of the holdback have been included in the 2017 Audited Consolidated Financial Statements as “*Accounts receivable*” at their full value as the Corporation believes that these amounts will be recovered in their normal course.

In accordance with IFRS, the Corporation was required to determine the fair value of other consideration received, including the contingent payment of up to US\$50.0 million, and the potential royalty interest that would result upon achievement of first production. Fair value of these items was determined by applying probability metrics to a discounted cash flow model.

In determining the fair value of the US\$50.0 million contingent consideration, UHIC applied an 85% probability in reaching successful first oil within a two-year period at the Doba Basin, and a 65% probability in reaching first oil at Block H within a four-year period, appropriately discounted using a risk-adjusted rate of 13.0%. At the date of transaction, the fair value of the contingent consideration was US\$25.0 million (Cdn\$30.7 million). At December 31, 2017, the contingent consideration was revalued to US\$25.3 million (Cdn\$31.7 million). The \$1.0 million increase in the Canadian dollar denominated fair value of contingent consideration has been recognized in the 2017 Audited Consolidated Financial Statements as a \$0.3 million change resulting from the remeasurement of resource-based financial instruments through the consolidated statement of operations, and as a \$0.7 million foreign currency translation gain in other comprehensive income through the consolidated statement of other comprehensive loss.

In determining the fair value of the royalty interest, UHIC applied a 65% success probability to the Doba Basin and a 40% probability to the Block H cash flows determined using an oil price of US\$73.50/bbl, and discounted using a risk-adjusted rate of 14.4%. At the date of the transaction, the fair value of royalty interest was US\$111.7 million (Cdn\$137.1 million). At December 31, 2017, the contingent consideration was revalued to US\$114.0 million (Cdn\$143.1 million). The \$6.0 million increase in the Canadian dollar denominated fair value of the royalty interest has been recognized in the 2017 Audited Consolidated Financial Statements as a \$3.0 million change resulting from the remeasurement of resource-based financial instruments through the consolidated statement of operations, and as a \$3.0 million foreign currency translation gain in other comprehensive income through the consolidated statement of other comprehensive loss.

The operations of UHCL are denominated in US currency. Accordingly, upon the derecognition of UHCL’s net assets, UHIC transferred \$64.4 million of foreign exchange currency gain previously recorded as other comprehensive income to net earnings.

CHANGES IN FINANCIAL CONDITION

Cash Resources

At December 31, 2017, UHIC held cash of \$9.2 million. UHIC does not currently generate cash flows from its business activities, and it currently relies on its ability to raise funds through capital markets or through debt from the Corporation. Existing cash resources are expected to cover UHIC’s cash requirements as it transitions its knowledge of UHCL to Delonex.

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

RESULTS OF OPERATIONS

During 2017, UHIC reported net earnings before taxes of \$41.9 million, including a foreign exchange gain of \$64.4 million relating to the disposition of UHCL, and the subsequent derecognition of UHCL's underlying net assets in the 2017 Audited Consolidated Financial Statements.

	For the three months ended		For the years ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenues				
Interest, dividends and other	\$ -	\$ (1)	\$ -	\$ (14)
		(1)		(14)
Other items in net earnings (loss) before taxes				
Depreciation	(8)	(397)	(670)	(1,741)
General and administrative				
Directly attributable to exploration activities	507	(1,355)	(3,657)	(5,087)
Head office and other ongoing costs	(652)	(1,322)	(4,532)	(6,880)
Costs incurred as a result of the sale of UHCL	(4,679)	-	(17,029)	-
Remeasurement of resource-based financial instruments	3,269	-	3,269	-
Interest expense	-	(5)	(315)	970
Foreign exchange gain (loss)	(20)	(54)	64,788	(35)
Net earnings (loss) before taxes, United Hydrocarbon International Corp.	\$ (1,583)	\$ (3,134)	\$ 41,854	\$ (12,787)
Net earnings (loss) before taxes, United Hydrocarbon International Corp. attributable to:				
Owners of Dundee Corporation	\$ (1,306)	\$ (2,657)	\$ 34,746	\$ (22,941)
Non-controlling interest	(277)	(477)	7,108	10,154
Net earnings (loss) before taxes, United Hydrocarbon International Corp.	\$ (1,583)	\$ (3,134)	\$ 41,854	\$ (12,787)

General and administrative costs incurred during 2017 were \$25.2 million, compared with \$12.0 million incurred in the prior year. General and administrative costs include \$17.0 million of costs directly attributable to the sale of UHCL, including approximately \$6.0 million in compensatory bonus payments, \$4.5 million in severances, \$1.7 million in professional fees (including investment banking fees), \$2.4 million in accelerated stock based compensation, \$1.6 million of PSC related costs and US\$0.8 million of contract cancellations. Head office and other ongoing expenses continued to decrease as compared to 2016 as a result of UHIC management's cost saving initiatives to conserve cash.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

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

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

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

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

Inherent in the commercialization of Dundee Technologies' processes is significant technology development risk, which may require significant additional development, testing and investment prior to final commercialization. There can be no assurance that such technologies will be successfully developed, or that output from any use of Dundee Technologies' processes could be produced at a commercial level at reasonable costs, or that such processes could be successfully marketed.

At December 31, 2017, the Corporation held 178.1 million subordinate voting shares and 50 million multiple voting shares of Dundee Technologies, representing a 63% equity interest and an 84% voting interest. Additional information regarding Dundee Technologies may be accessed at www.dundeetechnologies.com.

The Gold Chlorination Technology

Dundee Technologies' most advanced proprietary process is associated with the extraction of precious metals using chlorination to provide a cyanide-free alternative for the exploitation of gold deposits. The primary benefits of this innovative technology are shorter processing times, inert and stable cyanide and mercury-free tailings, and a closed-loop operation that eliminates the need for costly tailings ponds, reducing the associated environmental footprint and eliminating the risk of damaging spills.

Cyanidation typically produces large amounts of highly contaminated tailings. Dundee Technologies has developed a cyanide-free alternative for the recovery of precious metals applicable to both oxide and sulfide ores. Dundee Technologies' hydrometallurgical process applied to sulfide ores commences with an oxidation stage in order to remove the sulfur and other impurities such as arsenic in the ore. The completion of the oxidation step removes the sulfur from the ore and replaces it with oxygen, transforming it into an oxide. Oxides are then further subjected to treatment using acid leaching to collect base metals such as copper and zinc, and hypochlorite to collect precious metals such as gold and silver. The arsenic collected during the oxidation stage is then stabilized and rendered inert in a glass form, using Dundee Technologies' patented arsenic stabilization technology (see below).

The gold chlorination technology is the result of almost two decades of efforts in combined laboratory development and pilot scale validation. With successful piloting results, the next stage was the development of a demonstration plant. As at December 31, 2017, Dundee Technologies had expended \$19.7 million towards the construction and operation of its demonstration plant, which will serve as a demonstration platform for the chlorination process on an industrial scale and under continuous operating conditions. In early 2016, and in order to establish proof of concept for the chlorination process, Dundee Technologies arranged for the supply of refractory gold bearing pyrite concentrate from Bulgaria. Verified independently by the Canadian Environmental Technology Verification Program, the cyanide-free gold extraction process achieved an average yield of at least 81%, while the average yield using a more conventional cyanide extraction methodology was 71% on the same material. In addition to the processing of the gold bearing pyrite concentrate, Dundee Technologies also processed a complex concentrate from Chile. The chlorination technology exhibited a gold extraction yield of 97.3% and copper recoveries of 98%, while removing 99% of the mercury. Sulfur was also removed during the process, which ensures that the resulting tailings were non-acid draining.

Having completed the technical development of the technology at an industrial scale, Dundee Technologies will continue to work towards an implementation of its gold technology for deployment in markets around the world.

The Arsenic Stabilization Technology

During 2015, Dundee Technologies constructed a pilot plant for its proprietary arsenic stabilization process. The approach to stabilize arsenic in glass is a technique that segregates arsenic in the extraction process and therefore provides opportunities for deposits or concentrates too toxic with arsenic to be exploited using conventional methods. It also presents an opportunity for existing smelter operations that are seeking a technology to stabilize arsenic bearing flue dust, which are inherent in such operations.

In February 2016, Dundee Technologies entered into an agreement with an international gold mining and smelting company (the “Customer”) to evaluate the feasibility of integrating the arsenic stabilization process onsite at its smelter for arsenical matter produced by the Customer. The first stage of this agreement was completed during the third quarter of 2016, and confirmed that the technology can be implemented successfully on a pilot plant scale. This program confirmed the stability of the produced glass, which contained up to 20% arsenic, by passing the United States Environmental Protection Agency’s toxicity characterization leaching procedure. In December 2017, Dundee Technologies entered into an agreement with the Customer for the construction and operation of an onsite industrial scale plant. The plant, the construction of which will be funded by the Customer, will be constructed in Quebec and will be delivered to the Customer’s metal processing facility where it will begin a 12-month operating period. The objective of the construction and operation of the industrial scale plant is to confirm the amenability of the underlying technology for the treatment of flue dusts. Completion of the construction and commissioning of the industrial scale plant is expected in the third quarter of 2018, with the operation period commencing in the following quarter.

In addition to the use of this process in stabilization activities, Dundee Technologies has developed expertise for the processing of arsenical concentrates. Arsenic, contained in the arsenopyrite, is removed by pyrolysis and combined with Dundee Technologies' proprietary stabilization process. This pre-treatment will allow for the level of arsenic in the mineral concentrate to be acceptable for traditional smelters without the need for costly penalties currently imposed.

Arsenopyrite Process – Radisson Mining Resources Inc.

In February 2017, Dundee Technologies entered into a contract with Radisson Mining Resources Inc. (TSXV: RDS) (“Radisson”) to conduct a pilot scale program on samples from their gold project located in the Abitibi region of Quebec. Under the terms of this contract, Dundee Technologies has received a five tonne sample of representative material from the project. The goal was to confirm that complex refractory gold concentrates can undergo a pre-treatment to remove arsenic and create a mineral concentrate, and subsequently undergo gold and base metals extraction using Dundee Technologies’ chlorination process. This test program was overseen by an independent consulting firm with the view of providing the necessary data to Radisson, with which it can complete an economic assessment. Dundee Technologies successfully removed 92.2% of the arsenic from this refractory material.

Pyrolysis Process on Cobaltite – eCobalt Solutions Inc.

In December 2017, Dundee Technologies entered into a lab scale technical services contract with eCobalt Solutions Inc. (TSX: ECS) (“eCobalt”) to assist in conducting detailed metallurgical testing and flow sheet design for the creation of a clean cobalt concentrate using pyrolysis plus Dundee Technologies’ vitrification on arsenic contaminated cobaltite concentrates. The lab scale testing reduced the arsenic in the concentrate from 18% to 0.15%. In January 2018, Dundee Technologies announced a pilot scale program with eCobalt on a three tonne bulk sample, the purpose of which is to confirm the successful removal of arsenic as demonstrated in the lab scale testing. If successful, these results will provide eCobalt with feasibility level detailed engineering data to assist in costing and sizing of equipment to produce a clean cobalt concentrate using Dundee Technologies’ approach at eCobalt’s proposed cobalt production facility.

Technical Services

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

RESULTS OF OPERATIONS

During 2017, Dundee Technologies incurred a net loss before taxes of \$3.6 million, compared with a net loss before taxes of \$3.7 million in the prior year.

<i>For the years ended December 31,</i>	2017	2016
Revenues		
Technical services	\$ 2,424	\$ 1,199
Interest, dividends and other	37	400
	2,461	1,599
Cost of sales	(2,405)	(652)
Other items in net loss before taxes		
Depreciation and depletion	-	(1)
General and administrative	(3,126)	(4,340)
Interest expense	(497)	(356)
Foreign exchange (loss) gain	(2)	12
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (3,569)	\$ (3,738)
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:		
Owners of Dundee Corporation	\$ (1,982)	\$ (2,123)
Non-controlling interest	(1,587)	(1,615)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (3,569)	\$ (3,738)

During 2017, Dundee Technologies earned revenues of \$2.4 million from the provision of technical services to customers in the mining industry to evaluate processing alternatives using its proprietary technologies and mineral processing equipment.

Dundee Technologies incurred operating expenses of \$5.5 million in 2017, of which \$2.4 million is directly attributable to the provision of technical services, including labour and associated overhead, and which has been designated as “*Cost of sales*” in the consolidated statements of operations, and \$3.1 million in general and administrative costs. In comparison, during 2016, Dundee Technologies incurred operating costs of \$5.0 million, of which \$0.7 million was attributed to cost of sales, with the balance of \$4.3 million in general and administrative costs. As the business activities of Dundee Technologies mature, it expects to allocate more of its highly technical resources to the provision of revenue generating activities. While total operating expenses are expected to increase in proportion to increased revenue generating activities, Dundee Technologies expects that a larger portion of these costs will be allocated to cost of sales.

General and administrative expenses include research and development expenses in respect of Dundee Technologies’ chlorination and arsenic stabilization processes. During 2017, Dundee Technologies incurred \$1.7 million of research and development costs, relating primarily to the operation of the chlorination process demonstration plant. In the prior year, research and development costs were \$3.8 million, a substantial portion of which was related to the construction of the chlorination process demonstration plant, before it was commissioned and became operational.

CHANGES IN FINANCIAL POSITION

The chlorination process developed by Dundee Technologies has been recognized as a “green technology”, for which Dundee Technologies was originally awarded a \$5.0 million grant by the Government of Canada through its Sustainable Development Technology Canada Fund, for the construction and operation of the demonstration plant. Subsequent to December 31, 2017, Dundee Technologies announced a further award of \$1.25 million for continued development of its arsenic vitrification technology. The funding will assist Dundee Technologies in the construction and delivery of its industrial scale plant.

In addition to the Government of Canada’s support, during 2015, Dundee Technologies completed a \$5.0 million private placement with Investissement Québec. The private placement included an equity investment of \$1.0 million and a draw down convertible loan amount of up to \$4.0 million of which \$1.9 million was advanced in 2015 and \$2.1 million in 2016. The loan component of the private placement is evidenced by a five-year secured convertible debenture which bears interest at 8% per annum.

After an initial one-year term, the loan may be converted at the option of the holder, into subordinate voting shares of Dundee Technologies at a conversion price equal to the closing market price of such shares on the day immediately prior to conversion. Dundee Technologies may redeem the loan at a 10% premium to par. The convertible loan is secured against all of the assets of Dundee Technologies, other than its intellectual property. In addition, Dundee Corporation has provided a guarantee to Investissement Québec for up to \$1.5 million of amounts borrowed pursuant to the arrangement.

In November 2017, Dundee Technologies raised \$500,000 in a non-brokered private placement financing. The proceeds of the financing are being used for working capital purposes.

Dundee Corporation advanced \$0.9 million to Dundee Technologies during 2017 (2016 – \$0.5 million) in order to supplement working capital requirements. At December 31, 2017, Dundee Technologies had cash of \$0.5 million, and it had obligations, other than obligations due to Dundee Corporation, of \$5.7 million. Dundee Technologies continues to pursue financing alternatives to fund its operations. Although there is no assurance that these efforts will be successful, Dundee Technologies believes that if its ongoing research and development activities provide favourable results, it will be able to secure the necessary financing through additional grants, or the issuance of debt or equity in either the private or public markets.

EUROGAS INTERNATIONAL INC.

Eurogas International Inc. (“Eurogas”) (www.eurogasinternational.com), is a publicly traded (CSE:EI) oil and natural gas exploration company. Subject to certain limitations as further described below, Eurogas holds an effective 5.625% royalty-like working interest in the Sfax offshore permit (the “Sfax Permit”), located in the shallow Mediterranean waters in the Gulf of Gabes, offshore Tunisia and southeast of the city of Sfax. The operator of the Sfax Permit is DNO Tunisia AS (“DNO”), a subsidiary of DNO International ASA, an Oslo-listed company with significant expertise in the oil and gas industry across the Middle East and Africa.

Eurogas had originally established a joint venture arrangement with Atlas Petroleum Exploration Worldwide Ltd. (“APEX”), pursuant to which it had agreed to undertake exploration, appraisal and extraction activities on the Sfax Permit, targeting oil and natural gas reserves. Under the terms of the original arrangement, Eurogas held a 45% working interest in the arrangement, while APEX held the remaining 55% working interest and was designated as the operator of the project.

In January 2014, Eurogas and APEX entered into a farm out agreement with DNO, and amendments were made to the joint venture arrangement such that DNO acquired an 87.5% working interest in the Sfax Permit. The terms of the farm out arrangement also resulted in DNO carrying 100% of all future costs related to the Sfax Permit, including development and production related costs. DNO, as operator of the Sfax Permit, has assumed all drilling and other obligations associated with the Sfax Permit, including any monetary penalties arising due to non-fulfillment of work commitments agreed to under the terms of the Sfax Permit.

Subject to certain terms and conditions as outlined in the farm out agreement and as further described below, the original joint venture partners retained a 12.5% working interest in the Sfax Permit, of which 45% (representing a net 5.625% working interest) is attributable to Eurogas. The arrangement with DNO provides for the original joint venture partners to retain a 12.5% interest in the profit oil or profit gas component of production, to a maximum of US\$125 million (or 12.5% of the profit oil or profit gas from the production of 75 million barrel of oil equivalents, whichever comes first). Thereafter, the original joint venture partners are entitled to 6.25% of the profit oil or profit gas component of production to a maximum of an additional US\$75 million (or 6.25% of the profit oil or profit gas component from the production of an additional 45 million barrel of oil equivalents, whichever comes first). In addition, the original joint venture partners are entitled to receive 20% of the cost oil or cost gas component of production, to a maximum of the lesser of 18% of the costs incurred by the original joint venture partners prior to completion of the farm out arrangement, or US\$20 million.

The original joint venture partners have conceded a temporary deferral of 50% of their entitlement to a share of the profit oil or profit gas component of production from the Sfax Permit, until such time as DNO recovers US\$150 million of total incurred costs from the cost oil or cost gas component of production on the Sfax Permit.

During 2015, the parties to the joint operating agreement sought an extension of the first renewal period of the Sfax Permit, and in August 2015, the Tunisian authorities approved a two-year extension, extending the first renewal period and the associated exploration well drilling obligation to December 8, 2017. On July 21, 2017, the Tunisian authorities approved a further one-year extension to December 8, 2018. The extension is subject to certain conditions, including the replacement of a seismic commitment with the deepening of the well drilling obligation to the Reineche formation. DNO has advised Eurogas that it intends to drill a well on the Sfax Permit during the first part of 2018.

Notwithstanding the approval of the extension of the first renewal period, the current capital markets environment and the associated volatility in the price of oil causes significant uncertainties to Eurogas' determination of possible cash flows from its oil and natural gas activities. Accordingly, at December 31, 2017 and 2016, Eurogas carries its investment in the Sfax Permit at \$nil.

RESULTS OF OPERATIONS

During 2017, Eurogas incurred a loss before income taxes of \$0.6 million, consistent with a loss of \$0.6 million incurred in the prior year.

	For the three months ended		For the years ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Other items in net loss before taxes				
Depreciation and depletion	\$ -	\$ (9)	\$ -	\$ (9)
General and administrative	(92)	(98)	(430)	(434)
Interest expense	(57)	(52)	(209)	(202)
Foreign exchange gain (loss)	(2)	(5)	31	(2)
Net loss before taxes, Eurogas International Inc.	\$ (151)	\$ (164)	\$ (608)	\$ (647)
Net loss before taxes, Eurogas International Inc. attributable to:				
Owners of Dundee Corporation	\$ (80)	\$ (87)	\$ (325)	\$ (345)
Non-controlling interest	(71)	(77)	(283)	(302)
Net loss before taxes, Eurogas International Inc.	\$ (151)	\$ (164)	\$ (608)	\$ (647)

CHANGES IN FINANCIAL CONDITION

Dundee Corporation has provided Eurogas with a \$5.0 million revolving term credit facility, pursuant to which Eurogas has agreed to pay interest at a rate per annum equal to the prime lending rate for loans as set out by a Canadian Schedule I Chartered Bank, plus 1.25%. Dundee Corporation may, at its discretion and subject to the necessary regulatory approvals, require Eurogas to convert all amounts outstanding, including any interest outstanding, into common shares of Eurogas, subject to a minimum conversion price of \$0.05 per common share of Eurogas. At December 31, 2017, Eurogas had drawn \$5.2 million against this facility, including a net amount of \$318,000 advanced by Dundee Corporation during 2017. Although Eurogas has exceeded amounts available pursuant to these arrangements, Dundee Corporation has not demanded payment.

In addition, Eurogas has issued preference shares from treasury with a par value of \$32.2 million. The preference shares are held by Dundee Energy, and are subject to demand by Dundee Energy at any time, together with yet unpaid dividends thereon amounting to \$12.1 million at December 31, 2017.

Both the \$5.0 million revolving term credit facility provided by Dundee Corporation to Eurogas, and the \$32.2 million preference shares held by Dundee Energy, are eliminated as intersegment amounts in the 2017 Audited Consolidated Financial Statements. However, as a result of these financial obligations, Eurogas had a negative working capital balance of \$50.1 million at December 31, 2017. Eurogas' ability to meet its obligations is conditional on the discovery of economically recoverable reserves, obtaining exploitation concessions for any such economically recoverable reserves, its ability to raise the necessary capital to finance development and settle its current obligations, and working capital from future profitable production or proceeds from the disposition of assets. There can be no assurance that Eurogas will be successful in achieving any of these initiatives.

BLUE GOOSE CAPITAL CORP.

Blue Goose is a privately-held Canadian company focused on the production, distribution and sale of organic, natural and conventional protein products, including beef, chicken and fish. Dundee Corporation continues to view its investment strategy in the agriculture sector as protection against inflation, with the added opportunity to benefit from a dynamic and rapidly growing organic and natural food sector. At December 31, 2017, Dundee Corporation held 90% of the issued and outstanding common shares of Blue Goose. Additional information about Blue Goose may be accessed at www.bluegoosepurefoods.com.

Recent Developments

In October 2016, BGPF, a wholly-owned subsidiary of Blue Goose, acquired substantially all of the operating assets of Tender Choice, a facility specializing in the production, processing and distribution of various meat products. Blue Goose believed that the acquisition would be accretive to its existing poultry business, and that it would provide substantial operational cost savings. Further, the acquisition of Tender Choice was expected to provide Blue Goose with additional processing capacity to expand its other product offerings. Through its subsidiary, Blue Goose paid cash of \$59.0 million at closing, and it agreed to pay an additional \$35.0 million if the operations of Tender Choice exceeded certain thresholds. In order to fund the cash component of the purchase price, BGPF established a credit facility with a Canadian Schedule II Chartered Bank, drawing approximately \$35.0 million against the credit facility at closing.

On November 8, 2017, BGPF received notice from the CFIA, enforcing compliance with delinquent corrective actions relating to repairs and maintenance of the facility and certain equipment associated with the Tender Choice business. The CFIA did not identify any concerns or deficiencies directly impacting food safety. On November 10, 2017, the facility was temporarily closed in order to effect the required repairs and maintenance. This disruption impeded the ability of BGPF to deliver product to its core customers. BGPF immediately experienced reduced sales and net earnings. Furthermore, the timing of the closure coincided with the period during which Tender Choice would have typically renewed its contracts with its core customers, many of whom had already sourced alternative supply and opted out of renewal options being offered by BGPF.

On December 6, 2017, and before the required repairs and maintenance had been completed, a catastrophic fire rendered the facilities inoperative. All individuals on site at the time of the fire managed to exit the facilities unharmed. However, on December 7, 2017, the lender made demand on BGPF for the payment of all amounts borrowed, including accrued interest thereon. BGPF was not able to meet the requirements of the demand. The lender did not have recourse to any of the other businesses of Blue Goose, nor did it have recourse to Dundee Corporation and accordingly, on December 14, 2017, the lender appointed an interim receiver with broad powers over the assets of Tender Choice. Full receivership was established by the lender on December 21, 2017.

Blue Goose has determined that following the appointment of an interim receiver on December 14, 2017, it effectively lost control of the operations of BGPF and, as a result, the operating results and cash flows of BGPF have been classified as discontinued operations in the 2017 Audited Consolidated Financial Statements.

RESULTS OF OPERATIONS – CONTINUING OPERATIONS

The discussion below provides an overview of the operations of Blue Goose during 2017, exclusive of the operations of Tender Choice that have been designated as discontinued operations.

<i>For the years ended December 31,</i>	2017	2016
Revenues		
Sales	\$ 27,774	\$ 52,312
Interest and dividends	326	(1,163)
Gain on sale of Fischer Feeds	-	6,508
	28,100	57,657
Cost of sales	(39,449)	(61,958)
Other items in net loss before taxes		
Depreciation and depletion	(2,426)	(3,054)
General and administrative	(4,403)	(8,732)
Fair value changes in livestock	10,060	5,653
Interest expense	(4,406)	(2,684)
Foreign exchange loss	(5)	-
Net loss before taxes, Blue Goose Capital Corp.	\$ (12,529)	\$ (13,118)
Net loss before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	(11,264)	(11,605)
Non-controlling interest	(1,265)	(1,513)
Net loss before taxes, Blue Goose Capital Corp.	\$ (12,529)	\$ (13,118)

During 2017, Blue Goose incurred a net loss from continuing operations of \$12.5 million, compared with a net loss of \$13.1 million incurred during the prior year. The loss incurred during the prior year is net of a \$6.5 million gain from the disposal of Blue Goose's feed division, which was deemed to be non-core to its ongoing business strategy.

Blue Goose's operating performance from its continuing operations is partially driven by changes in the fair value of its livestock, which is subject to significant volatility from period to period due to both changes in physical growth as well as market prices. During 2017, Blue Goose recognized a fair value gain in livestock value of \$10.1 million, compared with a gain of \$5.7 million in the prior year.

Blue Goose's beef division accounts for the majority of the movement in fair value changes in livestock, with the fish division being the smaller contributor. Physical growth of the herd was relatively constant on a year-over-year basis. However, the quantitative effect of physical growth was offset by a decrease in market prices during both 2017 and 2016, with the decrease in 2016 being of more significance.

Contribution Margins

During 2017, Blue Goose incurred a negative contribution margin from continuing operations of \$1.6 million on total revenues of \$27.8 million, compared with a negative contribution margin from continuing operations of \$4.0 million on total revenues of \$52.3 million for the prior year. The contribution margin, before adjusting for fair value changes, was \$1.1 million in 2017, compared with a contribution margin before adjusting for fair value changes of \$3.3 million incurred in the prior year. The decrease is largely due to the disposal of the non-core feed division in 2016 which contributed \$1.4 million to the contribution margin before adjusting for fair value changes.

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

<i>For the year ended December 31,</i>						2016
	Beef	Fish	Chicken	Feed	Other	Total
Revenue	\$ 14,787	\$ 2,687	\$ 12,248	\$ 22,590	\$ -	52,312
Cost of sales, period cost	(12,810)	(2,846)	(12,062)	(21,192)	(80)	(48,990)
	1,977	(159)	186	1,398	(80)	3,322
Fair value changes						
Fair value changes in livestock	3,342	2,311	-	-	-	5,653
Cost of sales, fair value harvested	(10,234)	(2,734)	-	-	-	(12,968)
	(6,892)	(423)	-	-	-	(7,315)
Margin	\$ (4,915)	\$ (582)	\$ 186	\$ 1,398	\$ (80)	(3,993)
Margin %	(27.1%)	(11.6%)	1.5%	6.2%	n/a	(6.9%)

During 2017, the beef division was impacted by the largest single wildfire in the history of British Columbia. There were minor losses of livestock and some smaller outbuildings, however, the key buildings and operational equipment were not materially impacted. The extent of the fire's impact cannot be fully ascertained until the spring, when the snow melts and the underlying land can be assessed for damage. Blue Goose expects that access to grazing lands will be restricted because of environmental concerns, and management is therefore assessing options to mitigate the expected increase in costs to feed its herd. Of importance, there was no loss of life or significant personal injury to any staff member of the beef division during the wildfires.

Blue Goose has applied for several government-sponsored relief programs in an effort to recover some of the costs of dealing with the fire damage, including additional pregnancy testing and veterinarian assessments, lost hay inventory and fencing. Responses to the applications are expected in the second quarter of 2018. There can be no assurance that Blue Goose will receive any compensation pursuant to these relief programs.

Revenue from sales of beef decreased by \$0.1 million to \$14.7 million in 2017, compared with revenue of \$14.8 million generated in the prior year. The decrease is attributable to a decrease in live animal sales, offset by higher sales of processed beef. During 2017, period costs associated with the beef division were \$14.2 million and included costs of feeding, labour and other farm costs. This compares with period costs of \$12.8 million in the prior year. The increase in period costs relates to the addition of two new leased ranches, as well as increased payroll and fuel cost related to protecting the beef division's assets from the wildfires described above.

Revenue from fish sales increased to \$3.4 million in 2017, compared with revenue of \$2.7 million in the prior year, reflecting higher average realized prices, as well as higher sales volumes. In mid-2016, Blue Goose revised its harvest plan as climate related issues lowered available biomass in that period. Consistent with higher sales volume, period costs associated with the fish division increased to \$3.0 million in 2017, compared with period costs of \$2.8 million in the prior year.

Blue Goose expanded and modernized its fish operations in 2017, through the introduction of new technology in its farming operations, as well as further investments in a hatchery program. These steps are expected to realize increased efficiencies and improved margins in 2018. Notwithstanding, Blue Goose has determined that its existing fish division does not have the necessary scale to become a core aspect of its ongoing business strategy. Accordingly, Blue Goose is conducting an orderly sales process that seeks to maximize the value of this division. Negotiations are ongoing with potential purchasers, and Blue Goose anticipates that a transaction will be completed in 2018.

Blue Goose chicken products are produced by third-party suppliers and are sold to major retailers and independent grocers under the “Blue Goose” brand. During 2017, revenue from the sale of chicken products was \$9.8 million, compared with revenue of \$12.2 million in 2016. The effect of lower sales volumes in 2017 was partially offset by higher margins.

Blue Goose’s chicken business continues to struggle with supply constraints. On February 12, 2018, the CFIA issued a prosecution bulletin, indicating that a former primary supplier of chicken products to Blue Goose had pled guilty to two counts of violating section 5 (1) of the *Food and Drugs Act*, as their poultry was sold in a manner likely to create an erroneous impression of its character and nature. Partially over concerns of what the CFIA’s findings would be with its former chicken supplier, during the fourth quarter of 2017, Blue Goose sourced a new primary chicken processor and a new primary chicken supplier in order to help stabilize supply and grow the business at higher margins.

During 2016 and prior to its sale in early October of 2016, Blue Goose’s feed business earned revenues of \$22.6 million and a contribution margin of \$1.4 million.

CHANGES IN FINANCIAL CONDITION

Changes in Livestock Carrying Values

	Cattle	Fish	Inventory and Supplies	Total
Carrying value, beginning of the year	\$ 25,768	\$ 2,482	\$ 8,157	\$ 36,407
Transactions during the year ended December 31, 2017				
Net additions	1,946	576	66,979	69,501
Herd growth - physical changes	8,252	2,916	-	11,168
Herd growth - price changes	(1,219)	111	-	(1,108)
Net of product processed	(9,500)	(3,301)	(61,119)	(73,920)
Liquidation of Tender Choice	-	-	(11,735)	(11,735)
Carrying value, end of the year	\$ 25,247	\$ 2,784	\$ 2,282	\$ 30,313

In June 2016, Blue Goose purchased Cache Creek Farms in British Columbia for \$2.2 million, and further purchased 200 head of cattle for \$0.4 million. The purchase also included 337 acres of hay producing land and a sub-finishing lot, plus related buildings and equipment, in close proximity to Blue Goose’s current operations.

Blue Goose continued to execute on its strategy to grow its cattle business in 2017. Overall, Blue Goose increased the size of its organic cattle herd by 135 head, or 1% compared to its herd count as at December 31, 2016. However, in light of the 2017 wildfires, Blue Goose may need to reduce its herd size in order to control costs associated with restricted grazing availability.

(number of animals)	December 31, 2017	Cattle herd as at December 31, 2016
Breeding cattle and bulls	6,743	6,137
Immature livestock and feeder cattle	7,095	7,566
	13,838	13,703

Disposition of Fischer Feeds Limited (“Fischer Feeds”)

During the prior year, Blue Goose completed the sale of its feed division for total sale proceeds of \$17.0 million, allowing Blue Goose to repay its associated debt of \$6.6 million.

Corporate Debt in Blue Goose

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose has borrowed an aggregate of \$60.0 million as at December 31, 2017. A detailed description of the nature of each of Blue Goose's borrowing facilities is provided in note 15 to the 2017 Audited Consolidated Financial Statements. Other than as described below, the lending institutions to Blue Goose do not have recourse to Dundee Corporation in respect of any of the amounts borrowed under these arrangements.

In addition to the amounts of credit made available by a Canadian Schedule II Chartered Bank to BGPF to fund the acquisition of the assets of Tender Choice, Blue Goose established a \$10.0 million real property loan facility with Farm Credit Canada, a leading lender to the agricultural sector. Blue Goose provided ranch land as collateral against the loan. Therefore, the loan is not part of the group of assets subject to liquidation pursuant to the receivership arrangements, and amounts borrowed remain a liability of Blue Goose. At December 31, 2017, \$9.6 million was borrowed against this facility. In addition to security provided by Blue Goose, Dundee Agriculture Corporation, a wholly-owned subsidiary of the Corporation, has provided a full guarantee in respect of this loan arrangement.

The lending agreements available to Blue Goose and its subsidiaries require the maintenance of certain financial covenants and reporting requirements customary to such loan arrangements, including the delivery of financial information and debt covenant certification as provided for in the loan agreements. At December 31, 2017, Blue Goose was in compliance with its financial covenants, or had otherwise obtained subsequent waivers.

Cash Resources

At December 31, 2017, Blue Goose had cash of \$0.9 million, and it had obligations, other than corporate debt as outlined above and amounts otherwise due to Dundee Corporation, of \$5.1 million. During 2017, the Corporation advanced \$2.1 million to Blue Goose to supplement working capital requirements. Without the continued financial support of the Corporation, there can be no assurance that Blue Goose will generate sufficient cash flows or otherwise have access to the necessary funding to maximize its business opportunities.

RESULTS OF OPERATIONS – DISCONTINUED OPERATIONS

The following table illustrates the operating performance of the Tender Choice assets prior to the appointment of an interim receiver on December 14, 2017.

	For the three months ended		For the years ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenues				
Sales	\$ 7,145	\$ 15,763	\$ 77,697	\$ 15,763
Interest and dividends	-	-	(69)	-
	7,145	15,763	77,628	15,763
Cost of sales	(6,981)	(15,915)	(70,395)	(15,915)
Other items in net loss before taxes				
Depreciation and depletion				
Impairment of goodwill	-	-	(23,638)	-
Other	(354)	(844)	(3,446)	(844)
General and administrative				
Marked-to-market adjustment on earnout liability	(49)	(723)	14,993	(723)
Other	(959)	(737)	(2,937)	(737)
Interest expense	(126)	(314)	(1,492)	(314)
Foreign exchange (loss) gain	16	(18)	(37)	(18)
Net loss before taxes, Blue Goose Pure Foods Ltd.	(1,308)	(2,788)	(9,324)	(2,788)
Income tax recovery	-	4,644	1,055	4,644
Net (loss) earnings, Blue Goose Pure Foods Ltd.	\$ (1,308)	\$ 1,856	\$ (8,269)	\$ 1,856
Net (loss) earnings, Blue Goose Pure Foods Ltd. attributable to:				
Owners of Dundee Corporation	\$ (1,175)	\$ 1,673	\$ (7,428)	\$ 1,673
Non-controlling interest	(133)	183	(841)	183
Net (loss) earnings, Blue Goose Pure Foods Ltd.	\$ (1,308)	\$ 1,856	\$ (8,269)	\$ 1,856

As part of the acquisition of the assets of Tender Choice, BGPF agreed to pay additional contingent consideration (“earnout liability”) of up to \$35.0 million if the operations of Tender Choice exceeded certain thresholds. In accordance with accounting requirements, the earnout liability was recorded at the time of the acquisition at its estimated fair value of \$17.4 million. The fair value measurement of the earnout liability increased the total aggregate consideration transferred for the acquisition of the underlying assets, and goodwill of \$23.6 million was calculated as the excess of the purchase price (including the value attributed to the earnout liability) over the fair value of the net assets acquired.

During 2017 and prior to the appointment of a receiver, Blue Goose reassessed the probability metrics that determined the fair value of the earnout liability and reduced its carried value by \$15.0 million to \$3.1 million. Concurrently, Blue Goose reconsidered the value it had attributed to goodwill in respect of the acquisition of Tender Choice, and determined that it was appropriate to recognize an impairment of \$23.6 million, reducing its carried value to \$nil.

In accordance with the terms of the interim receivership established on December 14, 2017, the receiver was granted broad powers over the assets of Tender Choice, at which time BGPF lost control over the underlying operations. Accordingly, the associated assets and liabilities of Tender Choice were subsequently deconsolidated, resulting in a loss from the liquidation of these assets of \$22.6 million as illustrated in the table below.

Carrying value of net assets:	
Accounts receivable	\$ 7,634
Livestock	11,735
Capital and other assets	43,405
Deferred income tax assets	2,954
Accounts payable	
Earnout liability	(3,130)
Other	(8,888)
Corporate debt	(31,133)
Loss on liquidation of net assets	\$ 22,577

AGRIMARINE HOLDINGS INC.

AgriMarine Holdings Inc. (“AgriMarine”) is a private company engaged in fish farming activities using both conventional netting systems and other proprietary aquaculture technologies. AgriMarine has three principal assets: “*West Coast Fishculture (Lois Lake) Ltd.*” (“WCF”) which owns and operates a Steelhead salmon fish farm in Powell River, British Columbia; a suite of patents pertaining to a closed-containment tank technology used to rear finfish; and “*AgriMarine Technologies Inc.*” (“ATT”) an engineering company that continues to develop and improve proprietary aquaculture technologies, supports WCF’s internal needs and provides engineering services to third-party fish farm operators. As at December 31, 2017, the Corporation held a 100% interest in AgriMarine. Additional information about AgriMarine may be accessed at www.agrimarine.com.

RESULTS OF OPERATIONS

During 2017, AgriMarine incurred a pre-tax loss of \$4.6 million, compared with a pre-tax loss of \$6.1 million during 2016. The 2017 pre-tax loss includes the effects of abnormal fish mortalities of approximately \$1.0 million that occurred during the third quarter of 2016, and which is reflected in cost of sales in the current year.

<i>For the years ended December 31,</i>	2017	2016
Revenues		
Sales	\$ 10,048	\$ 10,645
Interest, dividends and other	25	(50)
	10,073	10,595
Cost of sales	(11,357)	(11,506)
Other items in net loss before taxes		
General and administrative	(3,264)	(4,182)
Fair value changes in livestock	-	(902)
Interest expense	(31)	(68)
Foreign exchange loss	-	(2)
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,579)	\$ (6,065)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (4,579)	\$ (6,065)
Non-controlling interest	-	-
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,579)	\$ (6,065)

Contribution Margins

During 2017, AgriMarine generated revenue of \$10.0 million, marginally below revenue of \$10.6 million generated in the prior year. Heavy mortalities experienced between July and October of the prior year were reflected in the fish groups harvested and therefore cost of sales during 2017. As a result, AgriMarine had negative contribution margins of \$1.3 million in 2017, compared with negative contribution margins of \$1.8 million in the prior year. Materially all of the effects of the 2016 mortalities have now been reflected in cost of sales.

<i>For the years ended December 31,</i>	2017	2016
Revenues	\$ 10,048	\$ 10,645
Cost of sales	(11,357)	(11,828)
Contribution margin before fair value changes and other adjustments	(1,309)	(1,183)
Fair value changes in livestock	-	(902)
Other adjustments	-	322
	\$ (1,309)	\$ (1,763)

Harvesting and sales were deliberately and necessarily reduced in the second and third quarters of 2017 in order to permit biomass to recover to sustainable levels following heavy harvesting in the previous two quarters that resulted from a maturation issue in the fish population. The anticipated increase in sales in the fourth quarter of the current year was impacted negatively by an unexpected softening in the market.

WCF harvested 1.3 million kilograms of product during 2017 of which 0.8 million kilograms were sold, representing a yield of approximately 64%. WCF realized an average price of \$12.15 per kilogram sold.

Sales prices were increased by 10% to 15% for most of WCF's customers effective June 1, 2017. Harvest increases during August were in line with expectations, however, September harvests were not at anticipated levels as demand dropped due to seasonal availability of wild fish. In the fourth quarter, despite expectation of an increase in demand to typical levels, sales remained flat. Management has been addressing this with WCF's sales agents, and has actively sought additional business in the United States and in the meantime, new customers have been introduced from eastern Canada, increasing the overall demand for product.

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

CHANGES IN FINANCIAL CONDITION

	Biological Assets	Inventory and Supplies	Total
Carrying value, beginning of the year	\$ 6,495	\$ 399	\$ 6,894
Transactions during the year ended December 31, 2017			
Net additions	4,688	29	4,717
Net of product processed	(5,619)	-	(5,619)
Carrying value, end of year	\$ 5,564	\$ 428	\$ 5,992

As at December 31, 2017, the carrying value of AgriMarine's biological assets was \$5.6 million, compared to a carrying value of \$6.5 million as at December 31, 2016.

AgriMarine's principal focus remains the achievement of sustainable profitability for its WCF farming operation. In this context, improving reliability and reducing the cost of oxygen supply to the farm's closed-containment tanks, increasing fish growth rates by several means, reducing energy costs, and outsourcing certain processing costs are management's current priorities. Future increases in scale will also bring benefits from economies that would be achieved by spreading infrastructure and operating costs over a larger volume of fish.

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

During 2017, AgriMarine's cash flows from operations have been insufficient to meet its obligations and expand its business activities. Dundee Corporation provided funding of \$1.8 million in 2017 to support operations. At December 31, 2017, AgriMarine had a cash shortfall of \$66,000, and it had liabilities of \$3.4 million, excluding amounts due to Dundee Corporation. There can be no assurance that AgriMarine will have access to the necessary cash to carry out its current business plan.

DUNDEE 360 REAL ESTATE CORPORATION

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

At December 31, 2017, Dundee 360 was a wholly-owned subsidiary of the Corporation. Additional information about Dundee 360 may be accessed at www.dundee360.com.

RESULTS OF OPERATIONS

During 2017, Dundee 360 incurred a net loss before taxes of \$0.7 million. Operating results include Dundee 360's share of income from its real estate joint ventures, including \$1.3 million of income associated with its 45% share interest in the Edenarc 1800 project in Savoie, France for the completion, delivery and unit sales of Phase 2 Les Monarques (see "Edenarc 1800" below). These earnings were offset by depreciation of \$1.7 million to reduce the carrying value of land assets held in Croatia to its expected proceeds of sale (see "Clearpoint Resort" below).

In comparison, during the prior year, Dundee 360 incurred a net loss of \$50.3 million. During 2016, Dundee 360 restructured its international real estate project management operations to concentrate its efforts on the Canadian luxury real estate market in order to achieve greater synergistic benefits with its real estate brokerage division. These transactions resulted in one-time restructuring costs of \$36.0 million.

	Real Estate Brokerage		Real Estate Project Management		Total	
	2017	2016	2017	2016	2017	2016
<i>For the years ended December 31,</i>						
Revenues						
Gross commission income	\$ 98,249	\$ 81,782	\$ -	\$ -	\$ 98,249	\$ 81,782
Consulting and management fees	-	4	5,375	5,294	5,375	5,298
Sales and marketing fees	-	223	185	446	185	669
Other revenue	9,578	8,262	29	1,009	9,607	9,271
Interest, dividends and other	272	432	1,333	208	1,605	640
	108,099	90,703	6,922	6,957	115,021	97,660
Cost of sales	(89,307)	(74,051)	-	-	(89,307)	(74,051)
Other items in net loss before taxes						
Depreciation and depletion	(1,031)	(1,018)	(2,893)	(33,467)	(3,924)	(34,485)
General and administrative	(17,921)	(16,956)	(5,789)	(17,780)	(23,710)	(34,736)
Share of income (loss) from real estate joint ventures	-	-	1,268	(4,564)	1,268	(4,564)
Finance expense	(77)	(89)	(7)	(76)	(84)	(165)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	\$ (237)	\$ (1,411)	\$ (499)	\$ (48,930)	\$ (736)	\$ (50,341)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:						
Owners of Dundee Corporation	\$ (237)	(1,411)	\$ (231)	\$ (47,014)	\$ (468)	\$ (48,425)
Non-controlling interest	-	-	(268)	(1,916)	(268)	(1,916)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	\$ (237)	\$ (1,411)	\$ (499)	\$ (48,930)	\$ (736)	\$ (50,341)

Real Estate Brokerage Activities

Dundee 360 currently holds the exclusive right to the use of the “*Sotheby’s International Realty*” name and related trademarks across Canada until 2029, with a unilateral right to extend its franchise agreement for an additional 25-year term. Franchise fees pursuant to this arrangement are 6% of gross commission income, with minimum annual payments of US\$1.0 million. As part of its growth plan, Sotheby’s remains focused on recruiting realtors with strong ethical and professional backgrounds who understand the benefit of the *Sotheby’s International Realty* brand. These initiatives have resulted in a realtor base that averages, on an annual basis, between four to five times the sales volume of other realtors in Canada as reported by The Canadian Real Estate Association.

During 2017, Sotheby’s has sold over \$5.4 billion worth of residential real estate, compared with \$4.6 billion in the prior year. Aligned with strategic initiatives for growth, Sotheby’s grew its year-to-date agent count by a net 56 new agents, bringing the total agent count across Canada to 482 compared to 426 in the prior year. Gross commission revenues for the listing, marketing and selling of real estate assets were \$98.3 million. Commissions paid to associated brokers and agents in respect of this revenue stream were \$89.3 million, providing Sotheby’s with a contribution margin of \$9.0 million or 9.2%. This compares with a contribution margin of \$7.7 million or 9.4% in the prior year, representing a \$1.3 million growth in contribution margin. The marginal decrease in contribution margin percentage results from an increase in higher producing agents who earn larger commissions splits, but who have generated more gross commission revenues for Sotheby’s in comparison to the prior year.

In addition to commission revenues, this division earned \$9.6 million (2016 – \$8.3 million) of other revenue in 2017 from its network of brokers and agents for the provision of services, including marketing, administrative and support services. Other revenue also includes luxury premium awards earned for achieving certain gross commission income targets.

Real Estate Project Management Activities

During the prior year, Dundee 360 undertook a series of transactions aimed at the restructuring of its real estate management activities.

These transactions included the divestments of Dundee 360's arrangements with the Enchantment Group, a resort company based in the United States. Pursuant to the divestment, Dundee 360 sold the shares of its subsidiary that provided hospitality services, and it agreed to the transfer of the "Enchantment" and "Mii amo" trademarks. In exchange, the Enchantment Group released Dundee 360 from all its obligations under the pre-development and license agreements, including a US\$1.0 million commitment in respect of development initiatives, as well as obligations to fund any future operating shortfalls. These restructuring activities resulted in a charge of \$5.8 million in 2016, including accelerated depreciation charges of \$4.4 million and general and administrative charges of \$1.4 million.

In connection with the extension of the construction schedule for the development of the Parq Vancouver resort and casino real estate project (see "*Significant Investments Accounted for under the Equity Method*"), during 2016, Dundee 360 reassigned its participation in the project development agreement, as well as in the asset management agreement pursuant to which Dundee 360 was to provide management services upon commencement of operations. In that regard, Dundee 360 incurred non-recurring depreciation charges of \$3.5 million against these contracts, as well as an impairment charge of \$14.1 million associated with goodwill.

Dundee 360's current real estate management activities are concentrated on the following projects:

Four Seasons Private Residences, Montreal

In February 2017, Dundee 360 was awarded a management agreement to provide services for the development of 18 luxury private residences housed on top of a full-service Four Seasons Hotel. The project is envisioned to be one of the most prestigious mixed-use complexes to emerge in Montreal and is expected to be completed by the end of 2018. In addition to the development agreement, in collaboration with Sotheby's, Dundee 360 was also awarded a sales and marketing agreement to act as the exclusive professional marketing advisor and broker for the 18 luxury private residences. During 2017, Dundee 360 earned revenues of \$0.5 million relating to this project.

Hotel Project Management and Procurement

Dundee 360 provides project management and procurement services to two Fairmont hotels to oversee refurbishments and infrastructure capital projects for which it earns fees based on a percentage of capital invested. Both these projects were successfully completed on January 4, 2018. During 2017, Dundee 360 earned revenues of \$4.3 million related to these projects, compared with \$2.7 million in the prior year.

Finance and Reporting Consulting Services

Dundee 360 provides finance and reporting consulting services for legal entities and their related assets in the real estate industry. During 2017, Dundee 360 successfully renewed a reporting contract with its client, a subsidiary of the Caisse de Dépôt, to continue to render its reporting services until March 2019. In 2017, Dundee 360 earned revenues of \$0.3 million for the provision of these services, consistent with revenues earned in the prior year.

Edenarc 1800

Edenarc 1800 is a ski-in and ski-out resort project development in the French Alps. Sotarbat 360, a French-entity domiciled in Savoie, France, is the builder of the project. Dundee 360 provides development services for which it earns a fee calculated as a percentage of project costs. The remaining build-out cost of approximately \$33 million is being financed directly by the project and the builder. In addition to providing these services, Dundee 360 holds a 45% equity interest in Sotarbat 360, subject to a priority interest by the builder to a full recovery of all costs of development of the project. Although the project is no longer part of its intended strategy, Dundee 360 remains committed to continue its participation in this project until it reaches its conclusion.

During 2017, the project's fifth phase, Les Monarques Phase 2, a 40-unit residential apartment development, was completed and delivered on schedule. The project's sixth phase, Les Monarques Phase 3, a 57-unit residential apartment development, recommenced construction in the last quarter of 2017 due to weather conditions and ongoing negotiations with its partner and suppliers, which has delayed the delivery date by one year to June 2019. The project is envisioned to have three more phases with ultimate completion of the entire resort expected by the end of 2020. During 2017, Dundee 360 earned \$0.4 million of revenues from these arrangements, compared with \$0.5 million earned in the prior year.

Dundee 360 accounts for its investment in Sotarbat 360 as an equity accounted investment, with a book value as at December 31, 2017 of \$3.8 million.

Clearpoint Resort

Dundee 360 has an approximate 86% interest in Clearpoint Resort Limited (Malta), a Maltese corporation ("CRLM"), through which Dundee 360 had anticipated developing the Clearpoint Resort project in Cavtat, Croatia. A hotel, marina and recreational accommodation project with a full build-out cost of \$185 million, it required land accumulation of 25.6 acres, of which approximately 5.9 acres is currently owned. Dundee 360 is currently seeking a purchaser for the assets held. During 2017, Dundee 360 recognized depreciation of \$1.7 million (2016 – \$8.0 million) against its investment in CRLM, reducing estimated residual value of the assets of this project to the expected proceeds of sale.

Developments in Cuba

Dundee 360 had participated in a joint venture development agreement with an agency of the Government of Cuba to develop certain hotel properties in Cuba. As part of its 2016 restructuring initiatives, Dundee 360 entered into a transaction for the disposition of its Cuban real estate assets to a former key employee of Dundee 360 for aggregate cash consideration of \$2.0 million. The transaction is subject to approval of the local authorities for the transfer of ownership, which is expected to close during 2018. Under the terms of the transaction, the purchaser remains responsible for ongoing operating costs associated with the project. During the prior year, Dundee 360 recognized depreciation expense of \$4.6 million against its rights in Cuba, reducing the carrying value to the expected proceeds of sale. The depreciation was included with "*Share of loss from equity accounted investments*" in the consolidated statements of operations.

During 2017, Dundee 360 earned revenues of \$6.9 million from its real estate project management activities, compared with revenues of \$7.0 million generated in the prior year. However, prior year revenues included \$2.2 million in management fees earned from hospitality and asset management activities prior to the divestment of this business in June 2016, and \$1.0 million received upon the settlement of a lawsuit.

During 2017, general and administrative costs incurred from project management activities were \$5.8 million, substantially reduced from general and administrative costs of \$17.8 million incurred during the prior year. The restreaming of operations provides Dundee 360 with a more stable platform for growth and delivery of its renewed strategy.

CHANGES IN FINANCIAL CONDITION

During 2017, the Corporation advanced \$1.4 million to Dundee 360 to supplement working capital requirements. At December 31, 2017, Dundee 360 had cash and receivables of \$8.1 million and its liabilities, other than amounts due to Dundee Corporation, were \$6.6 million. Dundee 360 is currently implementing strategies to monetize various international real estate development interests, source new project opportunities and to create potential financing vehicles to allow Dundee 360 to continue growing its business. Without the financial support of the Corporation, there can be no assurance that Dundee 360 will have access to the necessary funding to carry out its current business plan.

SIGNIFICANT INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

In the normal course of its business, the Corporation may, from time to time, acquire a sufficient equity interest in a public or private company that enables the Corporation to exert influence over the underlying investee, without having full control. Generally, the Corporation would expect to exert influence over an underlying investee when it holds more than 20%, but less than 50% of an investee's ultimate voting rights. This influence may be manifested through representation on the board of directors, partaking in the investee's policy development and the interchanging of managerial personnel. When the equity method is used to account for ownership in an investee, the Corporation records the initial investment at cost, and then that cost is increased or decreased every reporting period to reflect the Corporation's share of the net earnings or loss in the investee, and to reflect the Corporation's share of the investee's other comprehensive income or loss. The Corporation assesses the resulting carrying value every period for possible impairment by comparing its equity accounted carrying value to the Corporation's determination of recoverable amount of its investment. If the carrying value of an equity accounted investment exceeds its recoverable amount, the investment's carrying value is reduced to the recoverable amount, and an impairment loss is recognized.

Equity Accounted Investments at December 31, 2017

At December 31, 2017, the Corporation accounted for 10 of its investments using the equity method, including nine investments in private companies and one minor investment in a publicly listed company. These investments had an aggregate carrying value at December 31, 2017 of \$104.7 million (2016 – \$151.1 million). In addition, the Corporation accounts for its investments in real estate joint ventures on an equity basis. These investments had a carrying value of \$6.0 million at December 31, 2017 (2016 – \$4.6 million).

As at and for the years ended December 31,		2017		2016	
Trade		Ownership	Carrying Value	Ownership	Carrying Value
Publicly Listed Equity Accounted Investment					
ODX	Odyssey Resources Limited	31%	\$ -	31%	\$ 33
Privately Held Equity Accounted Investments					
	Android Industries, LLC	20%	24,322	20%	25,905
	Cambridge Medical Funding Group II, LLC	50%	-	50%	8,572
	Cambridge Medical Capital Services LLC	50%	-	n/a	-
	Dundee Acquisition Ltd.	98%	(381)	98%	(3,891)
	Dundee Sarea Acquisition I Limited Partnership	33%	16,713	33%	13,707
	Dundee Sarea Limited Partnership	21%	91	25%	336
	Paragon Holdings (Smithe Street) ULC (i)	50%	52,592	50%	57,450
	Union Group International Holdings Limited	40%	11,424	40%	49,071
	Escal UGS S.L. (ii)	33%	-	33%	-
			104,761	151,183	
Real estate joint ventures			5,976	4,653	
			\$ 110,737	\$ 155,836	

(i) The Corporation holds a 50% interest in Paragon Holdings (Smithe Street) ULC which holds a 74% interest in the Parq Vancouver Limited Partnership, a casino and resort facility located in Vancouver, British Columbia, giving the Corporation an effective 37% interest in the underlying assets, before any changes in ownership that may result from the exercise of the Corporation's conversion rights on its preferred unit ownership associated with the holding structure of Parq Vancouver Limited Partnership.

(ii) Dundee Energy Limited's 74% owned subsidiary, Castor UGS Limited Partnership, holds a 33% interest in Escal UGS S.L. giving Dundee Energy Limited an effective 25% interest and Dundee Corporation an effective 14% interest in Escal UGS S.L.

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

	<i>For the three months ended December 31, 2017</i>	<i>For the year ended December 31, 2017</i>
Carrying value of equity accounted investments, beginning of period	\$ 163,289	\$ 151,183
Transactions during the period ended December 31, 2017		
Cash invested in equity accounted investments	900	2,475
Share of loss from equity accounted investments	(59,175)	(54,360)
Share of other comprehensive income (loss) from equity accounted investments	(79)	5,812
Other	(174)	(349)
Carrying value of equity accounted investments, end of period	\$ 104,761	\$ 104,761

* Excluding changes in real estate joint ventures.

Significant Developments in Equity Accounted Investments

Union Group International Holdings Limited

Union Group (www.uniongrp.com) is a holding company with strategic investments in the power generation, oil and gas, infrastructure and logistics, agriculture, minerals and real estate sectors, in Latin American countries such as Uruguay, Columbia, Peru and Paraguay. The Corporation invested US\$50.0 million in Union Group to hold a 40% interest. At December 31, 2017, Union Group's primary asset consisted of the holding of 40 million common shares of ICC Labs Inc. (see below), representing approximately 29% of the issued and outstanding shares, with a trading value of approximately \$40.8 million.

Union Group also manages a portfolio of hydropower assets in Peru at various stages of development. In May 2016, Union Group acquired its sole operating asset, Canchayllo, a run-of-river hydropower plant with an installed capacity of approximately 5.3 megawatts ("MW"). Union Group develops and operates oil and gas assets in the Andean States and Southern Cone regions of Latin America, with exploration assets in Uruguay, Peru and Paraguay.

During 2017, Union Group experienced significant liquidity issues, causing the company to initiate an internal restructuring of its holdings, including the dispositions of its portfolio of real estate properties in Uruguay and a portion of its 3% interest in Union Agriculture Group, which it deemed were no longer part of its core strategy. Union Group maintains a management contract in respect of these assets.

As part of the Corporation's efforts to ascertain its interest in the residual assets of Union Group following the restructuring initiatives, the Corporation mandated a third-party independent audit of Union Group in respect of its fiscal year ended December 31, 2016. Union Group has been unable to comply with the Corporation's request and consequently, the Corporation remains unable to satisfactorily assess the fair value and performance of Union Group's investments, other than its investment in ICC Labs Inc.

Accordingly, during 2017, the Corporation has impaired its carrying value in Union Group to its 40% share of the value of Union Group's interest in ICC Labs Inc. In determining its 40% share of the value of ICC Labs Inc., the Corporation applied a liquidity discount of 30% to reflect the regulatory escrow arrangements required under the rules of the TSX Venture Exchange, and to accommodate any obligations that may arise that would otherwise erode value. The Corporation anticipates that the determination of fair value may vary significantly in future periods, both as a result of changes in the price of ICC Labs Inc., and also as Union Group provides third-party evidence of the value of its underlying assets. There can be no certainty as to the magnitude of these potential changes.

Union Group's Investment in ICC Labs Inc. (formerly ICC International Cannabis Corporation) (TSX: ICC.V)

In April 2016, Union Group acquired a 50% interest in ICC Labs Inc. ("ICC") (www.icclabs.com), an Uruguay-based, fully-licensed producer and distributor of recreational cannabis and cannabinoid extracts (including cannabidiol (CBD) used for medicinal purposes). In November 2016, ICC announced the completion of a reverse take-over transaction and subsequent public listing of the shares of ICC on the TSX Venture Exchange. At December 31, 2017, Union Group owned 40 million common shares of ICC, representing approximately 29% of the issued and outstanding shares of ICC on a non-diluted basis, with a trading value of approximately \$40.8 million. Union Group's holdings in ICC are currently subject to escrow arrangements under the rules of the TSX Venture Exchange.

In October 2017, ICC announced that it had entered into a pre-sales agreement with Grupo Fénix (through Energía y Vida de Mexico S.A. de C.V.) for the sale of its branded cannabinoid oil, 'BIDIOL'. Grupo Fénix is a large Mexican company that manages hundreds of pharmacies through their networks – Farmacias El Fénix and Farmacias del Dr. Ahorro. Pursuant to the agreement, until the end of 2018, ICC will export 120,000 30-millilitre bottles of CBD oil to Grupo Fénix.

In July 2017, the Uruguayan Ministry of Health officially approved, and ICC commenced sales of recreational cannabis through the registered pharmacy channel. ICC also announced that it had received regulatory approvals from the Uruguayan Ministry of Livestock, Agriculture and Fishery to sow, harvest and export CBD oils, CBD extracts and pure CBD crystals produced from imported hemp strains rich in CBD. ICC expects to plant over 680 acres of its first outdoor hemp crop and harvest approximately 150 tonnes this growing season, which runs from October 2017 to April 2018.

In June 2017, ICC completed its 21,528 square foot greenhouse complex that will allow ICC to test different cultivars' behavior throughout the entire year in order to increase the production cycle of medicinal cannabis and hemp plant extraction. ICC is currently constructing the first CBD extraction laboratory in South America using the supercritical fluid CO2 extraction technique. The facility, which is being built in Uruguay's "Science Park Free Trade Zone", is equipped to process 50 tonnes of hemp flower into CBD extract annually and is expected to be completed in April 2018. ICC continues to source and solidify global strategic partnerships for cannabidiol and CBD oil distribution, initially targeting markets in Canada, Mexico, South America and Europe.

In February 2017, ICC announced that it had entered into a memorandum of understanding with Emblem Corp. (TSXV: EMC), a licensed producer of medicinal cannabis pursuant to the Access to Cannabis for Medical Purposes Regulations overseen by Health Canada. The memorandum of understanding encompasses the presale of 10% of ICC's 2018 cannabidiol production to Emblem Corp. and establishes a cooperative framework for Emblem Corp. to assist ICC with the importation of cannabidiol into Canada and subsequently ensure distribution within Canada.

In April 2017, ICC announced that it had entered into an agreement with Avanti RX Analytics Inc. ("Avanti"), a licensed dealer under the *Controlled Drugs and Substances Act (Canada)* pursuant to which ICC will provide cannabidiol oil and cannabis extract oils, and other related products from its Uruguayan operations. Avanti has also agreed to act as a Health Canada Good Manufacturing Practices (GMP) approved contract analytical lab in Canada for ICC. The activities contemplated by these arrangements are still subject to applicable regulatory approvals.

Subsequent to year end, ICC announced that it will increase the proposed production at its CBD extraction facility being constructed in Uruguay from 50,000 kilograms per year of dry cannabinoid flowers to 150,000 kilograms per year by purchasing a second line supercritical fluid CO2 extractor. The company intends to produce up to eight million 30-millilitre bottles of BIDIOL with various concentrations and 3,000 kilograms of pure CBD crystals upon completion of its laboratory. The GMP-compliant laboratory is expected to be fully operational by the second quarter of 2018.

ICC also announced that the Ministry of Justice and Law of the Republic of Colombia had granted ICC's Colombian subsidiary licenses to cultivate psychoactive cannabis plants for domestic and international distribution and to manufacture cannabis derivatives, all for medicinal purposes. The company also announced plans for the construction of a 124,000 square foot greenhouse to cultivate between 8,000 kilograms and 12,000 kilograms of dried psychoactive cannabis flowers during its initial year of production, with quantities increasing upon the establishment of its full production cycle.

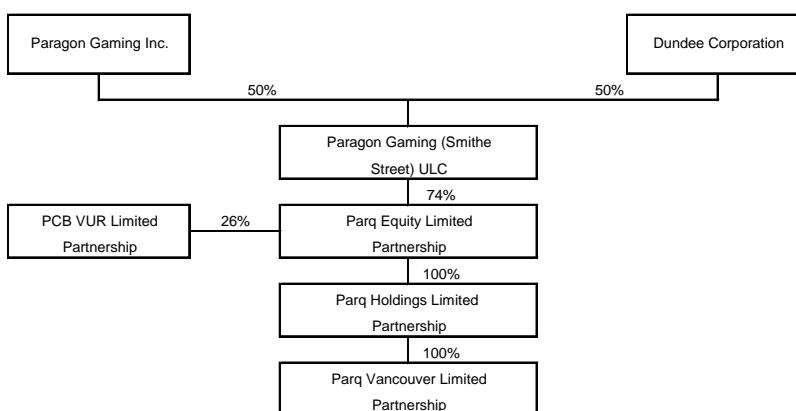
Subsequent to year end, Union Group launched Union Acquisition Corp. (NYSE: LTN), a newly formed blank check company formed for the purpose of effecting a business combination of prospective target businesses, preferably but not limited to, entities in Latin America. Union Acquisition Corp. successfully raised US\$115 million during the initial public offering. There is no guarantee that Union Acquisition Corp. would be able to consummate a business combination in the 21-month timeframe set out in its listing prospectus. Union Group holds 1.6 million founders' shares of Union Acquisition Corp.

At December 31, 2017, the Corporation's 40% interest in Union Group was valued at \$11.4 million. During the year then ended, the Corporation recognized a loss of \$44.6 million in respect of its investment in Union Group (2016 – \$0.7 million). The Corporation has not committed any further funds to Union Group, and it is not subject to any contingent obligations in respect of its investment.

Paragon Holdings (Smithe Street) ULC (“Paragon Holdings”)

Paragon Holdings is a joint venture established between the Corporation and Paragon Gaming Inc., a Las Vegas-based casino resort developer and operator. Paragon Holdings holds an indirect 73.46% interest in Parq Holdings Limited Partnership (of which the Corporation's share is 36.73%), a partnership established for the purpose of developing a Vancouver-based destination resort (“Parq Vancouver”). Parq Vancouver opened its doors on September 29, 2017. Parq Vancouver houses the relocated Edgewater Casino, with 600 slot machines and 75 gaming tables. Located immediately adjacent to the B.C. Place Stadium in downtown Vancouver, Parq Vancouver also includes two Marriott-branded luxury hotels with 517 rooms, a 60,000 square foot conference centre, a spa, five restaurants, three lounges, and a parking facility with 1,069 spaces.

The remaining 26.54% indirect interest in Parq Vancouver is owned by PBC VUR Limited Partnership (“PBC”), a partnership managed by PBC Real Estate Advisors Inc., an asset management company engaged in pursuing, developing, acquiring, funding and managing various real estate assets including land, real property and mortgages on behalf of its institutional client base.



In 2018, Parq Vancouver is expected to generate EBITDA of \$50 to \$75 million. Once Parq Vancouver is fully ramped up, it is expected to generate in excess of \$75 million of annual EBITDA, with approximately 50% to 60% of EBITDA to be generated by casino activities, and with another 25% to 35% of EBITDA to come from hotel activities. The balance of EBITDA will be generated from food and beverage services, including the on-site restaurants, and from parking and other ancillary services provided by the resort. Much of the anticipated improved performance is expected to be driven by higher utilization rates of existing slot machines and gaming tables due to the anticipated increased customer traffic at the new premises.

In late 2014, Parq Vancouver arranged a US\$415 million project financing for the development of the Parq project, including a US\$265 million first lien loan bearing interest at the London Interbank Offered Rate plus 7.5% and maturing on December 17, 2020, and a US\$150 million second lien term loan bearing interest at the London Interbank Offered Rate plus 12% and maturing on December 17, 2021. In connection with the project financing, the Corporation and certain affiliates of Paragon Gaming Inc., as co-guarantors, had arranged to provide a \$17.5 million completion guarantee, for a total completion guarantee of \$35 million, the terms of which would require the co-guarantors to pay for the construction of the resort up to each guarantor's \$17.5 million in the event that certain terms of the financing agreements were not met, including cost overruns and delays.

Dundee Corporation's initial investment in Parq Vancouver was \$54.8 million. In March 2016, Parq Vancouver entered into discussions with its general contractor regarding delays in the construction schedule. In June 2016, Parq Vancouver entered into an amended arrangement with its lenders, allowing for a scheduled extension to September 2017. In order to fund costs primarily related to the schedule extension, the existing ownership group invested an additional \$75.3 million in Parq Vancouver, in the form of a convertible preferred security designated as “Class C Preferred Units”. The terms of the Class C Preferred Units entitle

the holders thereof to a preference return of up to 17%, and provide terms for redemption and/or conversion at the holders' option. Dundee Corporation invested \$40.7 million to acquire 37.8 million units under these arrangements, of which \$17.5 million originated from the Corporation's share of the original completion guarantee. The completion guarantee was subsequently cancelled.

In the third quarter of 2016, the existing ownership group made an additional \$13.9 million investment into Parq Vancouver, the proceeds of which were primarily used by Parq Vancouver to fund a completion guarantee. Of this amount, \$9.0 million was made in the form of Class C Preferred Units as described above, and \$4.9 million was placed into securities designated as "Class D Preferred Units". The Class D Preferred Units are similar in form to the Class C Preferred Units, but carry certain liquidity and redemption preferences. The Corporation's share of the additional investment was \$2.5 million, all of which was invested in Class D Preferred Units.

During the second half of 2017, and in order to fund certain enhancements and provide working capital required during the initial ramp up of operations, the existing partners funded \$16.0 million to the project, including \$11.0 million funded directly by the Corporation, of which \$5.0 million was invested in "Class E Preferred Units" and \$6.0 million was invested in "Class F Preferred Units". The Class E Preferred Units generally rank in priority to the Class D Preferred Units and the Class C Preferred Units, but otherwise are subject to the same general terms and conditions. The Class F Preferred Units rank in priority to all other preferred unit classes and have similar characteristics, other than a preferential interest rate of 20%, and enhanced conversion options. In addition to the equity contributions by the owners, the current lenders to the project provided further financing of upwards of US\$28.6 million in net proceeds, of which US\$25.6 million is subject to the terms of the first lien loan and US\$3.0 million is subject to the terms of the second lien loan.

Capitalization of Parq Vancouver

	US Dollars			Amount	Invested by Dundee Corporation	
First Lien Term Loan	\$	289,886	\$	362,357	40%	\$ -
Second Lien Term Loan		153,000		191,250	21%	-
TOTAL DEBT	\$	442,886	\$	553,607	60%	\$ -
Class C Convertible Preferred			\$	84,251	9%	\$ 40,683
Class D Convertible Preferred				4,935	1%	2,467
Class E Convertible Preferred				10,000	1%	5,000
Class F Convertible Preferred				6,000	1%	6,000
TOTAL CONVERTIBLE PREFERRED			\$	105,186	11%	\$ 54,150
Market Capitalization						
Class A			\$	209,327	23%	\$ 37,500
Class B				47,168	5%	17,325
TOTAL COMMON EQUITY			\$	256,495	28%	\$ 54,825
TOTAL PROJECT CAPITALIZATION			\$	915,288	100%	\$ 108,975

The Class C, Class D, Class E and Class F Preferred Units described above have been designated for accounting purposes as financial instruments at FVTPL (see "*Other Portfolio Investments*"). On a fully converted basis, the Corporation holds a 43.7% interest in Parq Vancouver, while Paragon Gaming Inc. owns a 29.1% fully converted interest, and PBC owns a 27.2% fully converted interest.

The development of Parq Vancouver was jointly managed by affiliates of Paragon Gaming Inc. and PBC. Ongoing asset management since commencement of operations is provided jointly by affiliates of Paragon Gaming Inc., PBC and Dundee Corporation.

During 2017, Parq Vancouver incurred a net loss of \$13.2 million (2016 – earnings of \$8.9 million), of which \$4.9 million is attributed to each of the Corporation and Paragon Gaming Inc., and with the remaining amount attributable to PBC. Losses in 2017 include operational costs associated with the commencement of operations and are expected to stabilize with the ramp up of activities. Also impacting profitability in the current year is interest expense on debt of \$26.7 million. Prior to commencement of operations, interest on outstanding debt was capitalized to the cost of the Parq project. Capitalized interest in 2017 was \$51.9 million (2016 – \$56.6 million).

(in millions of dollars)

<i>Source of revenue and other items in net earnings or loss for the years ended December 31,</i>	Amounts attributable to		Amounts attributable to	
	2017	Dundee Corporation	2016	Dundee Corporation
Casino operations:				
Revenue	\$ 82.6	\$ 31.0	\$ 68.1	\$ 25.5
Other items in net (loss) earnings	(96.0)	(36.0)	(58.1)	(21.8)
	(13.4)	(5.0)	10.0	3.8
Deferred taxes	(0.6)	(0.2)	(2.4)	(0.8)
Interest expense	(26.7)	(10.0)	-	-
Foreign exchange gain	36.6	13.7	11.0	4.1
Loss from fair value changes in derivative instruments	(9.1)	(3.4)	(9.7)	(3.6)
	\$ (13.2)	\$ (4.9)	\$ 8.9	\$ 3.3

(in millions of dollars)

<i>Source of revenue and other items in net earnings or loss for the three months ended December 31,</i>	Amounts attributable to		Amounts attributable to	
	2017	Dundee Corporation	2016	Dundee Corporation
Casino operations:				
Revenue	\$ 32.1	\$ 12.1	\$ 16.6	\$ 6.2
Other items in net (loss) earnings	(50.3)	(18.9)	(14.4)	(5.4)
	(18.2)	(6.8)	2.2	0.8
Deferred taxes	0.6	0.3	(0.6)	(0.1)
Interest expense	(26.7)	(10.0)	-	-
Foreign exchange loss	(2.0)	(0.7)	(11.1)	(4.2)
Gain from fair value changes in derivative instruments	4.8	1.9	9.0	3.4
	\$ (41.5)	\$ (15.3)	\$ (0.5)	\$ (0.1)

Included in net income are foreign exchange gains from changes in the fair value of derivative instruments, both of which are associated with Parq Vancouver's US dollar denominated project financing arrangement for the development of the project. As construction completes, the risks associated with the project development end, and operations stabilize, the Corporation anticipates that it will seek refinancing on terms that reflect the EBITDA generation capabilities of Parq Vancouver.

Android Industries, LLC (“Android”)

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

This engineering based company applies lean manufacturing principles to deliver a high value product. Android applies its expertise in supply chain management to purchase parts globally, manage currency exposure and manage inventory. Under this model, Android owns all materials with the component supply base, and assembles complete subassembly modules and delivers the finished goods to the customer just in time and in the proper build sequence, essentially dealing with customer requirements from start to finish. Initially developed for the automotive industry, the processes and equipment that have been developed by Android have applicability across components and other industries.

During 2016 and 2017, Android was awarded new multi-year manufacturing contracts that will be positioned at several of Android's existing production facilities. The capital requirements associated with these new contracts are significant. Android began deploying capital for these new contracts during 2017, and expects to continue to do so until 2020. During the fourth quarter of 2017, Android secured a credit facility from a syndicate of lenders, securing the necessary financial support for these activities. It is expected that the new contracts and better customer alignment will continue to result in additional value-added growth opportunities for Android, and it is expected to generate higher levels of sales and earnings beginning in 2018.

During 2017, the Corporation reported a loss of \$0.2 million as its share of losses from its investment in Android (2016 – \$0.4 million of earnings). In addition to its share of the net loss during 2017, the Corporation recognized a loss in other comprehensive income of \$1.0 million, representing its share of foreign currency earnings of US\$3.1 million associated with Android's foreign operations, net of \$9.3 million of foreign currency losses associated with the translation of Android's US-denominated financial results to Canadian dollars.

Cambridge Medical Funding Group II, LLC

Cambridge is a private, US-based consortium with a focus on funding medical receivables, including No-Fault and Workers' Compensation receivables, primarily in the state of California. The Corporation had invested US\$10.0 million to acquire a 50% interest in Cambridge Medical Funding Group II, LLC and a 50% interest in Cambridge Medical Capital Services LLC. The Corporation has also advanced a further US\$1.0 million to Cambridge to assist with short-term working capital requirements.

Using proprietary software and sourcing, Cambridge funded medical receivables from medical providers and then managed the collection and adjudication process. Cambridge also launched a related processing service which electronically facilitates the cost-efficient processing and collection of medical receivables directly by the medical provider, on a fee per unit basis.

More recently, Californian authorities investigated a substantial number of medical providers and alleged that many had engaged in excessive and improper billings and treatments related to California's Workers' Compensation claims and insurance. While these concerns are being investigated, the state of California has placed significant blockades in the collection process for these receivables.

The ability of Cambridge to collect on receivables that it has otherwise funded has been significantly hindered and as a result, Cambridge has initiated a substantial curtailment of its business activities. Cambridge has advised the Corporation that it will no longer acquire any further medical receivables, and that it will concentrate its resources on the collection of amounts previously funded.

As a result of the uncertainties caused by these recent events, the Corporation has determined that it should fully impair the carrying value of its investment in Cambridge, reducing its carried value to zero. Accordingly, during 2017, the Corporation recognized a loss from its investment in Cambridge of \$8.5 million (2016 – \$2.7 million).

Dundee Sarea Limited Partnership (“Dundee Sarea LP”)

Dundee Sarea LP (www.dundeesarea.com) is a private equity firm investing in special situations companies that require a constructive, long term partner to drive meaningful change and growth. Through limited partnership vehicles, Dundee Sarea LP makes equity investments in mid-market companies that are in need of a financial restructuring or an operational turnaround. Supported by a group of professionals with hands-on turnaround experience, Dundee Sarea LP's business model encompasses the investment of more than just capital to difficult situations. Instead, these professionals become actively involved in realigning strategy and improving performance.

Dundee Sarea LP had, in partnership with the Caisse de depot et placement du Québec, raised an initial committed amount of \$112.5 million towards the creation of its first limited partnership, Dundee Sarea Acquisition I Limited Partnership (see below), including \$37.5 million of committed capital from the Corporation. In December 2017, the amount of committed capital was adjusted downwards to \$63.0 million, of which the Corporation's share is \$21.0 million.

During 2017, the Corporation recognized a loss of \$0.2 million from its interest in Dundee Sarea LP.

Dundee Sarea Acquisition I Limited Partnership (“Dundee Sarea Fund”)

Dundee Sarea Fund will use the capital advanced by its limited partners to invest in companies requiring turn-around expertise in North America and Europe, with a focus on manufacturing distribution, industrial products, agriculture, oil & gas and forestry-related industries. The Corporation currently holds a 33% interest in this venture and it has committed capital of \$21.0 million of which, as at December 31, 2017, it had already funded or otherwise provided for \$19.1 million.

At December 31, 2017, Dundee Sarea Fund's sole investment consisted of a 100% ownership in Redecam Group S.p.A. (“Redecam”). Based in Milan, Italy, Redecam is a designer, manufacturer and installer of air filtration equipment and flue gas treatment systems for air pollution control.

During 2017, the Corporation's share of earnings from its investment in Dundee Sarea Fund was \$0.5 million (2016 – share of losses of \$1.4 million).

Dundee Acquisition Ltd. (“Dundee Acquisition”)

On March 5, 2015, the Corporation created Dundee Acquisition, a special purpose acquisition corporation (“SPAC”) established for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, share exchange, asset acquisition, share purchase, reorganization or any other similar business combination (a “Qualifying Acquisition”). The Corporation invested \$4.3 million to acquire 98% of the total common shares outstanding, including common shares that were designated as founders' shares.

Dundee Acquisition also issued class A restricted voting shares that entitled the holders thereof to redeem their shares in the event that Dundee Acquisition did not complete a Qualifying Acquisition pursuant to certain terms. The Corporation did not invest in the class A restricted voting shares. On January 27, 2017, the shareholders of Dundee Acquisition approved a proposed Qualifying Acquisition to effect a business combination with CHC Student Housing Corp., a publicly listed student housing company in Canada, and to acquire a series of additional student housing properties from various third parties. While the proposed Qualifying Acquisition was approved by Dundee Acquisition's shareholders, Dundee Acquisition did not meet the minimum cash amount to be retained following completion of the proposed Qualifying Acquisition, as a result of higher than expected redemptions of its class A restricted voting shares. After a review of strategic alternatives, management of Dundee Acquisition determined that there was no realistic alternative for Dundee Acquisition but to liquidate, dissolve and distribute its assets attributed to the holders of its class A restricted voting shares, which was completed on April 21, 2017. The Corporation retains its 98% interest in Dundee Acquisition's common shares.

During 2017, the Corporation's share of operating earnings in Dundee Acquisition was \$3.5 million, and included a reversal of previously deferred underwriters' commissions payable that were forfeited upon completion of the redemption to holders of the class A restricted voting shares. During 2016, the Corporation's share of operating losses in Dundee Acquisition was \$4.3 million.

Escal UGS S.L. (“Escal”)

Escal is the developer and former owner of the Castor underground gas storage project located in Spain (the “Castor Project”). A 74% owned subsidiary of Dundee Energy holds a 33% interest in Escal, providing the Corporation with an indirect 14% interest in Escal. The remaining interest in Escal is held by ACS Servicios Comunicaciones y Energy, S.L. (“ACS”).

In September 2013, the Spanish authorities mandated suspension of activities at the Castor Project, following micro-seismic activity detected in the surrounding area. Given the suspension, Escal determined that it was appropriate to exercise its right to relinquish the project and in October 2014, the Spanish authorities issued a royal decree, formally accepting the relinquishment and reverting ownership of the associated facilities back to the public domain. In November 2014, Escal received €1.35 billion, being the net value of its investment in the Castor Project, the proceeds of which were applied to partially repay €1.41 billion of outstanding bonds issued by Watercraft Capital S.A., Escal's financing vehicle. The royal decree mandated that the Castor Project remain mothballed until the Spanish government was satisfied with technical studies and reports on any future commissioning of such facilities. In May 2017, the Spanish authorities received reports from the Massachusetts Institute of Technology and from Harvard University, which concluded that the original seismicity experienced in September 2013 coincided with the region of the Amposta fault line and that this fault line was put under stress as a result of gas injections to the Castor facilities. Therefore, the report concluded that there could be no certainty that further seismic activity would not occur should the facility recommence operations. The Spanish authorities have since indicated that they will not pursue further operations of the facility and, in December 2017, Spain's constitutional court nullified any further remuneration due to the Castor Project.

In November 2014 and following relinquishment of the Castor Project, ACS arranged a €300 million bank financing for Escal. At that time, €60 million of the bank facility was applied to repay the balance of all amounts owing pursuant to the outstanding bond arrangements. The remaining €240 million available pursuant to the bank line were used by Escal to repay Escal's shareholder loans solely to ACS. Dundee Energy was of the view that the new financing arranged by ACS was not in the best interest of Escal and consequently, it lodged legal action. Furthermore, it challenged the use of the €240 million in payment of shareholder loans solely to ACS as it violated, in the opinion of Escal, the terms of the 2007 memorandum of understanding in respect of ownership rights in the equity and shareholder loans of Escal. Binding arbitration proceedings against ACS were initiated in 2015. On March 27, 2017, the arbitral tribunal of the International Chamber of Commerce rendered its decision related to the Castor Project, denying the claim made by Dundee Energy. The decision was rendered by a majority of the three-person tribunal, with the third member issuing a dissenting opinion. Dundee Energy has determined that it will not seek any remedies in respect of the decision rendered by the tribunal. Furthermore, Dundee Energy withdrew legal action challenging the approval of the new financing arranged by ACS.

Notwithstanding, the Spanish authorities continue to assert that Escal and its shareholders remain responsible for any possible flaws or defects in the facilities associated with the Castor Project that become apparent during the 10 years following the issuance of the Royal Decree-Law.

The Corporation accounts for its indirect interest in Escal using the equity method, and has reduced its carrying value to zero. Recognition of the proportionate share of losses incurred by Escal draws the Corporation's carrying value in Escal to below zero. At December 31, 2017 and 2016, the Corporation had not recorded a liability related to losses in Escal, as it does not have the legal or constructive obligation in respect thereof.

Earnings and Losses from Equity Accounted Investments

	2017			2016		
	Equity Earnings (Losses)	Dilution Gains (Loss)	Total	Equity Earnings (Losses)	Dilution (Loss) Gains	Total
Android Industries, LLC	\$ (571)	\$ 349	\$ (222)	\$ 4	\$ 410	\$ 414
Cambridge Medical Funding Group II, LLC	(8,422)	-	(8,422)	(2,731)	-	(2,731)
Cambridge Medical Capital Services LLC	(54)	-	(54)	-	-	-
Dundee Acquisition Ltd.	3,510	-	3,510	(4,335)	-	(4,335)
Dundee Sarea Acquisition I Limited Partnership	531	-	531	(1,349)	-	(1,349)
Dundee Sarea Limited Partnership	(189)	(56)	(245)	72	(92)	(20)
Paragon Holdings (Smithe Street) ULC	(4,858)	-	(4,858)	3,276	-	3,276
Union Group International Holdings Limited	(44,567)	-	(44,567)	(565)	(198)	(763)
Others	(33)	-	(33)	(131)	-	(131)
	(54,653)	293	(54,360)	(5,759)	120	(5,639)
Real estate joint ventures	1,268	-	1,268	(4,564)	-	(4,564)
	\$ (53,385)	\$ 293	\$ (53,092)	\$ (10,323)	\$ 120	\$ (10,203)

<i>For the three months ended December 31,</i>			2017	2016		
	Equity Earnings (Losses)	Dilution Gains	Total	Equity Earnings (Losses)	Dilution Gains	Total
Android Industries, LLC	\$ (1,072)	\$ 173	\$ (899)	\$ 353	\$ 132	\$ 485
Cambridge Medical Funding Group II, LLC	(8,365)	-	(8,365)	(2,558)	-	(2,558)
Cambridge Medical Capital Services LLC	527	-	527	-	-	-
Dundee Acquisition Ltd.	1,431	-	1,431	(1,610)	-	(1,610)
Dundee Sarea Acquisition I Limited Partnership	161	-	161	(300)	-	(300)
Dundee Sarea Limited Partnership	32	-	32	(202)	-	(202)
Paragon Holdings (Smithe Street) ULC	(15,262)	-	(15,262)	(194)	-	(194)
Union Group International Holdings Limited	(36,800)	-	(36,800)	1,415	-	1,415
Others	-	-	-	(12)	-	(12)
	(59,348)	173	(59,175)	(3,108)	132	(2,976)
Real estate joint ventures	286	-	286	(4,716)	-	(4,716)
	\$ (59,062)	\$ 173	\$ (58,889)	\$ (7,824)	\$ 132	\$ (7,692)

In addition to its share of earnings or losses from its equity accounted investments, in 2017, the Corporation recognized \$5.8 million of other comprehensive income before taxes related to these investments (2016 – \$20.7 million of other comprehensive losses), including foreign currency translation amounts on the translation of the operations of certain equity accounted investments that are denominated in other than Canadian currency.

OTHER PORTFOLIO INVESTMENTS

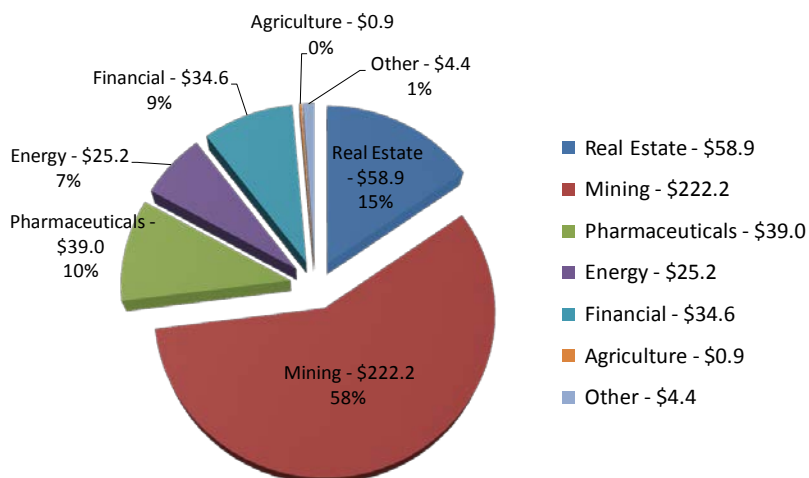
Portfolio of Investments at December 31, 2017

	Ticker Symbol	(000's) # of Shares Held	Per Share Price	Market Value as at December 31, 2017
Publicly Traded Securities				
Dundee Precious Metals Inc.	DPM	36,381.6	\$2.99	\$ 108,780
eCobalt Solutions Inc.	ECS	16,352.9	\$1.95	31,888
Osisko Mining Inc.	OSK	6,194.3	\$3.37	20,875
Others				58,991
				220,534
Private Investments (note 1)				
TauRx Pharmaceuticals Ltd.				38,964
Parq Equity Limited Partnership - Class C, Class D, Class E and Class F Preferred Units				48,151
Red Leaf Resources Inc.				12,545
Others				27,799
				127,459
Debt Securities				
Publicly Traded Debt Securities				8,362
Debt Securities Owing from Public Enterprises (note 1)				6,277
Debt Securities Owing from Private Enterprises (note 1)				21,706
				36,345
Warrants and Options (note 1)				
Warrants or options on shares of publicly listed enterprises				855
				855
TOTAL – PORTFOLIO INVESTMENTS				\$ 385,193

1. These investments are not traded on a prescribed exchange, therefore, market values of these investments were determined by application of valuation methodologies appropriate for such investments (see note 26 to the 2017 Audited Consolidated Financial Statements for further information on valuation methodologies applied for such investments).

At December 31, 2017, the Corporation's portfolio of investments continued to include several public and private investments, as well as certain debt securities across a variety of industry sectors.

**Investments by Industry Sector at Market Value (\$ Millions)
as at December 31, 2017**



At December 31, 2017, the estimated market value of the Corporation's portfolio of investments carried at FVTPL was \$385.2 million, a decrease of \$48.4 million from an estimated market value of these investments of \$433.6 million at December 31, 2016.

	<i>For the three months ended December 31, 2017</i>	<i>For the year ended December 31, 2017</i>
Market value of portfolio investments, beginning of period	\$ 363,759	\$ 433,574
Transactions during the period ended December 31, 2017		
New investments	6,029	17,497
Proceeds from sales of investments	-	(132,641)
Changes in market values		
Dundee Precious Metals Inc.	12,733	27,285
eCobalt Solutions Inc.	13,246	23,712
Osisko Mining Inc.	2,744	8,543
Dream Unlimited Corp.	-	2,175
Others	(13,378)	1,650
Other transactions	60	3,398
Market value of portfolio investments, end of period	\$ 385,193	\$ 385,193

During 2017, the Corporation generated proceeds of \$132.6 million from the sale of certain investments and from the repayment of certain debt securities, including proceeds of \$106.1 million from the sale of 100% of the Corporation's investment in 15,536,288 class A subordinate voting shares of Dream Unlimited Corp., and a repayment of \$2.5 million against a subordinated advance of \$17.5 million provided to the purchasers of Dundee Securities' capital markets division in December 2016. Approximately \$17.5 million of proceeds generated were reinvested into the portfolio, including an investment of \$11.0 million in Class E and Class F convertible preferred units associated with the Corporation's Parq Vancouver resort and casino project, and \$1.5 million in Nuuvera Corp., a Canadian incorporated private company focused on medicinal cannabis opportunities.

Changes in market values of portfolio investments during 2017 increased the value of the Corporation's portfolio of investments at FVTPL by \$63.4 million, including appreciation of \$15.3 million recognized in the fourth quarter of the current year.

Dundee Precious Metals Inc. (“Dundee Precious”)

Dundee Precious (www.dundeeprecious.com) is a Canadian based, international gold mining company engaged in the acquisition of mineral properties, exploration, development, mining and processing of precious metals. Dundee Precious’ operating assets include the Chelopech operation, which produces a copper concentrate containing gold and silver and a pyrite concentrate containing gold, located east of Sofia, Bulgaria; and the Tsumeb smelter, a complex copper concentrate processing facility located in Namibia. Dundee Precious also holds interests in a number of developing gold and exploration properties located in Bulgaria, including the Krumovgrad gold project, which started construction in the fourth quarter of 2016 and is expected to commence production in the fourth quarter of 2018, Canada, Serbia and Armenia, and its 10% interest in Sabina Gold & Silver Corp.

During 2017, Dundee Precious produced gold on an all-in sustaining cost basis of US\$729 per ounce, on a consolidated basis. The Chelopech mine achieved record gold production of 197,684 ounces and copper production of 35.8 million pounds. Gold production at Chelopech during 2017 was 19% higher than the prior year, due primarily to higher recoveries and grades. The Tsumeb smelter achieved total complex concentrate smelted of 219,252 tonnes, which was 9% higher than 2016. During 2017, Dundee Precious’ total revenues were US\$348.7 million, and it reported net earnings attributable to its common shareholders of US\$0.2 million.

Construction of the Krumovgrad gold project in Bulgaria was approximately 51% complete at December 31, 2017, and the project remains on track for first concentrate production in the fourth quarter of 2018. At December 31, 2017, Dundee Precious had cash of US\$28.8 million, a 10% interest in Sabina Gold & Silver Corp. valued at US\$48.4 million and US\$252.0 million of undrawn capacity under its revolving credit facility.

At December 31, 2017, Dundee Corporation held 36.4 million common shares of Dundee Precious with a market value of \$108.8 million.

eCobalt Solutions Inc. (“eCobalt”)

eCobalt is a mineral exploration and mine development company listed on the TSX under the symbol “ECS”. The company is engaged in the business of exploring mineral properties in Canada, the United States and Mexico.

The company’s primary project, located in Idaho, is the 100% owned Idaho Cobalt Project (“ICP”). All related critical environmental permits are in place, with an approved mine plan of operations. The ICP is comprised of the primary high grade cobalt deposit, and the partially completed mine site and mill located in Lemhi County, outside of the town of Salmon, Idaho, and a cobalt production facility (“CPF”) to be constructed in southern Idaho.

On November 10, 2017, eCobalt completed a feasibility study (“FS”) on the ICP. The results of the FS are based on an underground mine with a target production rate of 800 short tons per day and a weighted average annual production of 2.4 million pounds of cobalt, 3.3 million pounds of copper and 3,000 ounces of gold, over a 12.5 year mine life with an estimated pre-production period of 24 months, and utilizing a 0.25% cobalt cut-off grade. The economic model uses a 34% corporate tax rate and a 7.5% discount rate, resulting in an after-tax net present value of \$135.8 million and an internal rate of return of 21.3% using an average base case price of \$26.65 per pound for contained cobalt in cobalt sulphate. Based on more current cobalt prices of approximately US\$34.00 per pound (cobalt – 99.3%), the ICP’s after tax net present value, discounted at 7.5% and its internal rate of return per the FS is US\$240 million and 30.6% respectively.

On February 7, 2018, eCobalt announced a new resource and reserve. Total measured and indicated resources increased to 3.87 million tons at 0.59% cobalt, compared to 3.44 million tons at 0.59% cobalt. Inferred resources increased to 1.82 million tons at 0.46% cobalt from 1.54 million tons at 0.50% cobalt. These results will be incorporated into a new, optimized feasibility study planned for completion in the second quarter of 2018.

eCobalt announced on January 10, 2018 that it has shipped 3 tons of a bulk mineralized sample of ICP resource for pilot level metallurgical testing at Dundee Technologies' facilities in Quebec. The results of this additional testing is expected to provide feasibility level detailed engineering data to assist in costing and sizing of equipment to produce a clean cobalt concentrate with <0.5% arsenic at the CPF. This testing supports the company's optimization efforts to reduce technical risk at the CPF through the development of a simplified flow sheet and is expected to result in a significant reduction in capital and operating expenditures at the facility.

At December 31, 2017, eCobalt had working capital of \$10.4 million, including \$11.7 million in cash and cash equivalents. A bought deal financing on February 23, 2018 was completed for gross proceeds of \$29.9 million.

Additional information regarding eCobalt is available at www.ecobalt.com. At December 31, 2017, the Corporation's investment in eCobalt had a market value of \$31.9 million.

Osisko Mining Inc. ("Osisko")

Osisko is a mineral exploration company focused on the acquisition, exploration and development of precious metals resource properties in Canada. Osisko's flagship projects are the high-grade Windfall Lake gold deposit located between Val-d'Or and Chibougamau in Québec (the "Windfall Lake Project") and the Marban Block property located between Val-d'Or and Malartic in Québec (the "Marban Block Project"). Osisko holds a 100% interest in the Windfall Lake gold deposit, and it holds a 100% undivided interest in a large area of claims in the surrounding Urban Barry area (330,000 hectares), a 100% interest in the Marban project located 15 kilometres west of the town of Val-d'Or in the Abitibi region of Québec, a 100% interest in the Garrison project east of Matheson, Ontario, as well as additional projects in the Timmins area of Ontario and the James Bay Labrador area of Québec.

At December 31, 2017, Osisko had approximately \$189.9 million in cash, cash equivalents and marketable securities. The company's four main deposits contain an aggregate of 3.42 million ounces of global resources in the measured mineral resource and the indicated mineral resource categories, and an aggregate of 1.8 million ounces of gold resources in the inferred mineral resource category.

During 2017, Osisko incurred \$121.1 million on exploration and evaluation assets, predominantly on the Windfall Lake, Garrison and Urban Barry properties. Osisko has a \$100 million exploration budget for 2018, with much of it focused on the Windfall and Urban Barry properties. At Windfall Lake, an 800,000 metre drill program continues with approximately 20 drill rigs on the Windfall Lake property and Urban Barry area. The 2018 budget includes resource estimation work, resource-oriented drilling, continued work on the exploration ramp and underground bulk sampling of known mineralized zones, metallurgical work, permitting, preliminary economic assessments and feasibility studies.

Additional information regarding Osisko is available at www.osiskomining.com. At December 31, 2017, the Corporation's investment in Osisko had a market value of \$20.9 million.

TauRx Pharmaceuticals Ltd. ("TauRx")

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

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

TauRx has initiated discussions with the regulatory authorities in Europe and the U.S. to determine its next steps and it has determined that in order to corroborate the positive findings from the aforementioned studies, it will commence with a shorter-term study that is fully randomized from the outset to test for clinically meaningful and statistically significant differences between LMTX™ taken as a monotherapy and placebo groups. TauRx is currently undertaking a six-month placebo-controlled study (TRX Study 039) which encompasses approximately 200 patients with very mild AD. Screening for the new study, designed with a Flu-deoxyglucose Positron Emission Tomography (FDG-PET) biomarker endpoint, began in the fourth quarter of 2017, and TauRx expects the program to be fully recruited by the second quarter of 2018.

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

At December 31, 2017, the Corporation held an approximate 4% interest in TauRx. The Corporation has determined that the fair value of its investment at December 31, 2017 was \$39.0 million. In determining the fair value of its interest, the Corporation applied a value per share of US\$30.60, the equivalent of a 50% discount to the volume-weighted average price of shares issued from treasury during 2015 and 2016. Additional information regarding TauRx may be accessed at www.taurx.com.

Red Leaf Resources Inc. (“Red Leaf”)

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

In March 2015, Red Leaf announced the suspension of construction of the Early Production System (“EPS”) in order to re-engineer the design. In May 2016, Red Leaf’s partner, Total E&P USA Oil Shale, LLC (“Total”), advised Red Leaf that they were no longer interested in pursuing the commercial development of the EPS project. Red Leaf and Total reached a mutually acceptable separation agreement in March 2017. Engineering studies to design a reusable capsule are scheduled to be completed by the end of 2018 after which the company will seek a strategic partner to commercialize the project.

Dundee Corporation holds a 2% common equity interest and it holds US\$10.0 million of the series A preferred shares in Red Leaf that were acquired in 2010. The Corporation has determined that the fair value of its investment in Red Leaf, including both the common and the preferred shares, was \$12.5 million at December 31, 2017. Additional information regarding Red Leaf may be accessed at www.redleafinc.com.

\$17.5 Million Subordinated Loan Advanced to Eight Capital

On December 2, 2016, Dundee Securities completed a transaction whereby it sold all of the assets and liabilities related to its capital markets division to Eight Capital, a partnership formed by a consortium of individuals that were previously key employees of Dundee Securities’ capital markets division. As part of the transaction, the Corporation provided a subordinated loan in the amount of \$17.5 million to Eight Capital, at an annual interest rate of 10%. During 2017, \$2.5 million of the subordinated loan was repaid.

In connection with the subordinated loan, the Corporation entered into a royalty agreement with Eight Capital pursuant to which Eight Capital will pay a revenue-based royalty payment to the Corporation, ranging between 1% and 6.5% of revenues generated by Eight Capital over a five-year period commencing in the calendar year ending December 31, 2017, and reducing to between 1% and 2% in each of 2022 and 2023. Under the terms of the royalty agreement, royalty payments will cease, subject to a final royalty payment, if the subordinated loan made by the Corporation to Eight Capital is repaid in full, and in any case, will cease effective December 31, 2023. Subsequent to December 31, 2017, the Corporation received a payment of \$0.3 million as its first royalty payment in respect of the calendar year ended December 31, 2017. Due to substantial uncertainties in determining the potential for revenue from this arrangement, the Corporation has not attributed any value to the royalty in the 2017 Audited Consolidated Financial Statements.

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. In 2017, the Corporation reported head office general and administrative expenses before non-cash stock based compensation of \$16.1 million, compared with \$21.6 million incurred in the prior year.

<i>For the years ended December 31,</i>	2017	2016
Direct compensation	\$ 7,046	\$ 10,749
Corporate and professional fees	4,574	4,528
Other	4,482	6,334
	16,102	21,611
Stock based compensation arrangements	3,310	1,409
	\$ 19,412	\$ 23,020

Stock based compensation added a further \$3.3 million to general and administrative expenses during 2017, compared to \$1.4 million incurred in the prior year.

Corporate Interest Expense

Corporate interest expense was \$7.2 million during 2017, a \$10.0 million decrease from the \$17.2 million incurred in the prior year. Included in interest expense during 2017 is \$1.6 million relating to the Corporation's credit facility (2016 – \$3.6 million), reflecting a decrease in average borrowings over the respective periods. Also included in interest expense are dividends incurred on the Corporation's Preference Shares, series 5. The Corporation paid dividends of \$6.7 million on its Preference Shares, series 5 in 2017, a decrease of \$0.5 million from dividends of \$7.2 million paid in the prior year, reflecting a lower number of Preference Shares, series 5 outstanding, following a redemption option in June of the prior year. During 2017, the Corporation amortized \$2.3 million of the premium associated with its Preference Shares, series 5, further reducing interest expense. In the prior year, interest expense included \$4.9 million, being the recognition of an \$8.3 million premium on the issuance of the Preference Shares, series 5, net of amortization of \$3.4 million.

Income Tax Expense

The Corporation's effective income tax expense rate for 2017 was significantly higher than the statutory combined federal and provincial tax rate of 26.5% primarily due to operating losses incurred by certain subsidiaries, the benefit of which was not recognized in the 2017 Audited Consolidated Financial Statements and non-tax deductible items including preference share dividends that are classified as interest expense for accounting purposes. The impact of these items on the effective income tax expense rate was partially offset by earnings recognized in a tax exempt foreign jurisdiction

Net Deferred Income Tax Assets

The Corporation's net deferred income tax assets at December 31, 2017 were \$26.3 million and represent deferred income tax assets of \$58.1 million, offset by deferred income tax liabilities of \$31.8 million. This compares to net deferred income tax assets of \$43.0 million at December 31, 2016. Components of the Corporation's net deferred income tax assets are detailed in note 23 to the 2017 Audited Consolidated Financial Statements.

Significant transactions that impacted the Corporation's net deferred income tax asset carrying value as at December 31, 2017 included the derecognition of Dundee Energy's deferred income tax assets following the filing of a NOI pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), as well as the deferred income tax resulting from fair value appreciation in certain of the Corporation's portfolio investments.

The Corporation's aggregate non-capital loss carry forwards at December 31, 2017 were \$505.2 million (2016 – \$541.3 million). In addition, the Corporation's capital loss carry forwards at December 31, 2017 were \$231.9 million (2016 – \$14.8 million). Included in the Corporation's deferred income tax balances is a tax benefit of \$49.8 million (2016 – \$72.4 million) in respect of the non-capital and capital loss carry forwards.

Corporate Debt

	Corporate*	Dundee Energy	Blue Goose	Blue Goose Pure Foods	Dundee 360	Total
Balance, December 31, 2016	\$ 54,574	\$ 57,400	\$ 55,130	\$ 33,750	\$ 139	\$ 200,993
Draws (repayments)	(54,574)	-	4,885	(2,617)	(44)	(52,350)
Liquidation of net assets	-	-	-	(31,133)	-	(31,133)
Transferred to discontinued operations	-	(57,400)	-	-	-	(57,400)
Balance, December 31, 2017	\$ -	\$ -	\$ 60,015	\$ -	\$ 95	\$ 60,110

* In addition, the Corporation has issued letters of credit in the amount of \$3.6 million that may be drawn under certain circumstances.

On April 27, 2017, the Corporation established an \$80 million revolving term credit facility with a Canadian Schedule I Chartered Bank that matures on April 26, 2018. The credit facility bears interest at a rate per annum equal to the prime lending rate for loans plus 1.50% or, at the Corporation's option, at the prevailing bankers' acceptance rate or London Interbank Offered Rate plus 2.50%. Unused amounts under the revolving term credit facility are subject to an annual standby fee of 0.50%.

The Corporation has granted a first ranking security over all of its assets as security against amounts borrowed under these arrangements. In addition to restrictions customary to these types of arrangements, including restrictions on the existence of other secured indebtedness, the Corporation's revolving term credit facility requires the maintenance of certain financial ratios relating to the fair value of the Corporation's investments relative to amounts borrowed. Therefore, the Corporation's borrowing availability will continue to increase or decrease, reflecting corresponding increases or decreases in the fair value of the Corporation's investments. At December 31, 2017, the Corporation had issued letters of credit in the amount of €2.4 million (Cdn\$3.6 million) under the terms of the revolving term credit facility to support certain of its equity accounted investments. There were no other amounts drawn against the credit facility at December 31, 2017.

At December 31, 2017, the Corporation was in compliance with all debt covenants under the terms of the new revolving term credit facility.

Subsequent to December 31, 2017, the Corporation entered into discussions with its lender to amend the terms of the revolving term credit facility at its maturity on April 26, 2018. The Corporation anticipates that any such amendment will involve a substantial reduction in the amounts of borrowing availability, suitable to changes to the Corporation's bank activities and associated risk profile. There can be no assurance that the Corporation will be successful in negotiating revised terms for an amended credit facility.

Debt of Subsidiaries

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

Share Capital

Preference Shares

At December 31, 2017, the Corporation's outstanding preference share arrangements were as follows:

Trade Symbol	Series	# of Shares Outstanding	Face Value per Share	Total Face Value	Coupon Rate	Carrying Value
DC.PR.B	Series 2	3,479,385	\$25.00	\$86,985	5.688% – 5-year fixed rate	\$84,053 equity instrument
DC.PR.D	Series 3	1,720,615	\$25.00	\$43,015	4.58% to 4.84% – quarterly floating rate	\$43,015 equity instrument
DC.PR.E	Series 5	3,598,203	\$25.00	\$89,955	7.50% – fixed rate	\$91,211 debt instrument

A full description of the terms of the Corporation's preference shares is provided in note 17 to the 2017 Audited Consolidated Financial Statements.

On January 31, 2018, and pursuant to the terms of the Corporation's Preference Shares, series 5, the Corporation redeemed 303,265 shares, being all such shares tendered for redemption. The Preference Shares, series 5 were redeemed at a price of \$25.00 per share, or \$7.6 million in aggregate, plus accrued and unpaid dividends of \$49,000. Following completion of the partial redemption, a total of 3,294,938 Preference Shares, series 5, with a par value of \$82.4 million, remain issued and outstanding.

Warrants

On February 12, 2016, and in connection with the reorganization of certain of the Corporation's preference shares (note 17 to the 2017 Audited Consolidated Financial Statements), the Corporation issued 1,421,374 warrants, each whole warrant entitling the holder thereof to purchase one Class A subordinate voting share of the Corporation at a cost of \$6.00 per share at any time prior to or on June 30, 2019. During the prior year, holders of the Corporation's warrants exercised 250 warrants for \$1,500. At December 31, 2017 and December 31, 2016, there were 1,421,124 warrants outstanding.

Common Shares

As at March 28, 2018 and December 31, 2017, there were 55,701,603 Class A subordinate voting shares and 3,114,804 Class B common shares outstanding.

On June 23, 2017, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from June 28, 2017 to June 27, 2018. Subject to certain conditions, the Corporation may purchase up to a maximum of 4,387,222 Class A subordinate shares pursuant to these arrangements, representing approximately 10% of the public float at the time approval of the normal course issuer bid was granted. There were no shares purchased for cancellation pursuant to these arrangements during 2017 and 2016.

During 2017, the Corporation issued 79,925 Class A subordinate voting shares under the terms of its share incentive arrangements, including 46,119 Class A subordinate voting shares issued in settlement of deferred share unit awards and 33,806 Class A subordinate voting shares in settlement of vested share bonus awards. Outstanding awards under the Corporation's share incentive arrangements at December 31, 2017 included 529,278 share bonus awards, 757,500 performance share unit awards, 1,379,640 deferred share unit awards and 1,189,245 deferred share units that track the value of a class A subordinate voting share of Dream Unlimited Corp. A comprehensive summary of the terms of the Corporation's share incentive awards is provided in note 21 to the 2017 Audited Consolidated Financial Statements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, the Corporation reported cash of \$75.3 million at December 31, 2017, excluding cash of \$3.7 million that was attributed to discontinued operations and classified as held-for-sale. This compares with cash of \$75.6 million at December 31, 2016. The following table illustrates the Corporation's consolidated cash flow on a segmented basis, including net cash flow movements between Dundee Corporation and each of its operating segments.

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

	Opening	Operating	Investing	Financing		Closing
<i>For the year ended December 31, 2016</i>	Cash	Activities	Activities	Activities	Intersegment	Cash
<i>Corporate and other portfolio holdings</i>	\$ 49,190	\$ (27,279)	\$ 10,048	\$ (45,434)	\$ 15,095	\$ 1,620
<i>Asset management and capital markets</i>						
Goodman & Company, Investment Counsel Inc.	1,273	(10,637)	(1,500)	-	11,711	847
Dundee Securities Ltd.	171,519	150,585	(205,556)	-	(61,161)	55,387
<i>Resource industry</i>						
Dundee Energy Limited	56	(990)	-	-	1,020	86
Dundee Energy Limited Partnership	30	4,092	(686)	(2,017)	-	1,419
United Hydrocarbon International Corp.	2,716	(13,055)	(264)	2,174	14,122	5,693
Dundee Sustainable Technologies Inc.	1,679	(1,613)	-	-	460	526
Eurogas International Inc.	26	(368)	-	-	342	-
<i>Agriculture industry</i>						
Blue Goose Capital Corp.	992	17,231	(38,296)	14,767	10,547	5,241
Blue Goose Pure Foods Ltd.	-	12,568	(70,586)	58,750	-	732
AgriMarine Holdings Inc.	731	(2,558)	(563)	-	2,665	275
<i>Real estate industry</i>						
Dundee 360 Real Estate Corporation	5,475	(7,786)	943	(42)	5,199	3,789
	233,687	120,190	(306,460)	28,198	-	75,615
Less: Assets held for sale	(21,786)	-	-	-	-	-
	211,901	120,190	(306,460)	28,198	-	75,615
Less: Discontinued operations						
Dundee Energy Limited Partnership	(30)	(4,092)	686	2,017	-	(1,419)
Blue Goose Pure Foods Ltd.	-	(12,568)	70,586	(58,750)	-	(732)
	\$ 211,871	\$ 103,530	\$ (235,188)	\$ (28,535)	\$ -	\$ 73,464

Included in the Corporation's consolidated cash balance is \$20.5 million of cash used in the operating businesses of the Corporation's wealth management and brokerage subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets, in accordance with such regulatory requirements. The ability to transfer cash resources out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements. At December 31, 2017 and 2016, the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

A more detailed discussion of significant transactions affecting cash flows in 2017 and 2016 is provided below.

Significant Cash Flows – Operating Activities

For the years ended December 31,	Dundee						Total 2017	2016
	Corporate	Securities	UHIC	Blue Goose	Dundee 360	Other		
Operating activities:								
Adjusted net earnings or loss*	\$ (17,073)	\$ (3,742)	\$ (21,681)	\$ (7,205)	\$ 184	\$ (9,561)	\$ (59,078)	\$ (83,389)
Changes in client account balances	-	(19,416)	-	-	-	1,417	(17,999)	156,988
Changes in agricultural inventory	-	-	-	4,863	-	(4,717)	146	23,134
Changes in other working capital amounts	(189)	(1,854)	5,576	(1,053)	(1,143)	1,514	2,851	6,851
Changes in income taxes	4,656	175	-	-	(33)	-	4,798	(54)
Cash (used in) provided from operating activities –								
Continuing operations	\$ (12,606)	\$ (24,837)	\$ (16,105)	\$ (3,395)	\$ (992)	\$ (11,347)	\$ (69,282)	\$ 103,530

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

- Changes in cash related to the Corporation's brokerage activities, including changes in client account balances and brokerage securities owned and sold short will vary significantly on a day-to-day basis to reflect the underlying business activities undertaken in that period and do not necessarily reflect any meaningful change in the subsidiaries' financial position. Changes in these balances through 2017 resulted in net cash outflows of \$19.4 million (2016 – net cash inflows of \$156.3 million).
- In the prior year, transactions in the Corporation's agriculture subsidiaries resulted in cash inflows of \$23.1 million. In comparison, these activities generated cash inflows of \$0.1 million in 2017.

Significant Cash Flows – Investing Activities

For the years ended December 31,	Dundee						Total 2017	2016
	Corporate	Securities	UHIC	Blue Goose	Dundee 360	Other		
Investing activities:								
Net proceeds from (acquisitions) dispositions of portfolio investments	\$ 111,615	\$ -	\$ -	\$ -	\$ 122	\$ 1,054	\$ 112,791	\$ (16,277)
Net investment in resource assets	-	-	(154)	-	-	-	(154)	126
Net investment in livestock and other agricultural assets	-	-	-	(7,075)	-	-	(7,075)	(26,865)
Proceeds from (disbursement of) cash in in business dispositions	-	393	21,726	-	-	-	22,119	(189,906)
Other investment activities	3,719	(45)	-	(553)	(531)	(1,034)	1,556	(2,266)
Cash provided from (used in) investing activities –								
Continuing operations	\$ 115,334	\$ 348	\$ 21,572	\$ (7,628)	\$ (409)	\$ 20	\$ 129,237	\$ (235,188)

- During 2017, the Corporation generated proceeds of \$132.6 million from its corporate portfolio, including \$106.1 million from the sale of 100% of the Corporation's investment in 15,536,288 class A subordinate voting shares of Dream Unlimited Corp., and \$2.5 million against a subordinated advance of \$17.5 million provided to the purchasers of Dundee Securities' capital markets division during December 2016. Approximately \$20.0 million of the proceeds were reinvested, including \$2.5 million reinvested in equity accounted investments and \$11.0 million reinvested into Class E convertible preferred units and Class F convertible preferred units associated with the Corporation's Parq Vancouver casino and resort project. In the prior year, portfolio trading activities generated net cash inflows of \$8.7 million, net of a \$25.0 million equity contribution towards the purchase of the assets of Tender Choice. Cash required or derived from trading in the Corporation's investment portfolio, including equity accounted investments, will vary from period to period and is dependent on trading activity and strategies that may evolve in response to global market conditions or otherwise.
- Blue Goose invested \$7.1 million in agricultural assets during 2017, compared with an investment of \$26.9 million in the prior year.

- During 2017, approximately \$22.1 million of cash was received from third parties under business combination transactions. This amount includes net cash of \$21.7 million from the disposition of UHIC's investment in UHCL on September 22, 2017 and a further \$0.4 million received on the disposition of Dundee Securities Inc. In comparison, during the prior year, business combinations resulted in a net cash outflow of \$189.9 million, including net cash outflow of \$205.3 million associated with the divestiture of Dundee Securities' retail and capital markets division, offset by \$16.2 million of proceeds from the sale of the Blue Goose feed division.

Significant Cash Flows – Financing Activities

For the years ended December 31,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2017	2016
Financing activities:								
Change in corporate debt	\$ (54,574)	\$ -	\$ -	\$ 4,376	\$ (44)	\$ -	\$ (50,242)	\$ (4,396)
Issuance of Class A subordinate shares, net of issue costs	-	-	-	-	-	-	-	2
Redemption of Preference Shares, series 4	-	-	-	-	-	-	-	(5,504)
Redemption of Preference Shares, series 5	-	-	-	-	-	-	-	(11,474)
Issue costs, Preference Shares, series 5	-	-	-	-	-	-	-	(2,457)
Dividends paid on Preference Shares, series 2 and series 3	(6,955)	-	-	-	-	-	(6,955)	(6,936)
Net cash from transactions with non-controlling interests	-	-	(1,970)	190	-	836	(944)	2,230
Cash (used in) provided from financing activities –								
Continuing operations	\$ (61,529)	\$ -	\$ (1,970)	\$ 4,566	\$ (44)	\$ 836	\$ (58,141)	\$ (28,535)

- Net amounts repaid against credit facilities available to the Corporation and to its subsidiaries during 2017 were \$50.2 million (2016 – \$4.4 million).
- Cash outflows during 2017 include dividends of \$6.9 million (2016 – \$6.9 million) paid by the Corporation on its outstanding Preference Shares, series 2 and Preference Shares, series 3. The Corporation has not paid dividends on its Class A subordinate voting shares or on its common shares.
- During the third quarter of the prior year, the Corporation paid \$5.5 million to retire certain Preference Shares, series 4 under dissent arrangements.
- At the end of the second quarter of 2016, the Corporation redeemed 458,969 Preference Shares, series 5, at a cost of \$25.00 per share or a total of \$11.5 million in aggregate.

Cash Requirements

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

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

The Corporation believes that its operating cash flow, combined with available lines of credit and its portfolio of investments provide sufficient resources for the Corporation to conduct its operations for the foreseeable future, including the funding of dividends and interest payments on preference shares and debt obligations, and supporting growth initiatives of its subsidiaries, if the need arises. On an ongoing basis, the Corporation may require cash to develop its current portfolio, or to invest in other opportunities. If required, the Corporation may consider alternative financing options for certain investment initiatives, including possible debt or equity issuances.

RESULTS OF OPERATIONS

Three months ended December 31, 2017 compared with the three months ended December 31, 2016

Consolidated Net Earnings

During the fourth quarter of 2017, the Corporation incurred a net loss before income taxes attributable to owners of Dundee Corporation of \$69.6 million, or \$1.20 per share. This compares with a net loss before income taxes of \$106.4 million or \$1.84 per share incurred during the same quarter of the prior year. Operating results in the fourth quarter of 2017 include losses from discontinued operations of \$26.3 million, including a loss of \$22.6 million resulting from the liquidation of assets of BGPF.

<i>For the three months ended December 31,</i>	2017	2016
Net earnings (loss) before income taxes from continuing operations		
Goodman & Company, Investment Counsel Inc.	\$ (1,756)	\$ (3,084)
Dundee Securities Ltd.	205	1,333
Dundee Energy Limited	(1,493)	(285)
United Hydrocarbon International Corp.	(1,583)	(3,134)
Dundee Sustainable Technologies Inc.	(926)	(344)
Eurogas International Inc.	(151)	(164)
Blue Goose Capital Corp.	(3,753)	5,240
AgriMarine Holdings Inc.	(1,009)	(1,258)
Dundee 360 Real Estate Corporation	(971)	(15,262)
	(11,437)	(16,958)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments:	15,345	(102,680)
Share of loss from equity accounted investments	(59,175)	(2,976)
Other items in the corporate and other portfolio holdings segment	(7,571)	(5,798)
Income tax recovery	14,072	22,166
Net loss from continuing operations	(48,766)	(106,246)
Net loss from discontinued operations		
Dundee Energy Limited Partnership	(2,384)	(6,592)
Blue Goose Pure Foods Ltd.	(23,885)	1,856
Net loss from discontinued operations	(26,269)	(4,736)
Net loss for the period	\$ (75,035)	\$ (110,982)
Net loss attributable to:		
Owners of the parent		
Continuing operations	\$ (46,733)	\$ (104,217)
Discontinued operations	(22,829)	(2,143)
	\$ (69,562)	\$ (106,360)

The corporate and other portfolio holdings segment incurred a net loss before taxes of \$51.4 million in the fourth quarter of 2017, compared with a net loss before income taxes of \$111.5 million incurred in the same period of 2016. The Corporation's portfolio investments at FVTPL experienced market appreciation of \$15.3 million in the current quarter, compared with market depreciation of \$102.7 million incurred in the same period of the prior year. During 2017, impairments in the value of the Corporation's investments in Cambridge and Union Group contributed to a loss of \$59.2 million from equity accounted investments (2016 – \$3.0 million).

Segmented Results of Operations

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

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

During the three months ended December 31, 2017, GCIC incurred a net loss before income taxes of \$1.8 million (three months ended December 31, 2016 – \$3.1 million).

Management fee revenues were \$0.6 million in the fourth quarter of 2017, a decline from management fee revenues of \$0.9 million earned in the fourth quarter of the prior year. Average AUM in the fourth quarter of 2017 was \$195.7 million compared with \$172.7 million in the same period of the prior year. Consistent with year-to-date results, the decrease in realized management fee revenue results from a change in the mix of assets managed, with private client assets generally earning a lower management fee rate than tax sheltered investment products, mutual funds and closed-end investment products. The average management fee rate was 1.11% in the fourth quarter of 2017, compared with an average management fee rate of 1.16% in the same period of the prior year.

General and administrative costs decreased to \$2.4 million in the three months ended December 31, 2017, compared with general and administrative costs of \$4.1 million incurred in the fourth quarter of the prior year. Operating performance in the current period reflects, in part, cost rationalization as GCIC further streamlines its business strategy.

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	2017	2016
Revenues		
Management and performance fees	\$ 559	\$ 905
Financial services	41	4
Interest, dividends and other	94	114
	694	1,023
Other items in net loss before taxes		
General and administrative	(2,444)	(4,105)
Depreciation	(2)	(2)
Interest expense	(4)	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (1,756)	\$ (3,084)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (1,756)	\$ (3,084)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (1,756)	\$ (3,084)

DUNDEE SECURITIES LTD.

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	2017	2016
Revenues		
Financial services		
Investment banking	\$ 12	\$ 8,832
Commissions	982	4,255
Principal trading	2,562	(890)
Foreign exchange trading	-	(17)
Interest, dividends and other	1,016	1,796
	4,572	13,976
Cost of sales		
Variable compensation	(2,095)	(5,845)
Other items in net earnings before taxes		
Depreciation	(54)	(245)
General and administrative	(2,186)	(6,358)
Interest expense	(9)	(46)
Foreign exchange loss	(23)	(149)
Net earnings before taxes attributable to Dundee Securities	\$ 205	\$ 1,333
Net earnings before taxes, Dundee Securities attributable to:		
Owners of Dundee Corporation	\$ 205	\$ 1,333
Non-controlling interest	-	-
Net earnings before taxes, Dundee Securities	\$ 205	\$ 1,333

Revenues

Reflective of the sale of essentially all of its capital markets businesses, during the three months ended December 31, 2017, Dundee Securities' revenues decreased to \$4.6 million, compared with revenues of \$14.0 million generated in the same period of the prior year. Revenues in the fourth quarter of 2017 include \$1.0 million of commission revenues and principal trading gains of \$2.6 million.

Variable Compensation Expense

Variable compensation expense incurred in the fourth quarter of 2017 was \$2.1 million, and represented approximately 41% of related financial services revenue, resulting in contribution margins of 59%.

General and Administrative Expenses

Dundee Securities incurred general and administrative expenses of \$2.2 million in the three months ended December 31, 2017, compared with \$6.4 million in the same period of the prior year. Consistent with year-to-date performance, the decrease in general and administrative expenses results from the significant reduction in business activities, partially offset with certain termination costs, including \$0.6 million in severance and other compensation related expenses.

DUNDEE ENERGY LIMITED

During the quarter ended December 31, 2017, Dundee Energy incurred a net loss before income taxes of \$3.9 million, including a loss from discontinued operations of \$2.4 million related to the southern Ontario assets. This compares with a net loss before income taxes of \$9.3 million in the fourth quarter of 2016, including a loss from discontinued operations of \$9.0 million. Discontinued operations in the fourth quarter of the prior year included an impairment against its oil and gas properties of \$6.9 million.

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	Continuing Operations		Discontinued Operations		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Oil and gas sales	\$ -	\$ -	\$ 5,255	\$ 5,933	\$ 5,255	\$ 5,933
Interest and dividends	(1,425)	-	26	24	(1,399)	24
	(1,425)	-	5,281	5,957	3,856	5,957
Cost of sales						
Production expenditures	-	-	(2,649)	(2,448)	(2,649)	(2,448)
Other items in net loss before taxes						
Depreciation and depletion	(10)	(2)	(2,075)	(9,136)	(2,085)	(9,138)
General and administrative	(37)	(332)	(1,567)	(858)	(1,604)	(1,190)
Remeasurement of resource-based financial instruments	-	-	66	(1,360)	66	(1,360)
Interest expense	-	-	(1,427)	(1,133)	(1,427)	(1,133)
Foreign exchange (loss) gain	(21)	49	(13)	9	(34)	58
Net loss before taxes, Dundee Energy Limited	\$ (1,493)	\$ (285)	\$ (2,384)	\$ (8,969)	\$ (3,877)	\$ (9,254)
Net loss before taxes, Dundee Energy Limited attributable to:						
Owners of Dundee Corporation	\$ (861)	\$ (163)	\$ (1,383)	\$ (6,193)	\$ (2,244)	\$ (6,356)
Non-controlling interest	(632)	(122)	(1,001)	(2,776)	(1,633)	(2,898)
Net loss before taxes, Dundee Energy Limited	\$ (1,493)	\$ (285)	\$ (2,384)	\$ (8,969)	\$ (3,877)	\$ (9,254)

During the fourth quarter of 2017, Dundee Energy's loss from continuing operations was impacted by a \$1.4 million impairment against the fair value of its 45% interest in Windiga Energy Inc., which reduced the carrying value of this asset to \$nil.

DELP generated sales of oil and natural gas, net of royalty interests, of \$5.2 million in the fourth quarter of 2017, a decrease of \$0.7 million when compared with net sales of oil and natural gas of \$5.9 million earned in the fourth quarter of the prior year. The decrease in net sales resulted both from lower commodity prices for natural gas, which decreased net sales by \$0.4 million, as well as a drop in production volumes for both oil and natural gas, which further reduced net sales by \$0.3 million. During the fourth quarter of 2017, production volumes decreased to an average of 2,057 boe/d, compared with an average of 2,284 boe/d produced in the same quarter of the prior year.

<i>For the three months ended December 31,</i>	2017			2016		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	\$ 3,633	\$ 2,558	\$ 6,191	\$ 4,342	\$ 2,661	\$ 7,003
Royalties	(549)	(387)	(936)	(663)	(407)	(1,070)
Production expenditures	(1,720)	(929)	(2,649)	(1,589)	(859)	(2,448)
	1,364	1,242	2,606	2,090	1,395	3,485
Remeasurement of resource-based financial instruments	(137)	-	(137)	(184)	-	(184)
Field level cash flows	\$ 1,227	\$ 1,242	\$ 2,469	\$ 1,906	\$ 1,395	\$ 3,301

<i>For the three months ended December 31,</i>	2017			2016		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	\$/Mcf	\$/bbl	\$/boe	\$/Mcf	\$/bbl	\$/boe
Total sales	\$ 3.98	\$ 69.05	\$ 32.72	\$ 4.32	\$ 62.41	\$ 33.32
Royalties	(0.60)	(10.46)	(4.95)	(0.66)	(9.54)	(5.09)
Production expenditures	(1.88)	(25.09)	(14.00)	(1.58)	(20.14)	(11.65)
	1.50	33.50	13.77	2.08	32.73	16.58
Remeasurement of resource-based financial instruments	(0.15)	-	(0.72)	(0.18)	-	(0.88)
Field netbacks	\$ 1.35	\$ 33.50	\$ 13.05	\$ 1.90	\$ 32.73	\$ 15.70

During the fourth quarter of 2017, DELP realized an average price on sales of natural gas of \$3.98/Mcf (fourth quarter of 2016 – \$4.32/Mcf). The decrease is consistent with a 7% decrease in the US dollar-denominated price of natural gas at the Dawn Hub. DELP realized an average price of \$69.22/bbl on sales of crude oil during the fourth quarter of 2017 (fourth quarter of 2016 – \$62.65/bbl). The increase is consistent with a 12% increase in the US dollar-denominated West Texas Intermediate price, and an 8% increase in the Canadian Light Sweet price.

During the fourth quarter of 2017, DELP generated field level cash flows, before the effect of any derivative financial instruments, of \$2.6 million, substantially lower than field level cash flows of \$3.5 million generated in the fourth quarter of the prior year. The decrease results from lower natural gas prices, as well as lower production volumes. As a result, DELP generated field netbacks of \$13.77/boe in the fourth quarter of 2017 compared with field netbacks of \$16.58/boe in the fourth quarter of the prior year.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

During the three months ended December 31, 2017, Dundee Technologies incurred a net loss before taxes of \$0.9 million (three months ended December 31, 2016 – \$0.3 million).

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	2017	2016
Revenues		
Technical services	\$ 869	\$ 34
Interest, dividends and other	(26)	400
	843	434
Cost of sales	(675)	(53)
Other items in net loss before taxes		
Depreciation and depletion	-	-
General and administrative	(968)	(601)
Interest expense	(128)	(123)
Foreign exchange gain (loss)	2	(1)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (926)	\$ (344)
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:		
Owners of Dundee Corporation	\$ (513)	\$ (142)
Non-controlling interest	(413)	(202)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (926)	\$ (344)

During the fourth quarter of 2017, Dundee Technologies continued to expand the provision of technical services in the mining industry to evaluate processing alternatives using its state of the art metallurgy plant and skilled technical team. Revenue during the current quarter was \$0.9 million, compared with revenue of \$34,000 in the same period of the prior year.

Dundee Technologies incurred operating expenses of \$1.6 million in the fourth quarter of 2017, of which \$0.7 million is directly attributable to the provision of technical services and which has been designated as “*Cost of sales*” in the consolidated statements of operations, and \$0.9 million in general and administrative costs. In comparison, during the fourth quarter of 2016, Dundee Technologies incurred operating costs of \$0.7 million, of which \$0.1 million was attributed to cost of sales, with the balance of \$0.6 million in general and administrative costs. Consistent with annual results, as the business activities of Dundee Technologies mature, it expects to allocate more of its highly technical resources to the provision of revenue generating activities. While total operating expenses are expected to increase in proportion to increased revenue generating activities, Dundee Technologies expects that a larger portion of these costs will be allocated to cost of sales.

Included in general and administrative expenses are research and development costs incurred to advance the operations of Dundee Technologies’ chlorination process demonstration plant. During the fourth quarter of 2017, Dundee Technologies incurred \$0.6 million of research and development costs, compared with costs of \$0.2 million the fourth quarter of 2016.

BLUE GOOSE CAPITAL CORP.

During the fourth quarter of 2017, Blue Goose incurred net losses from continuing operations of \$3.8 million, compared with \$5.2 million of net earnings generated in the same period of the prior year. Net earnings in the fourth quarter of 2016 included a \$6.5 million gain from the disposal of Blue Goose's feed division in October 2016.

RESULTS OF OPERATIONS – CONTINUING OPERATIONS

<i>For the three months ended December 31,</i>	2017	2016
Revenues		
Sales	\$ 6,218	\$ 5,928
Interest and dividends	133	609
Gain on sale of Fischer Feeds	-	6,508
	6,351	13,045
Cost of sales	(9,428)	(8,479)
Other items in net (loss) earnings before taxes		
Depreciation and depletion	(594)	(904)
General and administrative	(584)	(3,029)
Fair value changes in livestock	1,679	5,701
Interest expense	(1,177)	(1,096)
Foreign exchange gain	-	2
Net (loss) earnings before taxes, Blue Goose Capital Corp.	\$ (3,753)	\$ 5,240
Net (loss) earnings before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	\$ (3,369)	\$ 4,590
Non-controlling interest	(384)	650
Net (loss) earnings before taxes, Blue Goose Capital Corp.	\$ (3,753)	\$ 5,240

Revenues in the fourth quarter of 2017 from continuing operations were \$6.4 million, and were consistent with revenue levels of \$6.5 million earned in the fourth quarter of the prior year, after adjusting for the \$6.5 million gain on the sale of the feed division.

Contribution Margins

<i>For the three months ended December 31,</i>					2017
	Beef	Fish	Chicken	Other	Total
Revenue	\$ 3,062	\$ 755	\$ 2,401	\$ -	\$ 6,218
Cost of sales, period cost	(3,513)	(867)	(2,329)	-	(6,709)
	(451)	(112)	72	-	(491)
Fair value changes					
Fair value changes in livestock	610	1,069	-	-	1,679
Cost of sales, fair value harvested	(1,991)	(728)	-	-	(2,719)
	(1,381)	341	-	-	(1,040)
Margin from continuing operations	\$ (1,832)	\$ 229	\$ 72	\$ -	\$ (1,531)
Margin %	(49.9%)	12.6%	3.0%	-	(19.4%)
<hr/>					
<i>For the three months ended December 31,</i>					2016
	Beef	Fish	Chicken	Other	Total
Revenue	\$ 2,800	\$ 328	\$ 2,800	\$ -	\$ 5,928
Cost of sales, period cost	(2,833)	(1,041)	(2,722)	(80)	(6,676)
	(33)	(713)	78	(80)	(748)
Fair value changes					
Fair value changes in livestock	4,325	1,376	-	-	5,701
Cost of sales, fair value harvested	(1,458)	(345)	-	-	(1,803)
	2,867	1,031	-	-	3,898
Margin from continuing operations	\$ 2,834	\$ 318	\$ 78	\$ (80)	\$ 3,150
Margin %	39.8%	18.7%	2.8%	n/a	27.1%

Revenue from sales of beef increased to \$3.1 million in the fourth quarter of 2017, compared with \$2.8 million of revenue generated in the same period of the prior year. During the three months ended December 31, 2017, period costs associated with the beef division were \$3.5 million, compared with period costs of \$2.8 million in the same period of the prior year, reflective of the addition of two new leased ranches and costs associated with the wildfires that impacted the beef division assets.

Revenue from fish sales increased to \$0.8 million during the fourth quarter of 2017, compared with revenue of \$0.3 million in the same period of the prior year. Consistent with annual results, the increase in revenues resulted from Blue Goose's revised harvest plan in 2016. Period costs associated with the fish division were \$0.9 million in the three months ended December 31, 2017, compared with \$1.0 million in the same period of the prior year.

During the three months ended December 31, 2017, revenue from the sale of chicken products was \$2.4 million, a decrease from revenues of \$2.8 million generated in the same period of the prior year, and continues to reflect supply constraints and related issues. Period costs associated with the chicken division were \$2.3 million during the quarter ended December 31, 2017, compared with \$2.7 million in the same period of the prior year.

AGRIMARINE HOLDINGS INC.

During the three months ended December 31, 2017, AgriMarine incurred a pre-tax loss of \$1.0 million, compared with a pre-tax loss of \$1.3 million in the same period of the prior year.

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	2017	2016
Revenues		
Sales	\$ 2,495	\$ 2,820
Interest, dividends and other	-	3
	2,495	2,823
Cost of sales	(2,568)	(3,075)
Other items in net loss before taxes		
General and administrative	(914)	(1,007)
Interest expense	(24)	1
Foreign exchange gain	2	-
Net loss before taxes, AgriMarine Holdings Inc.	\$ (1,009)	\$ (1,258)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (1,009)	\$ (1,258)
Non-controlling interest	-	-
Net loss before taxes, AgriMarine Holdings Inc.	\$ (1,009)	\$ (1,258)

During the three months ended December 31, 2017, AgriMarine generated revenue of \$2.5 million and a negative contribution margin of \$0.1 million. Sales in the fourth quarter of 2017 were impacted by an unexpected softening of the market.

Contribution Margins

<i>For the three months ended December 31,</i>	2017	2016
Revenues	\$ 2,495	\$ 2,820
Cost of sales	(2,568)	(3,075)
Contribution margin before fair value changes and other adjustments	\$ (73)	\$ (255)

WCF harvested 291,000 kilograms of product during 2017 of which 199,000 kilograms were sold, representing a yield of approximately 68%. WCF realized an average price of \$12.34 per kilogram sold.

DUNDEE 360 REAL ESTATE CORPORATION

During the three months ended December 31, 2017, Dundee 360 incurred a net loss before taxes of \$1.0 million. This compares with a net loss before taxes of \$15.3 million incurred during the prior year. Improved earnings are the result of Sotheby's strategic initiatives for agent growth, combined with Dundee 360's cost-efficiency strategies.

RESULTS OF OPERATIONS

<i>For the three months ended December 31,</i>	Real Estate Brokerage		Real Estate Project Management		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Gross commission income	\$ 23,407	\$ 18,637	\$ -	\$ -	\$ 23,407	\$ 18,637
Consulting and management fees	-	4	1,400	1,129	1,400	1,133
Sales and marketing fees	-	131	185	446	185	577
Other revenue	2,455	2,093	(15)	48	2,440	2,141
Interest, dividends and other	96	195	1,384	87	1,480	282
	25,958	21,060	2,954	1,710	28,912	22,770
Cost of sales	(21,512)	(16,991)	-	-	(21,512)	(16,991)
Other items in net loss before taxes						
Depreciation and depletion	(262)	(256)	(1,830)	(8,268)	(2,092)	(8,524)
General and administrative	(4,820)	(4,333)	(1,726)	(3,436)	(6,546)	(7,769)
Share of income (loss) from real estate joint ventures	-	-	286	(4,716)	286	(4,716)
Finance expense	(19)	(23)	-	(9)	(19)	(32)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	\$ (655)	\$ (543)	\$ (316)	\$ (14,719)	\$ (971)	\$ (15,262)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:						
Owners of Dundee Corporation	\$ (655)	\$ (543)	\$ (60)	\$ (12,918)	\$ (715)	\$ (13,461)
Non-controlling interest	-	-	(256)	(1,801)	(256)	(1,801)
Net loss before taxes,						
Dundee 360 Real Estate Corporation	\$ (655)	\$ (543)	\$ (316)	\$ (14,719)	\$ (971)	\$ (15,262)

During the three months ended December 31, 2017, Sotheby's sold over \$1.6 billion worth of residential real estate, compared to \$1.0 billion in the same period of the prior year. Gross commission revenues for the fourth quarter of 2017 were \$23.4 million (three months ended December 31, 2016 – \$18.6 million) and associated commissions paid to brokers and agents were \$21.5 million (three months ended December 31, 2016 – \$17.0 million), resulting in a net contribution margin of \$1.9 million or 8.0% (three months ended December 31, 2016 – \$1.6 million or 8.6%). Consistent with year-to-date results, the decrease in the retained contribution margin rate reflects payouts to higher producing agents who earn larger commission splits.

Revenues from real estate project management activities increased to \$3.0 million in the fourth quarter of 2017, compared with \$1.7 million earned in the same period of the prior year. Included in other revenues during the fourth quarter of the current year is \$1.3 million of amounts associated with Dundee 360's interests in Cuba, which is not expected to recur to any significant extent in future periods.

Consistent with year-to-date results, general and administrative costs associated with real estate project management activities have decreased to \$1.7 million in the fourth quarter of 2017, compared with \$3.4 million in the same period of the prior year, positively reflecting restructuring initiatives and cost-efficiency strategies. Depreciation and depletion charges in the fourth quarter of 2017 include an impairment of \$1.6 million incurred in order to reduce the carrying value of Dundee 360's underlying land assets held in Croatia to expected proceeds of sale.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

For the three months ended	2017				2016			
	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar
Net gain (loss) from investments	\$ 15,345	\$ 15,386	\$ (24,831)	\$ 57,465	\$ (102,680)	\$ 7,948	\$ 52,216	\$ 51,112
Share of earnings (loss) from equity accounted investments	(58,889)	6,545	108	(856)	(7,692)	(3,640)	1,243	(114)
Other items in net earnings (loss)	(5,222)	26,867	(4,960)	(28,087)	4,126	(22,927)	(60,927)	(52,584)
Net earnings (loss) from continuing operations	\$ (48,766)	\$ 48,798	\$ (29,683)	\$ 28,522	\$ (106,246)	\$ (18,619)	\$ (7,468)	\$ (1,586)
Net earnings (loss) from discontinued operations	(26,269)	(46,963)	4,280	(306)	(4,736)	(1,099)	(8,494)	(2,426)
Net earnings (loss)	\$ (75,035)	\$ 1,835	\$ (25,403)	\$ 28,216	\$ (110,982)	\$ (19,718)	\$ (15,962)	\$ (4,012)
Attributable to owners of the parent								
Continuing operations	\$ (46,733)	\$ 42,824	\$ (28,553)	\$ 29,888	\$ (104,217)	\$ (15,217)	\$ (6,422)	\$ (12,064)
Discontinued operations	(22,829)	(30,809)	4,028	(349)	(2,143)	(636)	(4,917)	(1,404)
Attributable to non-controlling interest								
Continuing operations	(2,033)	5,974	(1,130)	(1,366)	(2,029)	(3,402)	(1,046)	10,478
Discontinued operations	(3,440)	(16,154)	252	43	(2,593)	(463)	(3,577)	(1,022)
	\$ (75,035)	\$ 1,835	\$ (25,403)	\$ 28,216	\$ (110,982)	\$ (19,718)	\$ (15,962)	\$ (4,012)
Earnings (loss) per share								
Basic								
Continuing operations	\$ (0.82)	\$ 0.69	\$ (0.51)	\$ 0.48	\$ (1.81)	\$ (0.29)	\$ (0.14)	\$ (0.24)
Discontinued operations	(0.38)	(0.52)	0.06	(0.01)	(0.03)	(0.01)	(0.08)	(0.02)
	\$ (1.20)	\$ 0.17	\$ (0.45)	\$ 0.47	\$ (1.84)	\$ (0.30)	\$ (0.22)	\$ (0.26)
Diluted								
Continuing operations	\$ (0.82)	\$ 0.65	\$ (0.51)	\$ 0.46	\$ (1.81)	\$ (0.29)	\$ (0.14)	\$ (0.24)
Discontinued operations	(0.38)	(0.49)	0.06	(0.01)	(0.03)	(0.01)	(0.08)	(0.02)
	\$ (1.20)	\$ 0.16	\$ (0.45)	\$ 0.45	\$ (1.84)	\$ (0.30)	\$ (0.22)	\$ (0.26)

- During the fourth quarter of 2017 and following the appointment of an interim receiver, BGPf recognized a loss of \$22.6 million on the liquidation of its net assets.
- Operating results during the third quarter of 2017 include a \$64.4 million foreign currency translation gain related to the disposition of UHIC's subsidiary.
- In connection with the filing of a NOI by DELP pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada), during the third quarter of 2017, DELP recorded an impairment of \$19.0 million against its exploration and evaluation properties, and it further impaired the carrying value of its deferred income tax assets by \$14.8 million. These items have been included in discontinued operations.
- During the third quarter of 2017, and as a result of changes in the probability metrics applied to determining the fair value of contingent consideration related to its acquisition of the Tender Choice business, BGPf decreased the carrying value of the contingent consideration by \$10.9 million, with a corresponding increase in net earnings. Concurrently, BGPf impaired goodwill related to Tender Choice by \$23.6 million. These items have been included in discontinued operations.
- Operating results in the fourth quarter of 2016 include impairment charges of \$6.9 million incurred by DELP in respect of certain of its exploration and evaluation resource properties. These items have been included in discontinued operations.
- During the fourth quarter of 2016, Dundee 360 incurred an impairment of \$8.0 million against its Croatian real estate assets, and a further \$4.6 million impairment on its Cuban assets.
- Operating results during the second quarter of 2016 include accelerated depreciation charges of \$23.8 million relating to Dundee 360, including depreciation of goodwill and other assets associated with the Parq casino and resort development project, as well as depreciation following the sale of certain hospitality services arrangements.
- During the second quarter of 2016, DELP recognized an impairment of \$5.0 million against certain natural gas properties in southern Ontario. These items have been included in discontinued operations.

- Included in net earnings or loss are amounts reflecting changes in the fair value of the Corporation's direct investments in public and private securities. As previously noted, changes in the fair value of investments are determined by equity and credit markets and are expected to result in significant fluctuations in net earnings or loss. The Corporation believes that equity and credit markets do not necessarily correctly reflect the underlying value of certain assets. As a consequence, management of the Corporation believes that the amount of unrealized gains or losses that will be included in net earnings or loss in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information.
- The Corporation's share of earnings or losses from equity accounted investments is included in the Corporation's net earnings or loss for each quarter. As with changes in the fair value of the Corporation's investment portfolio, earnings or losses from each equity accounted investee and dilution gains and losses from these investments will fluctuate from period to period and may depend on market forces or other operating conditions that are not necessarily under the Corporation's direct control.

OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Corporation executes agreements that provide for indemnification to third parties in transactions such as business combinations. The Corporation has also agreed to indemnify its directors and officers and those of certain of its subsidiaries to the extent permitted under corporate law, against costs and damages that may be incurred by such individuals as a result of lawsuits or any other proceedings in which they are sued as a result of their services. The nature of these agreements precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation could be required to pay third parties, as the agreements often do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. Historically, the Corporation has not made any payments under such indemnification agreements. No amounts have been recorded in the 2017 Audited Consolidated Financial Statements with respect to these indemnifications.

The Corporation and its operating subsidiaries may become liable under guarantees that are issued in the normal course of business (see "*Commitments and Contingencies*"), and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the 2017 Audited Consolidated Financial Statements of the Corporation.

COMMITMENTS AND CONTINGENCIES

Commitments and contingencies are detailed in note 28 to the 2017 Audited Consolidated Financial Statements. The following table summarizes payments due for the next five years and thereafter in respect of the Corporation's contractual obligations and the obligations of its subsidiaries.

	Expected Payments Schedule				Total
	2018	2019 to 2020	2021 to 2022	Thereafter	
Continuing Operations					
Accounts payable and accrued liabilities	\$ 58,467	\$ -	\$ -	\$ -	\$ 58,467
Credit facilities, Blue Goose Capital Corp. (i)	61,413	28	12	-	61,453
Debt facilities, Dundee 360 Real Estate Corporation (i)	44	51	-	-	95
Leases and other commitments (ii)	8,783	13,485	8,568	5,270	36,106
Preference Shares, series 5 (iii)	13,809	85,462	-	-	99,271
Interest on Blue Goose Capital Corp.'s credit facilities (iv)	2,782	6	1	-	2,789
Discontinued Operations					
Accounts payable and accrued liabilities	6,569	-	-	-	6,569
Demand revolving credit facility, Dundee Energy Limited Partnership (i)	57,400	-	-	-	57,400
Decommissioning liabilities (undiscounted) (v)	1,202	5,252	2,790	83,000	92,244
Leases and other commitments (ii)	180	186	7	-	373
	\$ 210,649	\$ 104,470	\$ 11,378	\$ 88,270	\$ 414,767

- (i) A detailed discussion of corporate debt in each of the Corporation's operating subsidiaries is presented under "Segmented Results of Operations – Changes in Financial Condition" in this MD&A and in respect of each operating subsidiary.
- (ii) Operating lease obligations include minimum lease commitments to landlords, suppliers and service providers. Several of these leases oblige the Corporation or its subsidiaries to pay additional amounts if usage or transaction activity exceeds specified levels.
- (iii) See note 17 to the 2017 Audited Consolidated Financial Statements for terms and conditions of the Corporation's Preference Shares, series 5.
- (iv) Interest amounts exclude interest amounts due on demand revolving facilities.
- (v) Represents estimated costs of site abandonment and restoration activities.

Decommissioning Liabilities

In connection with resource properties in southern Ontario, DELP is committed to certain site restoration and reclamation activities. At December 31, 2017, the obligation associated with these commitments was estimated at \$92.2 million on an undiscounted basis, of which approximately \$1.2 million is expected to be incurred in 2018.

Commitments

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

- Under its master franchise agreement for the use of the "Sotheby's International Realty" name, Dundee 360 pays the franchisor a franchise fee of 6% of gross commission income earned by its agents, with a minimum annual requirement of US\$1.1 million.
- UHIC and Delonex have entered into a commercial contract with respect to any fees that may be payable to the Republic of Chad upon completion of the extension of the current three-year term of the PSC. In that regard, Delonex withheld US\$3.0 million from the initial consideration paid to UHIC on the acquisition of UHCL. The full amount is available to Delonex to fund any costs associated with an extension, should such extension be granted prior to the properties going into production, subject to any unused amounts being returned to UHIC. Should an extension not be granted prior to June 5, 2020, the entire holdback will be forfeited by UHIC. Furthermore, if Delonex is successful and the properties begin production, then certain bonus payments may be payable to the Republic of Chad in respect of the extension. As part of its arrangement with Delonex, UHIC has agreed to fund up to US\$7.0 million of these costs, which costs are to be paid out of the \$50 million contingent bonus payment. If such costs exceed US\$7.0 million, UHIC has agreed to fund 50% of such additional costs, which payment will further reduce the \$50 million contingent bonus payment.

Contingencies

- In order to support a \$5.0 million investment by Investissement Québec into Dundee Technologies, the Corporation has guaranteed \$1.5 million of debt under these arrangements.
- In accordance with the terms of a royal decree issued by the Spanish authorities in respect of Escal's underground gas storage project in Spain, shareholders of Escal, including ultimate parent shareholders, remain responsible for any possible flaws or defects in the facilities associated with the underground gas storage project that become apparent during the 10 years following the issuance of the royal decree issued in October 2014. Dundee Corporation is the parent company of Dundee Energy. Dundee Energy is the parent of Castor UGS Limited Partnership, which is a 33% shareholder of Escal.
- Blue Goose established a real property loan facility for \$10.0 million. Dundee Agricultural Corporation, a wholly-owned subsidiary of the Corporation, has provided a full guarantee in respect of the loan. The lender does not have recourse to Dundee Corporation in respect of this guarantee.
- In the normal course of its business, the Corporation may invest in structures or investment products that require an upfront commitment, in expectation that the Corporation will fund its commitment in the future on a drawdown basis. The Corporation does not record these obligations, but rather, amounts drawn are subsequently recorded as incurred.
- The Corporation may commit to provide credit facilities to investee companies. Generally, the Corporation's commitments under these types of arrangements are short term in nature and are extended to provide temporary bridge financing arrangements to investee companies in expectation of future equity or debt issuances.

RELATED PARTY TRANSACTIONS

The Corporation has not entered into any transactions with related parties, other than as disclosed in note 29 to the 2017 Audited Consolidated Financial Statements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The 2017 Audited Consolidated Financial Statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and with interpretations of the International Financial Reporting Interpretations Committee which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting. A summary of the more significant accounting policies applied in the preparation of the 2017 Audited Consolidated Financial Statements is included in note 3 to the 2017 Audited Consolidated Financial Statements. Note 3 to the 2017 Audited Consolidated Financial Statements also provides information regarding accounting standards, interpretations and amendments to existing standards that are not yet effective.

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

The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the more significant judgments and estimates made by management in the preparation of its financial information is provided in note 4 to the 2017 Audited Consolidated Financial Statements.

CONTROLS AND PROCEDURES

During 2017, the Chief Executive Officer and the Chief Financial Officer of the Corporation were responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting, as defined in the Canadian Securities Administrators' National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*".

Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, have assessed the effectiveness of the Corporation's internal control over financial reporting as at December 31, 2017, based on the criteria set out in the "*Internal Control – Integrated Framework (2013)*" issued by *The Committee of Sponsoring Organizations of the Treadway Commission (COSO)* and concluded that it was effective as of that date. Management also assessed the effectiveness of disclosure controls and procedures. Based on these assessments, the Chief Executive Officer and the Chief Financial Officer concluded that, as at December 31, 2017, the Corporation's internal control over financial reporting and its disclosure controls and procedures were effective.

The Chief Executive Officer and the Chief Financial Officer of the Corporation have also assessed whether there were any changes to the Corporation's internal control over financial reporting during the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect the Corporation's internal control over financial reporting. There were no changes identified during their assessment.

MANAGING RISK

The risks faced by the Corporation are described in the Corporation's 2017 Annual Information Form under "Risk Factors" which is available on SEDAR at www.sedar.com. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Dundee Corporation's public communications may include written or oral forward looking statements. Statements of this type are included in this MD&A, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Corporation's objectives and priorities for 2018 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services, energy, resources, agriculture and real estate industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors, those referenced in the section entitled "Risk Factors" in the Corporation's Annual Information Form, which include, but are not limited to, general economic and market conditions; the Corporation's ability to execute strategic plans; the Corporation's ability to meet financial obligations and comply with debt covenants; the performance of the Corporation's principal subsidiaries; the Corporation's ability and the ability of its investee companies to raise additional capital; concentration risk; the availability of equity and debt financing and/or refinancing on acceptable terms; risks relating to trading activities and investments; competition faced by the Corporation; regulation of the Corporation's businesses; risks associated with the Corporation's operating businesses and the Corporation's investment holdings in general, including risks associated with oil and gas and mining exploration, risks of operating in foreign jurisdictions; development and production activities, litigation risks, environmental risks, inflation, changes in interest rates, commodity prices

and other financial exposures; the availability and adequacy of insurance coverage for the Corporation and its subsidiaries; maintenance of minimum regulatory capital requirements for certain of the Corporation's subsidiaries; potential liability of the Corporation and its subsidiaries under securities laws; and the ability of the Corporation and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as at March 28, 2018.

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

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

INFORMATION CONCERNING DUNDEE CORPORATION

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

Toronto, Ontario
March 28, 2018