



## **DUNDEE CORPORATION ANNOUNCES FIRST QUARTER 2019 FINANCIAL RESULTS**

### **FOR IMMEDIATE RELEASE**

**Toronto, May 10, 2019 – Dundee Corporation** (TSX: DC.A) (the “Corporation” or “Dundee”) today announced its financial results for the three months ended March 31, 2019.

During the first quarter of 2019, the Corporation recognized earnings attributable to owners of the Corporation of \$14.9 million, or earnings of \$0.21 per share, before the effect of any dilutive securities. This compares with a net loss attributable to owners of the Corporation of \$24.8 million in the same period of 2018, representing a loss of \$0.45 per share.

Operating results during the first quarter of 2019 reflect a \$30.1 million market appreciation (2018 – market depreciation of \$8.8 million) of certain of the Corporation’s investments. In addition to the change in the fair value of investments, the first quarter of 2019 net income (loss) from investments also includes a \$0.8 million loss from loss of control of certain subsidiaries.

“During the first quarter and subsequent to quarter end we continued to make progress towards exiting businesses that are no longer deemed core to our long-term strategy. This included the sale of Dundee 360 Real Estate Corporation’s brokerage division, which operates in Canada under the Sotheby’s International Realty Canada (“Sotheby’s”) brand, in May 2019,” said Jonathan Goodman, Chairman and CEO.

### **STRATEGIC UPDATE**

Through Dundee Goodman Merchant Partners, an in-house team of experts with experience in capital markets and technical due diligence in the mining industry that was created in 2018, the Corporation continues to act as a financial institution that allocates capital proactively in the mining sector in the form of share ownership. Through this investment process we envision playing an active advisory role in the matters of our investee firms, and we also anticipate investing our own capital in the firms with which we work.

Our capital markets team is focused on generating revenue on a number of fronts, with a focus on generating fees when advising on capital raising activities. In addition, the team is capable of offering a variety of other services, including business and technical strategy, corporate governance and marketing services.

In early 2018, Dundee began the process of accelerating the review of its investment portfolio to better align it with the human and capital resources available to the Corporation to oversee and support the active management of these investments. As part of this process, the Corporation has focused on those investments which require more management oversight as well as those it considers to be core to its expertise and aligned with its ability to generate sustainable growth and value for shareholders. These

core assets today, for the most part, do not require additional funding from Dundee and are seeking or are expected to be able to attract third-party capital as required. Within this group of core assets, Dundee would include Dundee Precious Metals, Parq Vancouver, TauRx, Android Industries and United Hydrocarbon International Corp.

The Corporation has also made progress towards identifying those assets which it deems to be non-core. As part of this process, the Corporation is continuing with the ongoing disposition of various non-core assets and the exiting of certain businesses. This has allowed for the redeployment of capital into other holdings and the re-allocation of management time. It has also provided the Corporation with capital to help support its ongoing expenses at the corporate level, including the payment of dividends on certain securities.

In 2019, the Corporation continues the divestiture of non-core assets as it exits business lines which are no longer deemed to be aligned with its longer-term strategy. As a result, the Corporation is in the process of selling Sotheby's for consideration of approximately \$5.0 million and expects this transaction will close in late May 2019. In addition, in the first quarter of 2019, the Corporation sold its investment in Union Group for \$14.5 million. From time to time, the Corporation will continue to explore opportunities to crystallize the value of its investments in a measured and disciplined manner.

The Corporation previously announced the conversion of all of its outstanding first preference shares, series 5 ("Series 5 Shares") into approximately 42 million class A subordinate voting shares of the Corporation on May 15, 2019, in accordance with the provisions of the articles of the amendment of the Corporation.

"The conversion of the Series 5 Shares will reduce our expense run rate at the corporate level through a significant reduction in our ongoing dividend payment obligations," said Mr. Goodman. "Looking ahead, we believe our strengthened balance sheet will provide us with additional financial flexibility as we continue to implement our shift in strategic focus to continue investing in opportunities in the resources sector."

## **FINANCIAL RESULTS**

- At March 31, 2019, the estimated market value of the Corporation's portfolio of investments was \$299.1 million, an increase of \$29.0 million from \$270.1 million at December 31, 2018.
- During the three months ended March 31, 2019, the Corporation generated proceeds of \$7.3 million from the sale of various investments which were deemed to be non-strategic to its ongoing business strategy.
- Consolidated revenues were \$6.1 million during the first quarter of 2019, compared with revenues of \$13.5 million in the same quarter of the prior year.
- At the head office level, the Corporation held cash of \$38.7 million and a portfolio of publicly traded securities with a total value of \$200.1 million at the end of March 2019. There were no amounts owing pursuant to the Corporation's bank debt arrangements at March 31, 2019.

## OPERATIONAL REVIEW

- During the first quarter of 2019, Dundee Precious Metals produced gold on an all-in sustaining cost basis of US\$817 per ounce, on a consolidated basis. Gold production during the first quarter of 2019 decreased by 25% to 43,034 ounces, and copper production decreased by 13% to 8.0 million pounds compared with the corresponding period in 2018. The decrease in gold and copper production was due primarily to lower grades at Chelopech, as expected, and are in line with its 2019 mine plan. The Tsumeb smelter achieved total complex concentrate smelted of 62,822 tonnes during the first quarter of 2019, which was 16% higher than the corresponding period in 2018 due primarily to strong performance and a steady state of operations at Tsumeb. Construction of the Krumovgrad gold project was substantially completed at March 31, 2019 and first concentrate production was achieved in March with commercial production expected in the second quarter of 2019.

Dundee Corporation holds 36.4 million common shares of Dundee Precious Metals with a market value of \$160.4 million at March 31, 2019.

- Goodman & Company, Investment Counsel Inc. (“GCIC”) grew its AUM from \$54.2 million at the end of December 2018 to \$68.1 million at March 31, 2019. During the first quarter of 2019, GCIC raised capital of \$20.3 million from launching a new tax-sheltered limited partnership, CMP 2019 Resource Limited Partnership. Compared with the same period of the prior year, pre-tax operating losses from this segment was reduced by \$1.4 million to \$0.5 million in the first quarter of 2019. The reduction of pre-tax operating loss in the current year was mainly due to the transfer out of GCIC’s private client business in May 2018.
- The Corporation’s 83% owned subsidiary, United Hydrocarbon International Corp. reported earnings before taxes of \$6.0 million (2018 – \$6.0 million) for the first quarter of 2019, the majority of which relates to the appreciation in the fair value change of the bonuses and royalty interest.
- Dundee Sustainable Technologies Inc. (“Dundee Technologies”) incurred a pre-tax operating loss of \$0.8 million during the first three months of 2019 (2018 – \$0.5 million). Dundee Technologies continues to expand the provision of technical services in the mining industry to evaluate processing alternatives using its state of the art metallurgy plant and skilled technical team. Dundee Technologies has recently filed trademark applications under the name “Glasslock” and “CLEVR”.
- Blue Goose Capital Corp. (“Blue Goose”) incurred a net pre-tax operating loss of \$4.1 million (2018 – \$6.4 million) during the first quarter of 2019. The first quarter of 2019 results included a write-down of fish livestock by \$0.5 million and accelerated depreciation of assets by \$0.3 million.
- AgriMarine Holdings Inc. (“AgriMarine”) continues to rationalize its cost structure with the goal of achieving profitability for its fish farming operation and sourcing third-party revenue for its technology division, while it continues to validate the scientific and commercial viability of its closed-containment tank technology. During the first three months of 2019, AgriMarine reported pre-tax operating losses of \$1.6 million (2018 – \$0.5 million).

## SHAREHOLDERS' EQUITY ON A PER SHARE BASIS

	Carrying Value as at 31-Mar-19
Operating subsidiaries	\$ 226,091
Equity accounted investments	28,766
Investments carried at fair value through profit or loss	299,056
Other net corporate account balances	7,251
Total shareholders' equity	561,164
Less: Shareholders' equity attributable to holders of:	
Preference Shares, series 2	(84,053)
Preference Shares, series 3	(43,015)
Shareholders' equity attributable to holders of Class A Subordinate Voting Shares and Class B Shares of the Corporation	\$ 434,096
<i>Number of Class A Subordinate Voting Shares and Class B Shares of the Corporation issued and outstanding</i>	
Class A Subordinate Voting Shares	57,999,885
Class B Shares	3,114,804
	<u>61,114,689</u>
Shareholders' Equity on a Per Share Basis	\$ 7.10

### FIRST QUARTER 2019 CONFERENCE CALL AND WEBCAST DETAILS

The Corporation's unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2019, along with the accompanying management's discussion and analysis have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and may be viewed by interested parties under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or the Corporation's website at [www.dundeecorp.com](http://www.dundeecorp.com).

The Corporation will host a conference call and webcast to discuss its first quarter 2019 financial results. The details for the event are as follows:

Date:	Monday, May 13, 2019
Time:	10 a.m. EDT
Webcast:	<a href="http://www.dundeecorp.com">www.dundeecorp.com</a>
Live Call:	1.888.231.8191 or 1.647.427.7450

The conference call will be archived for replay until Monday, May 20, 2019 at midnight. To access the archived conference call, please dial 1.855.859.2056 or 1.416.849.0833 and enter the encore code 9597097. An archive of the audio webcast will also be posted to Dundee Corporation's website.

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## **ABOUT DUNDEE CORPORATION**

Dundee Corporation is a public Canadian independent holding company, listed on the Toronto Stock Exchange under the symbol “DC.A”. Through its operating subsidiaries, Dundee Corporation is engaged in diverse business activities in the areas of investment advisory, corporate finance, energy, resources, agriculture, real estate and infrastructure. Dundee 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.

## **FORWARD-LOOKING STATEMENTS**

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

## **FOR FURTHER INFORMATION PLEASE CONTACT:**

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