



## **DUNDEE CORPORATION ANNOUNCES BOARD APPOINTMENT AND SECOND QUARTER 2019 FINANCIAL RESULTS**

### **FOR IMMEDIATE RELEASE**

**Toronto, August 14, 2019 – Dundee Corporation** (TSX: DC.A) (the “Corporation” or “Dundee”) today announced an appointment to its board of directors and is also reporting its financial results for the three months ended June 30, 2019. The Corporation is pleased to announce the appointment of Mr. Steven Sharpe to its board of directors, effective immediately.

Mr. Sharpe is Managing Director of the EmBeSa Corporation, a private consultancy dealing with corporate restructuring, business strategy and crisis management. Most recently, he was Chairman of Madalena Energy Inc. and its Interim CEO and was Chairman of the Board of Corporate Risk Holdings, LLC. Mr. Sharpe was also Chairman and CEO of the Prime Restaurants Royalty Income Fund (subsequently Chairman of Prime Restaurants Inc.) until its acquisition by Fairfax Financial. From 2002 to 2007, Mr. Sharpe was a co-founder and co-Managing Partner of Blair Franklin, a Toronto-based investment bank. A lawyer by training, Mr. Sharpe graduated from Osgoode Hall Law School in 1977, and was called to the Ontario bar in 1979. He spent his legal career at Torys firm from 1979 to 1986, and Davies, Ward & Beck from 1986 to 1998.

“Over the course of his career, Steven has advised numerous clients across Canada and internationally, on operational, governance and financial issues as well as workouts, M&A and corporate restructurings,” said Jonathan Goodman, Chairman and CEO. “His experience and expertise will be a welcome addition to our board of directors and we look forward to working with him.”

### **FINANCIAL RESULTS**

During the second quarter of 2019, the Corporation incurred a net loss attributable to owners of the Corporation of \$7.9 million, or a loss of \$0.12 per share. This compares with a net loss attributable to owners of the Corporation of \$76.9 million in the same period of 2018, representing a loss of \$1.34 per share.

Operating results in the second quarter of 2019 include losses from discontinued operations of \$0.1 million, compared with \$1.7 million incurred during the same quarter of the prior year.

Operating results during the second quarter of 2019 reflect a \$5.1 million market appreciation (2018 – market depreciation of \$16.1 million) of certain of the Corporation’s investments.

“During the second quarter, we improved our capital structure and lowered our future interest expenses with the successful conversion of our Preference Shares, series 5 to Class A subordinate voting shares of the Corporation” said Mr. Goodman. “Going forward, we will continue to look at ways to optimize our capital structure, lower interest payment obligations and reduce our overall expenses.”

“As part of this, we are taking steps to consider the implementation of a normal course issuer bid and possibly a substantial issuer bid for our Preference Shares, series 2 and series 3. After careful consideration, we believe this provides the Corporation and its stakeholders with more benefits than taking similar action for the Class A subordinate voting shares, which was previously considered by our board of directors,” added Mr. Goodman.

## **FINANCIAL REVIEW**

- At June 30, 2019, the estimated market value of the Corporation’s portfolio of investments was \$310.4 million, an increase of \$11.3 million from \$299.1 million at March 31, 2019.
- During the three months ended June 30, 2019, the Corporation generated proceeds of \$7.9 million from the sale of various investments which were deemed to be non-strategic to its ongoing business strategy.
- Consolidated revenues were \$7.3 million during the second quarter of 2019, compared with revenues of \$13.3 million in the same quarter of the prior year.
- At the head office level, the Corporation held cash of \$29.4 million and a portfolio of publicly traded securities with a total value of \$217.2 million at the end of June 2019. There were no amounts owing pursuant to the Corporation’s bank debt arrangements at June 30, 2019.

## **UNITED HYDROCARBON INTERNATIONAL CORP. UPDATE**

Under the terms of the share purchase agreement, dated May 10, 2017, United Hydrocarbon Chad Ltd.’s owner, Delonex Energy Limited (“Delonex”), committed to a US\$65 million comprehensive exploration program for the assets in Chad and a further US\$35 million investment in the Doba Basin should commerciality be achieved during the remaining life of the production sharing contract.

Delonex completed the acquisition of 1,300 square kilometers of 3D seismic surveys as well as 550 line kilometers of 2D seismic surveys in March 2018. Following the completion and interpretation of the seismic work in September 2018, Delonex mobilized a rig to the region and commenced the first phase of the exploration drilling program.

Delonex completed the first phase in Block H as planned with the completion of six exploration wells. The exploration drilling established the presence of hydrocarbons in multiple wells and targets. Based on the success of the initial exploration program, Delonex has commenced the next phase of exploration, starting with the acquisition of additional seismic surveys comprising of 1,530 square kilometers of 3D seismic surveys and 800 line kilometers of 2D seismic surveys. The acquisition of the 3D data is underway, with the acquisition of the 2D data following completion of the 3D program.

The next phase of drilling (“Phase 2”) will be based on the new seismic data and is currently in the planning stages, scheduled to begin in early 2020. A comprehensive assessment of the resource potential at Block H is expected to follow the completion of Phase 2.

## **OPERATIONAL REVIEW**

- During the second quarter of 2019, Dundee Precious Metals produced gold on an all-in sustaining cost basis of US\$707 per ounce, on a consolidated basis. In the second quarter of 2019, gold contained in concentrate produced increased by 9% to 52,425 ounces, including 5,351 ounces from Ada Tepe which is expected to ramp-up to full design capacity in the third quarter of 2019, and copper production increased by 6% to 9.1 million pounds, in each case, relative to the corresponding period

in 2018. In the first six months of 2019, gold contained in concentrate produced decreased by 10% to 95,459 ounces and copper production decreased by 4% to 17.1 million, in each case, relative to the corresponding period in 2018. The decrease in gold production was due primarily to lower gold grades at Chelopech, in line with its 2019 mine plan, partially offset by gold production from the start-up of Ada Tepe. The decrease in copper production was due primarily to lower copper grades at Chelopech, in line with its 2019 mine plan. The Tsumeb smelter achieved total complex concentrate smelted of 61,667 tonnes during the second quarter of 2019, which was 33% higher than the corresponding period in 2018 and remains on track to meet its 2019 production guidance.

Dundee Corporation holds 36.4 million common shares of Dundee Precious Metals with a market value of \$176.5 million at June 30, 2019.

- Goodman & Company, Investment Counsel Inc. grew its AUM from \$68.1 million at the end of March 2019 to \$69.0 million at June 30, 2019.
- The Corporation's 83% owned subsidiary, United Hydrocarbon International Corp., reported earnings before taxes of \$3.0 million (2018 – \$0.7 million) for the quarter ended June 30, 2019, which was largely attributed to the appreciation in the fair value of the contingent bonus payments and royalty interests.
- On May 30, 2019, the Corporation completed the sale of its real estate brokerage division of Dundee 360 Real Estate Corporation as it determined its real estate brokerage activities to be no longer its core business. The Corporation received cash consideration of \$5.0 million and recognized a \$0.1 million gain on the sale transaction.

## SHAREHOLDERS' EQUITY ON A PER SHARE BASIS

	Carrying Value as at 30-Jun-19
Operating subsidiaries	\$ 219,393
Equity accounted investments	25,592
Investments carried at fair value through profit or loss	310,426
Other net corporate account balances	37,400
Total shareholders' equity	592,811
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	\$ 465,743
<i>Number of Class A Subordinate Voting Shares and Class B Shares of the Corporation issued and outstanding</i>	
Class A Subordinate Voting Shares	99,977,423
Class B Shares	3,114,776
	<u>103,092,199</u>
Shareholders' Equity on a Per Share Basis	\$ 4.52

## **SECOND QUARTER 2019 CONFERENCE CALL AND WEBCAST DETAILS**

The Corporation's unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 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 second quarter 2019 financial results. The details for the event are as follows:

Date:	Thursday, August. 15, 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 Thursday, August 22, 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 1099236. An archive of the audio webcast will also be posted to Dundee Corporation's website.



## **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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