



DUNDEE CORPORATION ANNOUNCES SECOND QUARTER 2020 FINANCIAL RESULTS

FOR IMMEDIATE RELEASE

Toronto, August 13, 2020 – Dundee Corporation (TSX: DC.A) (the “Corporation” or “Dundee”) today announced its financial results for the three months ended June 30, 2020.

During the second quarter of 2020, the Corporation recognized net earnings attributable to owners of Dundee Corporation of \$52.2 million, or earnings of \$0.49 per share, before the effect of any dilutive securities. This compares with a loss of \$7.9 million or \$0.12 per share incurred during the same quarter of the prior year.

Operating results during the second quarter of 2020 reflect a \$97.4 million market appreciation (2019 – \$5.1 million) in certain of the Corporation’s investments that are carried in the consolidated financial statements at Fair Value Through Profit or Loss (“FVTPL”).

“During the second quarter we completed the sale transaction of a significant portion of our holdings in Dundee Precious Metals. This transaction allowed us to generate a significant amount of capital to support our growth strategy for the Corporation, while allowing Dundee Precious to expand its shareholder base and continue with its market re-rating,” said Jonathan Goodman, Chairman and CEO.

“Subsequent to quarter end, we announced a substantial issuer bid for up to \$44 million of the outstanding Series 2 Preference Shares. This offer, combined with the Dundee Precious transaction, were two important strategic steps in support of our efforts to streamline our capital structure,” added Mr. Goodman.

SALE OF DUNDEE PRECIOUS METALS SHARES AND WARRANTS

On May 7, 2020, the Corporation announced that it had entered into an agreement with RBC Dominion Securities Inc. and Stifel GMP (together, the “Dealers”) to sell 20 million units (the “Units”) at a price of \$6.35 per Unit to qualified purchasers. The size of this secondary offering being made pursuant to an agreement with the Dealers was subsequently upsized to sell 23.9 million units at a price of \$6.35 per Unit to qualified purchasers, for gross proceeds to Dundee of \$151.8 million.

Prior to the Sale Transaction, Dundee held 35.9 million of Dundee Precious Shares, representing an approximate 19.83% interest in Dundee Precious. Upon closing of the Sale Transaction, Dundee will own 12.0 million Dundee Precious Shares representing an approximate 6.62% interest in Dundee Precious.

In the event that the Warrants forming part of the Units are exercised in full, Dundee will dispose of an additional 12.0 million Dundee Precious Shares at a value of \$8.00 per Dundee Precious Share (being the exercise price of the Warrants), for additional gross proceeds to Dundee of \$95.6 million. This further disposition will result in an additional decrease in Dundee’s shareholdings in Dundee Precious, and

Dundee would then hold 31,552 Dundee Precious Shares, representing less than 1% of the currently issued and outstanding Dundee Precious Shares.

SUBSTANTIAL ISSUER BID FOR SERIES 2 PREFERRED SHARES

On July 22, 2020, the Corporation announced that it intends to commence a substantial issuer bid (the "Offer") to purchase for cancellation from the holders thereof who choose to participate up to \$44 million in value of its Cumulative 5-Year Rate Reset First Preference Shares, Series 2 in the capital of the Corporation (the "Series 2 Shares"). The Offer is being made by way of a "modified Dutch auction", which will allow holders who choose to participate in the Offer to individually select the price, within a price range of not less than \$16.00 and not more than \$18.50 per Series 2 Share (in increments of \$0.10 per Share), at which they will tender their Series 2 Shares to the Offer. Upon expiry of the Offer, the Corporation will determine the lowest purchase price (the "Purchase Price") (which will not be less than \$16.00 and not more than \$18.50 per Series 2 Share) based on all tenders validly deposited and not properly withdrawn pursuant to the Offer that will allow it to purchase the maximum number of Series 2 Shares tendered to the Offer, having an aggregate purchase price not exceeding \$44 million.

In addition to the Purchase Price, Shareholders who have Series 2 Shares taken up and paid for by the Corporation pursuant to the Offer will be entitled to receive the portion of any quarterly cash dividend declared by the Board of Directors on such Series 2 Shares for the quarter ended September 30, 2020, with such portion of the quarterly cash dividend per Series 2 Share being equal to the amount obtained when the amount of any quarterly dividend that would otherwise have been payable in respect of the dividend period is multiplied by a fraction, the numerator of which is the number of calendar days in such dividend period that such Series 2 Share has been outstanding (to but excluding the date of being taken up) and the denominator of which is the number of calendar days in such dividend period. As an example, assuming the Offer expires on August 27, 2020, the Series 2 Shares are taken up and paid for by the Corporation on August 31, 2020 and a dividend consistent with the prior quarter was declared on the Series 2 Shares, the accrued dividend amount payable per Series 2 Share validly tendered, taken up and paid for under the Offer is estimated to be approximately \$0.22.

The Offer will expire at 5:00 p.m. (Toronto time) on August 27, 2020 or such later time and date to which the Offer may be extended by Dundee, unless varied or withdrawn by Dundee.

COVID-19 UPDATE

During the COVID-19 pandemic, the Corporation continues to make the health and well-being of its employees a top priority. The Corporation's business continuity plan has been in place since early March and has helped maintain orderly business operations during the pandemic. As a result, all head office employees continue working from home and are expected to do so for the foreseeable future, limiting their personal risks and helping ensure their safety. The Corporation is monitoring information from local health authorities and all levels of government on a daily basis.

"The safety of our employees remains our top priority as we continue to manage through these challenging times," said Robert Sellars, Executive Vice President and CFO. "Once again, we would like to thank our employees for their dedication and productivity which has allowed us to continue operations without interruption."

FINANCIAL RESULTS

- At June 30, 2020, the estimated market value of the Corporation's portfolio of investments carried at FVTPL was \$209.8 million.

- Consolidated revenues were \$6.7 million during the second quarter of 2020, compared with revenues of \$7.3 million in the same quarter of the prior year.
- At the head office level, the Corporation held cash of \$140.1 million and a portfolio of publicly traded securities with a total value of \$141.4 million at the end of June 2020.

OPERATIONAL REVIEW

- During the first six months of 2020, Dundee Precious produced gold on an all-in sustaining cost basis of US\$662 per ounce, on a consolidated basis. Gold production during the first half of 2020 increased by 62% to 154,328 ounces due primarily to production from Ada Tepe, which achieved commercial production in June 2019, and copper production increased by 10% to 18.8 million pounds due primarily to higher copper grades, partially offset by lower copper recoveries, in each case, relative to the corresponding period in 2019. The Tsumeb smelter achieved total complex concentrate smelted of 123,526 tonnes during the first half of 2020, which was slightly lower than the corresponding period in 2019 due primarily to a reduction in throughput as a result of COVID-9, partially offset by a steadier state of operations in 2020.

At June 30, 2020, Dundee Precious had cash resources of US\$225.8 million, including undrawn capacity under its revolving credit facility. Dundee Precious reported total revenues of US\$308.7 million during the six months ended June 30, 2020, and it reported net earnings attributable to its common shareholders of US\$92.0 million.

- Goodman & Company, Investment Counsel Inc. (“GCIC”) AUM increased 86% to \$68.5 million at June 30, 2020 from \$36.8 million at the end of March 2020. During the three months ended June 30, 2020, this segment reported a pre-tax loss of \$0.7 million, compared with a \$0.3 million pre-tax loss incurred in the same period of the prior year.
- During the second quarter of 2020, UHIC reported a net loss before taxes of \$17.0 million, including a \$16.8 million loss on re-measurement of the fair value of its royalty interest and associated contingent bonus payments. At June 30, 2020, the Corporation’s carrying value of its 84% interest in UHIC was \$38.8 million. UHIC continues to monitor the state of the global oil markets and the effect of possible operational developments at Delonex. If the current low Brent crude oil price persists, it could have a material adverse effect on the carrying value of UHIC’s royalty interest and associated contingent consideration.
- During the second quarter of 2020, Dundee Sustainable Technologies Inc. (“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 \$1.0 million, compared with revenue of \$0.4 million in the same period of the prior year. Dundee Technologies expects the primary driver in the coming years will be the GlassLock Process™, a patented process for the sequestration and stabilization of the arsenic often associated with copper, gold, silver or polymetallic deposits.
Subsequent to quarter end, on August 5, 2020, the Corporation announced that its wholly-owned subsidiary, Dundee Resources Limited, reached a debt settlement agreement with Dundee Technologies that converted amounts due to Dundee Resources Limited of \$13.4 million into 40.6 million subordinate voting shares of Dundee Technologies, increasing the ownership in Dundee Technologies from 62% to 82% upon completion of the share acquisition.
- During the second quarter of 2020, Blue Goose Capital Corp. incurred a net loss attributable to owners of Dundee Corporation of \$2.9 million, compared with a net loss of \$3.4 million incurred in the same period of the prior year. Results in the current quarter include a \$0.5 million wage subsidy under the CEWS program.

- During the three months ended June 30, 2020, AgriMarine Holdings Inc. (“AgriMarine”) incurred pre-tax net losses attributable to owners of Dundee Corporation of \$0.8 million, compared with pre-tax net losses attributable to owners of Dundee Corporation of \$1.0 million in the same period in the prior year. 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.

SHAREHOLDERS’ EQUITY ON A PER SHARE BASIS

	Carrying Value as at 30-Jun-20
Operating subsidiaries	\$ 91,924
Equity accounted investments	22,713
Investments carried at fair value through profit or loss	209,829
Other net corporate account balances	131,737
Total shareholders' equity	456,203
Less: Shareholders' equity attributable to holders of:	
Preference Shares, series 2	(75,026)
Preference Shares, series 3	(50,448)
Shareholders' equity attributable to holders of Class A Subordinate Voting Shares and Class B Shares of the Corporation	\$ 330,729
<i>Number of Class A Subordinate Voting Shares and Class B Shares of the Corporation issued and outstanding</i>	
Class A Subordinate Voting Shares	99,977,865
Class B Shares	3,114,650
	<u>103,092,515</u>
Shareholders' Equity on a Per Share Basis	\$ 3.21

SECOND QUARTER 2020 CONFERENCE CALL AND WEBCAST DETAILS

The Corporation’s unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2020, 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 or the Corporation’s website at www.dundeecorp.com.

The Corporation will host a conference call and webcast to discuss its second quarter 2020 financial results. The details for the event are as follows:

Date:	Friday, August 14, 2020
Time:	10 a.m. EDT
Webcast:	www.dundeecorp.com
Live Call:	1.888.231.8191 or 1.647.427.7450

The conference call will be archived for replay until Friday, August 21, 2020 at midnight. To access the archived conference call, please dial 1.855.859.2056 or 1.416.849.0833 and enter the encore code 1463079. 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.

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