



## **DUNDEE CORPORATION ANNOUNCES THIRD QUARTER 2020 FINANCIAL RESULTS**

### **FOR IMMEDIATE RELEASE**

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

During the third quarter of 2020, the Corporation recognized net earnings attributable to owners of Dundee Corporation of \$15.9 million, or earnings of \$0.14 per share, before the effect of any dilutive securities. This compares with a loss of \$28.6 million or \$0.30 per share incurred during the same quarter of the prior year.

Operating results during the third quarter of 2020 reflect a \$23.5 million market appreciation (2019 – loss of \$16.1 million) on certain of the Corporation’s investments that are carried in the consolidated financial statements at Fair Value Through Profit or Loss (“FVTPL”).

### **SUBSTANTIAL ISSUER BID FOR SERIES 2 PREFERRED SHARES**

On September 9, 2020, the Corporation announced the completion of its substantial issuer bid (the “Offer”) to purchase for cancellation the Corporation’s Cumulative 5-Year Rate Reset First Preference Shares, Series 2 (the “Series 2 Shares”). The Corporation paid an aggregate \$38.4 million for the purchase and cancellation of approximately 2 million Series 2 Shares that were validly tendered to the Offer. In addition to the payment of purchase price, the Corporation also paid \$0.5 million of accrued dividends on the Series 2 Shares validly tendered. Transaction costs in respect of the Offer were approximately \$1.5 million.

“We continued to make significant progress in our efforts to streamline our capital structure and improve our financial position during the third quarter. The substantial issuer bid for our Series 2 Shares was successful for the purchase and cancellation of approximately 2 million shares, helping to significantly lower our dividend payments by approximately \$2.6 million annually, which is another step in reducing the fixed costs of the Corporation” said Jonathan Goodman, President and CEO.

### **EARLY WARRANT EXERCISE PROCEEDS OF \$56.6 MILLION**

Subsequent to quarter end, on October 28, 2020, Dundee announced the completion of its early discount exercise price program of Dundee Precious’ purchase warrants. A total of 7.5 million warrants were exercised at the discounted exercise price of \$7.60 during the specific period in exchange for proceeds of \$56.6 million. A total of 4.1 million warrants remain issued and outstanding.

“The early exercise of the Dundee Precious’ warrants further strengthens our balance sheet and improves our strategic flexibility as we continue to invest in our mining-focused strategy,” added Mr. Goodman.

“Our management team and board of directors believe it was a prudent step to take to facilitate the early warrant exercise as we continue to navigate a climate of economic, geopolitical and market uncertainty including the ongoing effects of the COVID-19 pandemic,” said Robert Sellars, Executive Vice President and Chief Financial Officer.

## **COVID-19 UPDATE**

The Corporation’s business continuity plan has been in place since early March and has helped maintain orderly business operations during the pandemic. During the COVID-19 pandemic, the Corporation continues to make the health and well-being of its employees a top priority. 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.

“We have made employee safety our top priority during the pandemic and continue to implement business continuity measures that protect our staff while allowing us to continue operations during these challenging times,” said Mr. Sellars. “On behalf of management and the board of directors, we would like to thank our employees for their continued dedication and commitment.”

## **FINANCIAL RESULTS**

- At September 30, 2020, the estimated market value of the Corporation’s portfolio of investments carried at FVTPL was \$244.7 million.
- Consolidated revenues were \$8.7 million during the third quarter of 2020, compared with revenues of \$7.9 million in the same quarter of the prior year.
- At the head office level, the Corporation held cash of \$78.8 million and a portfolio of publicly traded securities with a value of \$169.9 million at the end of September 2020. Subsequent to quarter end following the completion of the Dundee Precious early warrant exercise, the Corporation held cash of nearly \$140 million.
- The Corporation and its subsidiaries continue to work on reducing general and administration expenses. These consolidated expenses were \$6.8 million for the third quarter and \$20.6 million on a year-to-date basis compared to \$9.6 million and \$27.9 million in the comparable 2019 periods, respectively. Head office general and administration expenses were \$2.8 million for the third quarter and \$11.7 million on a year-to-date basis. This compares to \$6.7 million and \$16.3 million, respectively, in the comparable periods in 2019.

## **OPERATIONAL REVIEW**

- Goodman & Company, Investment Counsel Inc. (“GCIC”) AUM increased 18% to \$80.5 million at September 30, 2020 from \$68.5 million at the end of June 2020. During the three months ended September 30, 2020, this segment recognized earnings of \$0.1 million, compared with a pre-tax loss of \$0.1 million incurred in the same period of the prior year.
- During the third quarter of 2020, United Hydrocarbon International Corp. (“UHIC”) recognized earnings of \$1.7 million (2019 – \$0.9 million) which included a gain of \$1.8 million (2019 – \$1.1 million) on re-measurement of the fair value of its royalty interest and associated contingent bonus payments. At September 30, 2020, the Corporation’s carrying value of its 84% interest in UHIC was \$39.4 million (December 31, 2019 – \$145.2 million). UHIC continues to monitor the state of the global oil markets and the effect of possible operational and financial developments at Delonex

Energy Limited. 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.

- On July 31, 2020, the Corporation announced that its wholly-owned subsidiary, Dundee Resources Limited ("DRL"), reached a debt settlement agreement with Dundee Sustainable Technologies Inc. ("Dundee Technologies") that converted amounts due to DRL of \$13.4 million into 40.6 million subordinate voting shares of Dundee Technologies, increasing the Corporation's ownership in Dundee Technologies from 62% to 82% upon completion of the debt to share conversion.

During the third quarter of 2020, 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 (2019 – \$0.5 million). Dundee Technologies expects the primary driver in the coming years will be its GlassLock Process™, followed by higher upside from its CLEVR Process™ in the long run.

- During the third quarter of 2020, Blue Goose Capital Corp. ("Blue Goose") generated earnings of \$2.4 million attributable to owners of Dundee Corporation (2019 – loss of \$8.4 million). Results in the current quarter include a \$0.4 million wage subsidy under the CEWS program. Blue Goose recognized a \$3.7 million fair value gain in livestock during the current quarter compared with \$1.1 million recognized in the same quarter of last year. 2019 results also included a \$10.0 million impairment charge against certain property and equipment.
- During the three months ended September 30, 2020, AgriMarine Holdings Inc. ("AgriMarine") incurred pre-tax net losses attributable to owners of Dundee Corporation of \$0.5 million (2019 – \$0.5 million). 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 nine months of 2020, Dundee Precious produced gold on an all-in sustaining cost basis of US\$655 per ounce, on a consolidated basis. Gold production during the first nine months of 2020 increased by 45% to 234,172 ounces relative to the corresponding period in 2019 due primarily to production from Ada Tepe, which achieved commercial production in June 2019 and full design capacity in the third quarter of 2019, and higher gold grades at Chelopech. Copper production increased by 3% to 28.0 million pounds relative to the corresponding period in 2019 due primarily to higher copper grades, partially offset by lower copper recoveries. The Tsumeb smelter achieved total complex concentrate smelted of 179,406 tonnes during the first nine months of 2020, which was 8% higher than the corresponding period in 2019 due primarily to a steady state of operations in 2020.

At September 30, 2020, Dundee Precious had cash resources of US\$252.4 million, including undrawn capacity under its revolving credit facility. Dundee Precious reported total revenues of US\$466.7 million during the nine months ended September 30, 2020, and it reported net earnings attributable to its common shareholders of US\$145.7 million.

Post completion of the early warrant exercise announced on October 28, 2020, the Corporation continues to hold approximately 4.1 million common shares of Dundee Precious.

## SHAREHOLDERS' EQUITY ON A PER SHARE BASIS

	Carrying Value as at 30-Sept-20
Operating subsidiaries	\$ 91,846
Equity accounted investments	20,434
Investments carried at fair value through profit or loss	244,724
Other net corporate account balances	67,982
Total shareholders' equity	424,986
Less: Shareholders' equity attributable to holders of:	
Preference Shares, series 2	(27,667)
Preference Shares, series 3	(50,423)
Shareholders' equity attributable to holders of Class A Subordinate Voting Shares and Class B Shares of the Corporation	\$ 346,896
<i>Number of Class A Subordinate Voting Shares and Class B Shares of the Corporation issued and outstanding</i>	
Class A Subordinate Voting Shares	99,977,913
Class B Shares	3,114,602
	<u>103,092,515</u>
Shareholders' Equity on a Per Share Basis	\$ 3.36

## THIRD QUARTER 2020 CONFERENCE CALL AND WEBCAST DETAILS

The Corporation's unaudited condensed interim consolidated financial statements as at and for the three months ended September 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](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 third quarter 2020 financial results. The details for the event are as follows:

Date:	Monday November 16, 2020
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 November 23, 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 5533506. 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:**

John Vincic  
Investor and Media Relations for Dundee Corporation  
Vincic Advisors  
T: (647) 402-6375  
E: [jvincic@dundeecorporation.com](mailto:jvincic@dundeecorporation.com)