



DUNDEE
CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

AS AT AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
(Unaudited)

(expressed in thousands of Canadian dollars)

	<i>Note</i>	As at	
		June 30, 2020	December 31, 2019
ASSETS			
Cash		\$ 147,676	\$ 26,536
Accounts receivable	8	23,424	54,157
Deposit with taxation authority	25	11,979	11,979
Investments	6	209,829	306,687
Equity accounted investments	7	29,507	35,112
Resource assets	8	29,380	126,406
Livestock	9	21,897	26,601
Capital and other assets	10	73,873	79,840
Deferred income tax assets	20	9,242	12,444
TOTAL ASSETS		\$ 556,807	\$ 679,762
LIABILITIES			
Accounts payable and accrued liabilities		\$ 21,394	\$ 30,967
Income taxes payable		1,444	3,819
Derivative financial liability	11	23,562	-
Corporate debt	12	45,391	46,140
Lease liabilities	13	12,866	13,409
		104,657	94,335
SHAREHOLDERS' EQUITY			
Share capital			
Common shares	15	330,959	330,959
Preference Shares, series 2	14	75,026	75,026
Preference Shares, series 3	14	50,448	50,473
Contributed surplus		18,479	16,751
Reserves for changes in equity of subsidiaries		(58,571)	(58,800)
Retained earnings		21,037	138,649
Accumulated other comprehensive income	15	18,825	14,021
		456,203	567,079
NON-CONTROLLING INTEREST	16	(4,053)	18,348
		452,150	585,427
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 556,807	\$ 679,762

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Commitments, contingencies and off-balance sheet arrangements (note 25)

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(expressed in thousands of Canadian dollars, except for per share amounts)

	Note	For the three months ended		For the six months ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
REVENUES	17	\$ 6,745	\$ 7,338	\$ 13,304	\$ 13,477
OTHER ITEMS IN NET (LOSS) EARNINGS					
Cost of sales		(6,019)	(6,278)	(14,448)	(13,777)
Depreciation and depletion	10	(1,407)	(1,920)	(2,846)	(4,280)
General and administrative expenses	19	(7,000)	(9,461)	(13,782)	(18,324)
Net income from investments	6	92,778	5,406	34,630	33,484
Share of loss from equity accounted investments	7	(4,668)	(2,780)	(5,509)	(3,288)
Fair value changes in livestock	9	(769)	(584)	1,452	1,030
Remeasurement of financial instruments	8, 11, 14	(25,836)	6,806	(143,124)	18,529
Interest expense	12, 13, 14	(996)	(2,643)	(2,259)	(5,433)
Foreign exchange gain (loss)		(153)	(241)	238	(2,329)
NET (LOSS) EARNINGS BEFORE INCOME TAXES		52,675	(4,357)	(132,344)	19,089
Income tax expense	20	(3,815)	(4,017)	(5,384)	(11,382)
NET (LOSS) EARNINGS FROM CONTINUING OPERATIONS		48,860	(8,374)	(137,728)	7,707
DISCONTINUED OPERATIONS					
	4				
Dundee 360 Real Estate Corporation's brokerage division					
Operating loss and gain on disposition, net of taxes		-	(228)	-	(1,444)
Gain on disposition		-	113	-	113
NET LOSS FROM DISCONTINUED OPERATIONS		-	(115)	-	(1,331)
NET (LOSS) EARNINGS FOR THE PERIOD		\$ 48,860	\$ (8,489)	\$ (137,728)	\$ 6,376
NET (LOSS) EARNINGS ATTRIBUTABLE TO:					
Owners of the parent					
Continuing operations		\$ 52,241	\$ (7,765)	\$ (114,117)	\$ 8,302
Discontinued operations		-	(115)	-	(1,331)
		52,241	(7,880)	(114,117)	6,971
Non-controlling interest					
Continuing operations		(3,381)	(609)	(23,611)	(595)
Discontinued operations		-	-	-	-
		(3,381)	(609)	(23,611)	(595)
		\$ 48,860	\$ (8,489)	\$ (137,728)	\$ 6,376
BASIC (LOSS) EARNINGS PER SHARE					
Continuing operations	21	\$ 0.49	\$ (0.12)	\$ (1.14)	\$ 0.07
Discontinued operations		-	-	-	(0.02)
		\$ 0.49	\$ (0.12)	\$ (1.14)	\$ 0.05
DILUTED NET (LOSS) EARNINGS PER SHARE					
Continuing operations	21	\$ 0.48	\$ (0.12)	\$ (1.14)	\$ 0.06
Discontinued operations		-	-	-	(0.02)
		\$ 0.48	\$ (0.12)	\$ (1.14)	\$ 0.04

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE (LOSS) INCOME
(Unaudited)

(expressed in thousands of Canadian dollars)

<i>Note</i>	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
NET (LOSS) EARNINGS FOR THE PERIOD	\$ 48,860	\$ (8,489)	\$ (137,728)	\$ 6,376
Other comprehensive income (loss):				
Items that may be reclassified to net (loss) earnings				
Unrealized gain (loss) from foreign currency translation	(2,203)	(3,715)	7,278	(7,562)
Share of other comprehensive loss from equity accounted investments, net of associated tax recovery	(897) 237	(109) 28	(1,746) 462	(598) 158
Transfer of realized foreign currency translation loss related to equity accounted investment, net of tax expense of \$484, to net (loss) earnings	-	-	-	1,344
Transfer of unrealized other comprehensive loss, net of tax expense of \$124, to net (loss) earnings	-	-	-	5,269
Total other comprehensive income (loss) from continuing operations	(2,863)	(3,796)	5,994	(1,389)
COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	\$ 45,997	\$ (12,285)	\$ (131,734)	\$ 4,987
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the parent				
Continuing operations	\$ 49,724	\$ (10,856)	\$ (109,313)	\$ 6,307
Discontinued operations	-	(115)	-	(1,331)
	49,724	(10,971)	(109,313)	4,976
Non-controlling interest				
Continuing operations	(3,727)	(1,314)	(22,421)	11
Discontinued operations	-	-	-	-
	(3,727)	(1,314)	(22,421)	11
	\$ 45,997	\$ (12,285)	\$ (131,734)	\$ 4,987

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(expressed in thousands of Canadian dollars)

	Note	Attributable to Owners of the Parent											Total
		Number of Common Shares	Common Shares	Preference Shares, Series 2	Preference Shares, Series 3	Contributed Surplus	Warrants	Reserves for Changes in Equity of Subsidiaries	(Deficit) Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest		
Balance, December 31, 2018		61,099,940	\$ 286,815	\$ 84,053	\$ 43,015	\$ 13,620	\$ 1,516	\$ (60,711)	\$ 160,683	\$ 17,763	\$ 20,717	\$ 567,471	
For the six months ended June 30, 2019													
Net earnings (loss), continuing operations		-	-	-	-	-	-	-	8,302	-	(595)	7,707	
Net loss, discontinued operations		-	-	-	-	-	-	-	(1,331)	-	-	(1,331)	
Other comprehensive (loss) income, continuing operations		-	-	-	-	-	-	-	-	(1,995)	606	(1,389)	
Conversion from Preference Shares, series 5 to Subordinate Shares	14, 15	41,977,510	44,092	-	-	-	-	-	-	-	-	44,092	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(2,474)	-	-	(2,474)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(1,236)	-	-	(1,236)	
Stock based compensation	15, 18	14,749	50	-	-	513	-	-	-	-	-	563	
Changes of ownership interest in subsidiaries	5	-	-	-	-	-	-	136	-	-	4,434	4,570	
Balance, June 30, 2019		103,092,199	330,957	84,053	43,015	14,133	1,516	(60,575)	163,944	15,768	25,162	617,973	
From July 1, 2019 to December 31, 2019													
Net loss, continuing operations		-	-	-	-	-	-	-	(22,293)	-	(4,822)	(27,115)	
Other comprehensive loss, continuing operations		-	-	-	-	-	-	-	-	(1,879)	(233)	(2,112)	
Conversion from Preference Shares, series 2 to series 3		-	-	(16,297)	16,297	-	-	-	-	-	-	-	
Conversion from Preference Shares, series 3 to series 2		-	-	8,744	(8,744)	-	-	-	-	-	-	-	
Acquisition of Preference Shares, series 2 for cancellation		-	-	(1,474)	-	-	-	-	583	-	-	(891)	
Acquisition of Preference Shares, series 3 for cancellation		-	-	-	(95)	-	-	-	39	-	-	(56)	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(2,266)	-	-	(2,266)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(1,358)	-	-	(1,358)	
Exercise of warrants		316	2	-	-	-	-	-	-	-	-	2	
Expiry of warrants		-	-	-	-	1,516	(1,516)	-	-	-	-	-	
Stock based compensation		-	-	-	-	1,102	-	-	-	-	-	1,102	
Changes of ownership interest in subsidiaries		-	-	-	-	-	-	1,775	-	132	(1,759)	148	
Balance, December 31, 2019		103,092,515	330,959	75,026	50,473	16,751	-	(58,800)	138,649	14,021	18,348	585,427	
For the six months ended June 30, 2020													
Net loss, continuing operations		-	-	-	-	-	-	-	(114,117)	-	(23,611)	(137,728)	
Other comprehensive income, continuing operations		-	-	-	-	-	-	-	-	4,804	1,190	5,994	
Acquisition of Preference Shares, series 3 for cancellation	14	-	-	-	(25)	-	-	-	9	-	-	(16)	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(2,058)	-	-	(2,058)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(1,446)	-	-	(1,446)	
Stock based compensation	18	-	-	-	-	1,728	-	-	-	-	-	1,728	
Changes of ownership interest in subsidiaries	5	-	-	-	-	-	-	229	-	-	20	249	
Balance, June 30, 2020		103,092,515	\$ 330,959	\$ 75,026	\$ 50,448	\$ 18,479	\$ -	\$ (58,571)	\$ 21,037	\$ 18,825	\$ (4,053)	\$ 452,150	

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited)

(expressed in thousands of Canadian dollars)

	<i>Note</i>	For the six months ended	
		June 30, 2020	June 30, 2019
OPERATING ACTIVITIES:			
Net (loss) earnings for the period		\$ (137,728)	\$ 6,376
Adjusted for:			
Net loss from discontinued operations		-	1,331
Items not affecting cash and other adjustments	22	131,779	(26,955)
Changes in non-cash working capital items	22	(11,080)	(378)
Cash used in operating activities – continuing operations		(17,029)	(19,626)
Cash used in operating activities – discontinued operations		-	(191)
CASH USED IN OPERATING ACTIVITIES		(17,029)	(19,817)
INVESTING ACTIVITIES:			
Net investment in livestock and other agricultural assets		(1,311)	(2,525)
Proceeds from business disposition	4	-	5,000
Cash disbursement on loss of control of subsidiaries	6	-	(45)
Acquisitions of portfolio and equity accounted investments		(7,261)	(14,293)
Proceeds from dispositions of portfolio investments		153,486	15,179
Proceeds from disposition of equity accounted investment		-	14,500
Transaction cost related to disposition of portfolio investment	6	(5,327)	-
Change in capital and other assets		5,173	1,774
Cash provided from investing activities – continuing operations		144,760	19,590
Cash used in investing activities – discontinued operations		-	(1,987)
CASH PROVIDED FROM INVESTING ACTIVITIES		144,760	17,603
FINANCING ACTIVITIES:			
Change in corporate debt		(937)	(1,374)
Cash payment on lease liabilities	13	(2,383)	(2,545)
Acquisition of Preference Shares, series 3, net of costs	14	(16)	-
Net cash from transactions with non-controlling interests		249	249
Dividends paid on Preference Shares, series 2	14	(2,058)	(2,474)
Dividends paid on Preference Shares, series 3	14	(1,446)	(1,236)
Cash used in financing activities – continuing operations		(6,591)	(7,380)
Cash used in financing activities – discontinued operations		-	(1,317)
CASH USED IN FINANCING ACTIVITIES		(6,591)	(8,697)
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD		121,140	(10,911)
Cash, continuing operations, beginning of period		26,536	49,292
Cash, discontinued operations, beginning of period		-	3,495
		147,676	41,876
Less cash, discontinued operations, end of period		-	-
CASH, CONTINUING OPERATIONS, END OF PERIOD		\$ 147,676	\$ 41,876
Cash flows from continuing operations include the following amounts:			
Interest paid		\$ 2,071	\$ 5,400
Taxes paid		\$ 4,089	\$ 6,736
Cash flows from discontinued operations include the following amounts:			
Interest paid		\$ -	\$ 108
Taxes paid		\$ -	\$ 18

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

DUNDEE CORPORATION
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
(Unaudited)

For the three and six months ended June 30, 2020 and 2019
 Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

1. NATURE OF OPERATIONS

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.

The Corporation is incorporated under the *Business Corporations Act* (Ontario) and is domiciled in Canada. The Corporation’s head office is located at 1 Adelaide Street East, 20th Floor, Toronto, Ontario, Canada, M5C 2V9.

At June 30, 2020 and December 31, 2019, the Corporation’s major operating subsidiaries included:

(in alphabetical order)	As at and for the six months ended June 30, 2020		As at and for the year ended December 31, 2019	
	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
AgriMarine Holdings Inc.	100%	100%	100%	100%
Blue Goose Capital Corp.	89%	89%	89%	89%
Dundee 360 Real Estate Corporation	100%	100%	100%	100%
Dundee Sustainable Technologies Inc.	62%	62%	62%	62%
Goodman & Company, Investment Counsel Inc.	100%	100%	100%	100%
United Hydrocarbon International Corp.	84%	84%	83%	84%

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and six months ended June 30, 2020 (“June 2020 Interim Consolidated Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*”. The June 2020 Interim Consolidated Financial Statements should be read in conjunction with the Corporation’s audited consolidated financial statements as at and for the year ended December 31, 2019 (“2019 Audited Consolidated Financial Statements”) which were prepared in accordance with IFRS as applicable for annual financial statements. The June 2020 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on August 13, 2020.

Changes in Accounting Policies Implemented During the Six Months Ended June 30, 2020

The June 2020 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in note 3 to the 2019 Audited Consolidated Financial Statements, except as described below.

IFRS 3, "Business Combinations" ("IFRS 3")

On January 1, 2020, the Corporation implemented amendments to IFRS 3, which revise the definition of a business. The implementation of the amendments to IFRS 3 had no impact to the Corporation's June 2020 Interim Consolidated Financial Statements.

IFRS 16, "Leases" ("IFRS 16")

On May 28, 2020, the IASB issued an amendment to IFRS 16, which provides relief for lessees in accounting for rent concessions granted as a direct consequence of COVID-19. IFRS 16 has been amended to: (i) provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification; and (ii) require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications. The implementation of the amendments to IFRS 16 had no impact to the Corporation's June 2020 Interim Consolidated Financial Statements.

Accounting Standards, Interpretations and Amendments to Existing Standards not yet Effective

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2019, are described in note 3 to the 2019 Audited Consolidated Financial Statements. There were no other changes to existing IFRS accounting standards and interpretations since December 31, 2019 that are expected to have a material effect on the Corporation's consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the June 2020 Interim Consolidated Financial Statements in accordance with IFRS requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and other items in net operating earnings or loss, and the related disclosure of contingent assets and liabilities included in the Corporation's consolidated financial statements. 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 amounts of revenues and other items in net operating earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no significant changes to the Corporation's approach relating to accounting judgments, estimates and assumptions in the preparation of the June 2020 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 4 to the 2019 Audited Consolidated Financial Statements. While the Corporation's approach for setting estimates has not undergone significant changes, estimates can vary materially between financial reporting periods. Details on the current changes to estimates that have caused a material remeasurement of the Corporation's financial instruments are described in notes 8 and 23.

Liquidity

There are uncertainties related to the timing and use of the Corporation's cash resources and available borrowing capacity. The development stage of the Corporation's investments and business strategies does not currently generate sufficient operating cash flows to fund their obligations as they become due. As such, these obligations may require that the Corporation generate liquidity through the divestiture of investments, through the use of available borrowing capacity, or through the issuance of debt or equity. Based on the current cash flow forecast, management anticipates it will continue to liquidate certain of its investments in the next 12 months. The Corporation may experience difficulty in obtaining satisfactory market prices on liquidation of its investments, resulting from both fluctuations in the financial markets as well

as the concentration of its investment portfolio. Failure to obtain adequate financing on satisfactory terms may have a material adverse effect to the Corporation's results of operations or its overall financial condition.

4. DISCONTINUED OPERATIONS

Dundee 360 Real Estate Corporation's Brokerage Division

In May 2019, Dundee 360 Real Estate Corporation ("Dundee 360"), a wholly-owned subsidiary of the Corporation, completed the sale of its brokerage division for total cash consideration of \$5,000,000 and recognized a gain on disposition of \$113,000, which was recorded in the consolidated statements of operations during the six months ended June 30, 2019.

Operating results and cash flow of Dundee 360's brokerage division for the three and six months ended June 30, 2019 were classified as discontinued operations in the consolidated statement of operations and comprehensive (loss) income, and the consolidated statement of cash flow, respectively.

Net Loss from Discontinued Operations

	Note	For the three months ended June 30, 2019	For the six months ended June 30, 2019
REVENUES	17	\$ 13,765	\$ 31,778
OTHER ITEMS IN NET LOSS			
Cost of sales		(11,270)	(26,195)
Depreciation and depletion		(226)	(620)
General and administrative expenses	19	(2,508)	(6,525)
Interest expense		(32)	(108)
NET LOSS BEFORE INCOME TAXES		(271)	(1,670)
Income tax recovery		43	226
NET LOSS FOR THE PERIOD		\$ (228)	\$ (1,444)
NET LOSS ATTRIBUTABLE TO:			
Owners of the parent		\$ (228)	\$ (1,444)
Non-controlling interest		-	-
		\$ (228)	\$ (1,444)

5. ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

Change of Ownership Interests in Subsidiaries

	30-Jun-20	31-Dec-19	Interest Owned as at		Effect on Reserves for Changes in Equity of Subsidiaries during the six months ended	
			30-Jun-19	31-Dec-18	30-Jun-20	30-Jun-19
Blue Goose Capital Corp.	89%	89%	89%	89%	\$ 229	\$ 186
Dundee Sustainable Technologies Inc.	62%	62%	62%	62%	-	(50)
Total					\$ 229	\$ 136

Blue Goose Capital Corp.

During the six months ended June 30, 2020, the Corporation received 49,862 (six months ended June 30, 2019 – 49,862) common shares of Blue Goose Capital Corp. ("Blue Goose") as partial payment of interest pursuant to the terms of certain convertible debentures issued by Blue Goose to the Corporation. This transaction, combined with other transactions conducted between Blue Goose and its minority shareholders, resulted in an increase in reserves for changes in equity of subsidiaries of \$229,000 (six months ended June 30, 2019 – \$186,000).

Other Equity Changes in Subsidiaries

As a result of the grant of stock based awards by certain other subsidiaries of the Corporation, and the consequential increase or decrease in the subsidiaries' underlying equity to account for the associated stock based compensation expense, during the six months ended June 30, 2019, the Corporation recognized a decrease of \$50,000 in its reserves for changes in equity of subsidiaries.

6. INVESTMENTS

Cost and Fair Value of Investments

As at	June 30, 2020		December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
Publicly traded securities	\$ 153,468	\$ 141,387	\$ 295,286	\$ 226,409
Private investments	178,522	47,934	178,534	50,366
Debt securities	39,379	17,993	45,429	28,055
Warrants and options	-	2,515	-	1,857
	\$ 371,369	\$ 209,829	\$ 519,249	\$ 306,687

During the six months ended June 30, 2020, the Corporation invested \$5,701,000 (six months ended June 30, 2019 – \$14,382,000) to acquire new positions or to increase its interest in existing positions within its portfolio.

During the same period, the Corporation generated proceeds of \$148,159,000 which is net of transaction costs of \$5,327,000 (six months ended June 30, 2019 – \$15,179,000) from the sale of various public and private investments and from the collection of amounts due under debt arrangements. On May 13, 2020, the Corporation announced the closing of the sale (“Sale Transaction”) of 23,900,000 units (the “Units”) at a price of \$6.35 per Unit to qualified purchasers, for gross proceeds of \$151,765,000 (the “Sale Transaction”). Each Unit consisted of one common share of Dundee Precious Metals Inc. (“Dundee Precious”) owned by the Corporation (a “Unit Share”) and one-half of a common share purchase warrant (each whole warrant a “Warrant”). Each Warrant shall entitle the holder thereof to acquire one additional common share of Dundee Precious owned by the Corporation (a “Warrant Share”) at an exercise price of \$8.00 per share for a term of 12 months from the date of issue (note 11). The common shares of Dundee Precious reserved to satisfy the exercise of the warrants are currently held in escrow. The transaction costs of \$5,327,000 relating to the Sale Transaction was netted against “*Net income from investments*” in the consolidated statements of operations for the three and six months ended June 30, 2020.

Net Income (Loss) from Investments

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Changes in the fair value of				
Publicly traded securities	\$ 97,394	\$ 13,427	\$ 48,259	\$ 43,637
Private investments	50	(5,953)	(2,373)	(5,931)
Debt securities	(1,369)	(3,675)	(10,249)	(3,675)
Warrants and options	1,361	1,262	658	1,158
	97,436	5,061	36,295	35,189
Transaction cost *	(5,327)	-	(5,327)	-
	92,109	5,061	30,968	35,189
Interest and dividend income	669	345	3,662	(856)
Loss of control of subsidiaries	-	-	-	(849)
	\$ 92,778	\$ 5,406	\$ 34,630	\$ 33,484

* Transaction cost relating to the Sale Transaction of Dundee Precious.

The Corporation’s portfolio of investments has been designated as a portfolio of investments at fair value through profit or loss (“FVTPL”). Accordingly, changes in the fair value of individual investments since December 31, 2019 are included in the Corporation’s net earnings or loss. In early 2020, the financial markets experienced a significant increase in volatility as a result of the uncertainty related to the COVID-19 pandemic, with equity and debt securities experiencing significant volatility. During the three and six months ended June 30, 2020, the Corporation recognized an increase in the fair value of its investments designated as FVTPL of \$97,436,000 and \$36,295,000 respectively (three and six months ended June 30, 2019 – \$5,061,000 and \$35,189,000 respectively).

Loss of Control of Subsidiaries – Dundee Energy Limited and Eurogas International Inc.

On March 27, 2019, Dundee Energy Limited (“Dundee Energy”) announced that Dundee Energy and certain of its subsidiaries filed an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act*. In bankruptcy, the property of Dundee Energy vested in the trustee, following which the Corporation lost control of Dundee Energy and the associated net assets were subsequently deconsolidated, resulting in a \$4,413,000 loss recognized in the consolidated statement of operations during the six months ended June 30, 2019.

Following Dundee Energy’s bankruptcy filing in March 2019, all of the property of Dundee Energy vested in the trustee, including preference shares issued by Eurogas International Inc. (“EII”). Accordingly, certain rights and entitlements attached to the preference shares were transferred to the trustee. As a result, the Corporation determined that it lost control over EII and recognized a gain of \$3,564,000 in the consolidated statement of operations during the six months ended June 30, 2019. The Corporation accounted for its interest in EII as an investment at FVTPL following the loss of control.

7. EQUITY ACCOUNTED INVESTMENTS

As at		June 30, 2020		December 31, 2019
		Carrying		Carrying
Investment	Ownership	Value	Ownership	Value
Android Industries, LLC	20%	\$ 18,739	20%	\$ 21,375
Dundee Acquisition Ltd.	98%	243	98%	243
Dundee Sarea Acquisition I Limited Partnership	50%	3,325	50%	6,040
Dundee Securities Europe Limited	20%	406	20%	1,041
Parq Equity Limited Partnership	23%	-	23%	-
		22,713		28,699
Real estate joint ventures		6,794		6,413
		\$ 29,507		\$ 35,112

A detailed description of significant transactions that affected the carrying value of equity accounted investments as at and during the year ended December 31, 2019 is provided in note 10 to the 2019 Audited Consolidated Financial Statements. Other than as described below, there were no significant transactions that affected the carrying value of equity accounted investments since December 31, 2019.

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

Prior to the COVID-19 outbreak, Dundee Sarea’s sole investment, Redecam Group S.p.A, based in Milan, Italy, had been working to address ongoing liquidity constraints in its global business operations. While these discussions and negotiations have continued throughout the second quarter of 2020, securing new financing has proven to be difficult and there are no guarantees a satisfactory outcome will be reached. As a result, in addition to recognizing its share of Dundee Sarea’s loss, the Corporation recognized an impairment loss of \$2,800,000 related to its investment in Dundee Sarea during the three and six months ended June 30, 2020.

Parq Equity Limited Partnership (“PELP”)

At June 30, 2018, the Corporation recognized an impairment charge of \$22,344,000 resulting from changes to the estimated long-term forecast of PELP, reducing the carrying value of its equity interest in PELP to \$nil. The Corporation cannot recognize any share of loss from its equity investment when the investment is reported at zero value in the statement of financial position. The Corporation can only recognize future profits after its share of future profits is equal to or exceed the share of losses not yet recognized. Accordingly, the Corporation discontinued recognizing its share of losses subsequent to June 30, 2018. Due to the COVID-19 pandemic in early 2020, which resulted in the suspension of gaming activities and a decrease in hotel and conference activities, PELP recognized a net loss of \$31,823,000 and \$56,568,000 respectively during the three and six months ended June 30, 2020 (three and six months ended June 30, 2019 – \$36,388,000 and \$64,877,000 respectively). At June 30, 2020, net unrecognized losses attributable to the Corporation are \$69,279,000 (December 31, 2019 – \$56,268,000).

Share of (Loss) Earnings from Equity Accounted Investments

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Android Industries, LLC	\$ (1,194)	\$ (2,932)	\$ (890)	\$ (3,744)
Dundee Sarea Acquisition I Limited Partnership	(2,915)	(50)	(4,330)	497
Dundee Securities Europe Limited	(556)	(15)	(556)	(52)
	(4,665)	(2,997)	(5,776)	(3,299)
Real estate joint ventures	(3)	217	267	11
	\$ (4,668)	\$ (2,780)	\$ (5,509)	\$ (3,288)

8. RESOURCE ASSETS

The Corporation recognizes resource assets that are mainly owned by its subsidiary, United Hydrocarbon International Corp. (“UHIC”). The royalty interest described in the table below relates to a production sharing contract (“PSC”) granting the exclusive right to explore and develop oil and gas reserves on specified blocks in the Republic of Chad. In respect of this PSC, UHIC is also entitled to receive certain contingent consideration associated with its royalty interest, which is included in these consolidated statements of financial position as “*Accounts receivable*”. The PSC is held by an entity which is owned by a third-party, Delonex Energy Limited (“Delonex”). The Corporation continues to hold the rights to this royalty interest as well as the associated contingent consideration.

	Royalty Interest	Other	Total
Net carrying value, December 31, 2018	\$ 138,974	\$ 361	\$ 139,335
For the six months ended June 30, 2019			
Net additions *	(5,834)	-	(5,834)
Remeasurement of financial instruments **	9,772	-	9,772
Net carrying value, June 30, 2019	142,912	361	143,273
From July 1, 2019 to December 31, 2019			
Net additions *	(824)	-	(824)
Remeasurement of financial instruments **	(16,043)	-	(16,043)
Net carrying value, December 31, 2019	126,045	361	126,406
For the six months ended June 30, 2020			
Net additions *	4,979	-	4,979
Remeasurement of financial instruments **	(102,005)	-	(102,005)
Net carrying value, June 30, 2020	\$ 29,019	\$ 361	\$ 29,380

* Represents a foreign currency translation gain (loss) associated with the translation of resource assets with carrying values denominated in a foreign currency. This amount is included in the consolidated statements of comprehensive (loss) income.

** With the outbreak of COVID-19 in early 2020, the ensuing oil price decline from a related reduction in global demand for hydrocarbons, the commencement of the next phase of the exploration program in Chad has been delayed, and force majeure has been declared on the PSC, extending the expiration of the exploration license. In addition, Delonex has undergone significant management

turnover, introducing a material degree of operational uncertainty going forward. All these factors increase the risk in estimating the fair value of the Corporation's royalty interest and associated contingent consideration. Refer to note 23 for a sensitivity analysis on the valuation of the royalty interest and its associated contingent consideration. While the Corporation continues to monitor the state of the global oil markets and the effects of possible operational developments at Delonex, it applied the following assumptions or rates in determining the estimated fair value of its royalty interest at June 30, 2020.

- Assumed success probability metric to the cash flows ranging from 11.30% to 23.75% (December 31, 2019 – 47.50%);
- Weighted average forecasted Brent oil price of US\$54.57/bbl or Cdn\$74.37/bbl with production starting in 2023 (December 31, 2019 – US\$79.29/bbl or Cdn\$102.98/bbl with production starting in 2022); and
- Applied discount rate to expected cash flows of 23.3% (December 31, 2019 – 19.3%).

As a result, during the three and six months ended June 30, 2020, the Corporation recognized a loss on remeasurement of \$4,252,000 and \$102,005,000 respectively (three and six months ended June 30, 2019 – gain of \$4,603,000 and \$9,772,000 respectively) in respect of the royalty interest which is included in the consolidated statements of operations as "Remeasurement of financial instruments".

The above-mentioned factors also impacted the estimated fair value of the contingent consideration associated with its royalty interest. The Corporation applied the following assumptions or rates in determining the estimated fair value of its contingent consideration of \$7,190,000 at June 30, 2020 (December 31, 2019 – \$31,871,000).

- Assumed success probability metric to the cash flows ranging from 11.3% to 23.8% (December 31, 2019 – ranging from 65.0% to 85.0%); and
- Applied discount rate to expected cash flows of 23.3% (December 31, 2019 – 19.3%).

During the three and six months ended June 30, 2020, the Corporation recorded a loss of \$12,527,000 and \$32,062,000 respectively in respect of changes in the estimated fair value of the contingent consideration which includes losses related to anticipated legal and abandonment costs. During the three and six months ended June 30, 2019, the Corporation recognized a gain of \$1,198,000 and \$2,344,000 respectively in respect of the changes in the estimated fair value of the contingent consideration. The fair value changes are included in the consolidated statements of operations as "Remeasurement of financial instruments".

During the three and six months ended June 30, 2019, the Corporation wrote off the PSC extension fee holdback associated with its royalty interest which was previously setup as "Accounts receivable" in the consolidated statements of financial position. The loss of \$2,675,000 was recorded as "Remeasurement of financial instruments" in the consolidated statements of operations during the three and six months ended June 30, 2019.

9. LIVESTOCK

	For the six months ended June 30, 2020			For the year ended December 31, 2019		
	Inventory	Biological Assets	Total	Inventory	Biological Assets	Total
Balance, beginning of period	\$ 2,391	\$ 24,210	\$ 26,601	\$ 3,464	\$ 25,854	\$ 29,318
Net additions (usage / harvested)	(1,297)	(4,859)	(6,156)	(1,073)	(7,565)	(8,638)
Fair value changes *	-	1,452	1,452	-	5,921	5,921
Balance, end of period	\$ 1,094	\$ 20,803	\$ 21,897	\$ 2,391	\$ 24,210	\$ 26,601

* Fair value changes for the six months ended June 30, 2019 was a gain of \$1,030,000.

10. CAPITAL AND OTHER ASSETS

Capital and Other Assets

	Capital Assets			Intangible Assets				Total
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Trademarks	Other Intangible Assets	Other Assets	Lease Assets	
At December 31, 2018								
Cost	\$ 1,656	\$ 819	\$ 77,863	\$ 16,709	\$ 41,304	\$ 30,323	\$ -	\$ 168,674
Accumulated depreciation and amortization	(1,371)	(802)	(21,008)	(15,654)	(23,739)	(12,721)	-	(75,295)
Net carrying value, December 31, 2018	285	17	56,855	1,055	17,565	17,602	-	93,379
For the six months ended June 30, 2019								
Carrying value December 31, 2018	285	17	56,855	1,055	17,565	17,602	-	93,379
IFRS 16 transition adjustment	-	-	-	-	-	-	15,965	15,965
Transferred to discontinued operations	(158)	-	(744)	-	(4,288)	-	(4,649)	(9,839)
Asset additions	-	-	39	-	-	366	-	405
Asset disposals	(5)	(1)	(2,280)	-	-	(47)	(1,460)	(3,793)
Depreciation and amortization	(49)	(11)	(626)	(73)	(229)	(1,452)	(1,384)	(3,824)
Net carrying value, June 30, 2019	73	5	53,244	982	13,048	16,469	8,472	92,293
At June 30, 2019								
Cost	628	747	61,960	16,709	22,854	30,498	9,856	143,252
Accumulated depreciation and amortization	(555)	(742)	(8,716)	(15,727)	(9,806)	(14,029)	(1,384)	(50,959)
Net carrying value, June 30, 2019	73	5	53,244	982	13,048	16,469	8,472	92,293
From July 1, 2019 to December 31, 2019								
Carrying value June 30, 2019	73	5	53,244	982	13,048	16,469	8,472	92,293
IFRS 16 transition adjustment	-	-	-	-	-	(297)	(19)	(316)
Asset additions	-	-	65	-	-	601	748	1,414
Asset disposals	(1)	(1)	(310)	-	-	(113)	(29)	(454)
Depreciation and amortization	-	-	(8,000)	-	-	(2,000)	-	(10,000)
Impairment	-	-	(8,000)	-	-	(2,000)	-	(10,000)
Other	(9)	(2)	(421)	(22)	(326)	(1,113)	(1,204)	(3,097)
Net carrying value, December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
At December 31, 2019								
Cost	622	561	61,383	16,709	21,053	29,772	10,556	140,656
Accumulated depreciation and amortization	(559)	(559)	(16,805)	(15,749)	(8,331)	(16,225)	(2,588)	(60,816)
Net carrying value, December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
For the six months ended June 30, 2020								
Carrying value December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
Asset additions	-	-	126	-	-	910	1,841	2,877
Asset disposals	-	-	(31)	-	(5,180)	(376)	(389)	(5,976)
Depreciation and amortization	(7)	(1)	(423)	(47)	(324)	(942)	(1,124)	(2,868)
Net carrying value, June 30, 2020	56	1	44,250	913	7,218	13,139	8,296	73,873
At June 30, 2020								
Cost	622	561	53,436	16,709	14,542	26,799	11,944	124,613
Accumulated depreciation and amortization	(566)	(560)	(9,186)	(15,796)	(7,324)	(13,660)	(3,648)	(50,740)
Net carrying value, June 30, 2020	\$ 56	\$ 1	\$ 44,250	\$ 913	\$ 7,218	\$ 13,139	\$ 8,296	\$ 73,873

11. DERIVATIVE FINANCIAL LIABILITY

Upon announcement of the Sale Transaction of Dundee Precious' common shares on May 7, 2020 (note 6), the Corporation recognized a liability associated with the sale of Dundee Precious' common share purchase warrants of \$14,505,000. These purchase warrants are derivative financial liabilities and are carried in the Corporation's consolidated statement of financial position at their estimated fair value, determined using Black Scholes option pricing model with the following assumptions.

	June 30, 2020	May 7, 2020
Risk-free interest rate	0.541%	0.526%
Volatility factor	47.66%	59.77%
Expected dividend yield	1.059%	1.628%
Expected life	0.87 years	1 year

At June 30, 2020, the Corporation remeasured the derivative financial liability and recognized a fair value loss of \$9,057,000 as “*Remeasurement of financial instruments*” in these consolidated statements of operations for the three and six months ended June 30, 2020. At June 30, 2020, the fair value of the common share purchase warrants liability is \$23,562,000.

12. CORPORATE DEBT

As at	June 30, 2020	December 31, 2019
Corporate credit facility	\$ -	\$ -
Subsidiaries		
Loan facilities, Blue Goose Capital Corp.	45,391	46,135
Loan facilities, Dundee 360 Real Estate Corporation	-	5
	\$ 45,391	\$ 46,140

Credit Facilities, Corporate

Margin Account

In January 2020, a subsidiary of the Corporation opened a margin account with a Canadian independent wealth management and capital markets firm that is a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and a member of the Canadian Investor Protection Fund (“CIPF”). The borrowings under this facility bear interest at prime plus 1%.

The margin account requires the maintenance of certain financial ratios relating to the fair value of certain publicly traded securities in the Corporation’s portfolio of investments. Therefore, the Corporation’s borrowing availability will increase or decrease, reflecting corresponding increases or decreases in these securities. At June 30, 2020, the amount owing under this margin account was \$nil.

Revolving Term Credit Facility

On December 24, 2018, the Corporation amended the terms of the credit facility that was previously established with a Canadian Schedule I Chartered Bank and confined the credit availments to the amount of letters of credit. In February 2020, the Corporation terminated this credit facility and cancelled the letters of credit.

Loan Facilities, Blue Goose Capital Corp.

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose had borrowed an aggregate of \$45,391,000 at June 30, 2020. Other than as described below, since December 31, 2019, there have been no significant changes to the terms of credit facilities and other debt instruments available to Blue Goose from those terms outlined in note 14 to the 2019 Audited Consolidated Financial Statements.

On May 14, 2020, the maturity dates of the following loan agreements with a Canadian Schedule I Chartered Bank were amended from a fixed date to when the lender demands repayment:

- (i) a \$4,322,000 one-time advance for the purchase of certain real estate property, which amount bears interest at prime plus 0.25%; and
- (ii) a \$455,000 equipment lease facility entered into in May 2017, bearing interest at the fixed rate for each lease term plus 1.50%.

At June 30, 2020, the balances outstanding on the above-mentioned loans were \$3,740,000 and \$280,000 respectively.

Dundee Agricultural Corporation, a wholly-owned subsidiary of the Corporation, extended its limited guarantee of \$10,000,000 to all of Blue Goose’s outstanding loans with Farm Credit Canada (“FCC”), effective May 22, 2020. This

limited guarantee was previously applicable only to a fixed-term real property loan facility established in September 2016. Total amount owing to FCC at June 30, 2020 was \$14,732,000.

On May 22, 2020, Blue Goose entered into a two-year \$500,000 credit facility with FCC which bears interest at FCC's variable mortgage rate, which is currently at 3.45% and matures on May 2, 2022. As of June 30, 2020, Blue Goose has drawn \$nil against this credit facility.

On July 22, 2016, Blue Goose completed a private placement of secured convertible debentures in the amount of \$12,500,000. The convertible debentures mature 60 months from the date of issuance and bear interest at a rate of 8% per year for the initial 24 months, payable as 4% cash and 4% payment in kind, then 10% per year for the following 36 months, payable as 6% in cash and 4% payment in kind. Interest is payable on a quarterly basis and uses a conversion rate of \$6.00 per share for the payment in kind portion. The debentures are convertible into common shares at the option of the holder at a price of \$7.25 during the term of the debentures. However, if a monetizing event has not occurred before the second anniversary of the issuance date, the conversion is at the lesser of \$7.25 per share and 90% of the net asset value per common share. At the maturity date, each debenture can be repaid in cash or shares at the option of the holder. These convertible debentures are secured against various real estate assets held directly by wholly-owned subsidiaries of Blue Goose. Of the total proceeds of \$12,500,000 received upon issuance, \$10,764,000 was allocated to the liability component and \$1,736,000 was allocated to the equity component. The resulting debt discount is being amortized as additional non-cash interest expense over the five-year period for which the debt is expected to be outstanding. Blue Goose incurred a debt arrangement of \$500,000 pursuant to the private placement of secured convertible debentures. The present value of the finance cost is being amortized over the life of the debentures. At June 30, 2020, the present value of the convertible debentures, net of the debt arrangement, is \$12,062,000 (December 31, 2019 – \$11,874,000).

Other than as outlined above, the lending institutions to Blue Goose do not have recourse to Dundee Corporation in respect of any of the amounts borrowed.

Interest Expense Incurred on Corporate Debt

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Dundee Corporation	\$ 33	\$ 46	\$ 118	\$ 68
Blue Goose Capital Corp.	673	844	1,444	1,692
	\$ 706	\$ 890	\$ 1,562	\$ 1,760

13. LEASE LIABILITIES

As at	June 30, 2020	December 31, 2019
Balance, beginning of period	\$ 13,409	\$ -
IFRS 16 transition adjustment	-	18,556
Additions	1,841	741
Dispositions	(410)	(1,575)
Interest expense	412	910
Lease payments	(2,383)	(5,026)
Other	(3)	(197)
Balance, end of period	\$ 12,866	\$ 13,409

Lease liabilities are discounted at a weighted average interest rate of 5.97% (December 31, 2019 – 5.69%). During the three and six months ended June 30, 2020, the Corporation recognized an interest expense relating to lease liabilities of \$200,000 and \$412,000 respectively (three and six months ended June 30, 2019 – \$219,000 and \$463,000 respectively) from continuing operations. During the three and six months ended June 30, 2019, the Corporation also recognized an interest expense of \$32,000 and \$89,000, respectively, relating to lease liabilities from its discontinued operations.

14. PREFERENCE SHARES

The terms of the Corporation's First Preference Shares, Series 2 ("PS Series 2"), First Preference Shares, Series 3 ("PS Series 3") and First Preference Shares, Series 5 ("PS Series 5"), and significant transactions in respect thereof during the year ended December 31, 2019, are summarized in note 16 to the Corporation's 2019 Audited Consolidated Financial Statements.

Issued and Outstanding Preference Shares, series 2

	Number of Shares	Par Value	Issue Costs	Carrying Value
Balance as at June 30, 2019 and December 31, 2018	3,479,385	\$ 86,985	\$ (2,932)	\$ 84,053
From July 1, 2019 to December 31, 2019				
Conversion to Preference Shares, series 3	(651,862)	(16,297)	-	(16,297)
Conversion from Preference Shares, series 3	349,755	8,744	-	8,744
Redeemed pursuant to normal course issuer bid	(61,000)	(1,525)	51	(1,474)
Balance as at June 30, 2020 and December 31, 2019	3,116,278	\$ 77,907	\$ (2,881)	\$ 75,026

The PS Series 2 carry an annual coupon rate of 5.284% for the 5-year period commencing on September 30, 2019 (June 30, 2019 – 5.688%). During the three and six months ended June 30, 2020, the Corporation paid dividends of \$1,029,000 and \$2,058,000 respectively on its outstanding PS Series 2 (three and six months ended June 30, 2019 – \$1,237,000 and \$2,474,000 respectively).

Issued and Outstanding Preference Shares, series 3

	Number of Shares	Par Value	Carrying Value
Balance as at June 30, 2019 and December 31, 2018	1,720,615	\$ 43,015	\$ 43,015
From July 1, 2019 to December 31, 2019			
Conversion to Preference Shares, series 2	(349,755)	(8,744)	(8,744)
Conversion from Preference Shares, series 2	651,862	16,297	16,297
Redeemed pursuant to normal course issuer bid	(3,800)	(95)	(95)
Balance as at December 31, 2019	2,018,922	50,473	50,473
For the six months ended June 30, 2020			
Redeemed pursuant to normal course issuer bid	(1,000)	(25)	(25)
Balance as at June 30, 2020	2,017,922	\$ 50,448	\$ 50,448

The PS Series 3 are subject to a quarterly floating cumulative preferential cash dividend rate based on the applicable three-month Government of Canada T-Bill rate plus 4.10%. During the three and six months ended June 30, 2020, the Corporation paid dividends of \$722,000 and \$1,446,000 respectively (three and six months ended June 30, 2019 – \$620,000 and \$1,236,000 respectively) on its outstanding PS Series 3, representing a coupon rate ranging from 5.74% to 5.75% (three and six months ended June 30, 2019 – ranging from 5.78% to 5.81% respectively).

Normal Course Issuer Bids on Preference Shares, series 2 and Preference Shares, series 3

On August 22, 2019, the Corporation announced that it had received regulatory approval for its normal course issuer bids ("NCIBs") from August 26, 2019 to August 25, 2020. Pursuant to these arrangements and subject to certain conditions, the Corporation may purchase up to a maximum of 347,938 PS Series 2 and 172,061 PS Series 3, representing approximately 10% of its public float at the time approval for the normal course issuer bid was granted. Subsequent to June 30, 2020, the Corporation has suspended share repurchases under its NCIBs following the announcement of the substantial issuer bid on PS Series 2 on July 22, 2020 (note 28).

During the six months ended June 30, 2020, the Corporation purchased 1,000 PS Series 3, having an aggregate stated capital value of \$25,000, for cancellation pursuant to these arrangements. The Corporation paid \$16,000 to retire these shares. The excess of the value of stated capital over the purchase price, which totalled \$9,000, was recorded as an increase in retained earnings. There were no PS Series 2 shares purchased for cancellation pursuant to these arrangements during the same period of 2020.

Issued and Outstanding Preference Shares, series 5

	Number of Shares	Par Value	Carrying Value
Balance as at December 31, 2018	3,294,938	\$ 82,373	\$ 82,234
For the six months ended June 30, 2019			
Conversion of Preference Shares, series 5 into Subordinate Shares	(3,294,938)	(82,373)	(82,373)
Amortization of premium	-	-	139
Balance as at June 30, 2020, December 31, 2019 and June 30, 2019	-	\$ -	\$ -

In accordance with the terms of the Corporation's PS Series 5, the Corporation had the option to convert the PS Series 5 into Subordinate Shares at any time prior to June 30, 2019. On May 15, 2019, the Corporation announced the completion of the conversion of all outstanding PS Series 5, together with all accrued and unpaid dividends up to but excluding the date of conversion, into 41,977,510 Subordinate Shares. The PS Series 5 were converted on the basis of one PS Series 5 for that number of Subordinate Shares that was equal to \$25.25, the applicable redemption price at the time of the conversion, plus \$0.23 for amounts equal to all accrued and unpaid dividends per PS Series 5, divided by the greater of: (i) \$2.00; and (ii) 95% of the weighted average trading price of the Subordinate Shares on the TSX for the 20 consecutive trading days ending on the fourth day prior to conversion date of May 15, 2019.

The redemption option feature of the PS Series 5 met the definition of an embedded derivative and was bifurcated and recognized as "*Derivative financial instrument*" in the consolidated statement of financial position. The fair value ascribed to the redemption option feature prior to the conversion of PS Series 5 in May 2019 was \$39,039,000. Accordingly, during the six months ended June 30, 2019, the Corporation recognized \$9,088,000 in these consolidated financial statements as "*Remeasurement of financial instruments*".

The PS Series 5 carried an annual coupon rate of 7.5%. During the three and six months ended June 30, 2019, the Corporation paid dividends of \$758,000 and \$2,303,000 respectively on its outstanding PS Series 5. These amounts were included as "*Interest expense*" in the June 2020 Interim Consolidated Financial Statements.

15. SHARE CAPITAL

The terms of the Corporation's Class A subordinate voting shares ("Subordinate Shares") and Class B common shares ("Class B Shares"), and significant transactions in respect thereof during the year ended December 31, 2019, are summarized in note 17 to the Corporation's 2019 Audited Consolidated Financial Statements.

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2018	57,985,136	\$ 278,661	3,114,804	\$ 8,154	61,099,940	\$ 286,815
For the six months ended June 30, 2019						
Issuance of shares under share incentive arrangements	14,749	50	-	-	14,749	50
Conversion from Preference Shares, series 5 to Subordinate Shares	41,977,510	44,092	-	-	41,977,510	44,092
Conversion from Class B Shares to Subordinate Shares	28	-	(28)	-	-	-
Outstanding June 30, 2019	99,977,423	322,803	3,114,776	8,154	103,092,199	330,957
From July 1, 2019 to December 31, 2019						
Warrants exercised	316	2	-	-	316	2
Conversion from Class B Shares to Subordinate Shares	63	-	(63)	-	-	-
Outstanding December 31, 2019	99,977,802	322,805	3,114,713	8,154	103,092,515	330,959
For the six months ended June 30, 2020						
Conversion from Class B Shares to Subordinate Shares	63	-	(63)	-	-	-
Outstanding June 30, 2020	99,977,865	\$ 322,805	3,114,650	\$ 8,154	103,092,515	\$ 330,959

Accumulated Other Comprehensive Income

	Equity Accounted Investments	Foreign Currency Translation	Non- controlling Interest	Total
Balance at December 31, 2018	\$ (4,671)	\$ 24,122	\$ (1,688)	\$ 17,763
For the six months ended June 30, 2019				
Other comprehensive income (loss)	4,829	(7,562)	(606)	(3,339)
Transfer of realized foreign currency translation loss related to equity accounted investment, net of tax expense, to net (loss) earnings	1,344	-	-	1,344
Balance at June 30, 2019	1,502	16,560	(2,294)	15,768
From July 1, 2019 to December 31, 2019				
Other comprehensive (loss) income	(273)	(1,839)	233	(1,879)
Reattribution of accumulated other comprehensive loss on change of ownership interest in subsidiaries	-	-	132	132
Balance at December 31, 2019	1,229	14,721	(1,929)	14,021
For the six months ended June 30, 2020				
Other comprehensive (loss) income	(1,284)	7,278	(1,190)	4,804
Balance at June 30, 2020	\$ (55)	\$ 21,999	\$ (3,119)	\$ 18,825

16. NON-CONTROLLING INTEREST

As at	June 30, 2020	December 31, 2019
Blue Goose Capital Corp.	\$ (2,624)	\$ (1,964)
Dundee 360 Real Estate Corporation	(45)	(60)
Dundee Sustainable Technologies Inc.	(9,003)	(8,167)
United Hydrocarbon International Corp.	7,619	28,539
Total	\$ (4,053)	\$ 18,348

17. REVENUES

Revenues from Continuing Operations

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Management fees	\$ 238	\$ 299	\$ 428	\$ 559
Financial services	218	394	218	528
Resource services	1,048	411	1,392	549
Agriculture	4,052	5,207	9,725	9,712
Real estate	84	229	193	504
Interest and other (i) (ii)	1,105	798	1,348	1,625
	\$ 6,745	\$ 7,338	\$ 13,304	\$ 13,477

(i) Interest and other revenue for the three and six months ended June 30, 2020 includes \$50,000 and \$108,000 respectively (three and six months ended June 30, 2019 – \$75,000 and \$156,000 respectively) interest income from subleases.

(ii) In addition, interest and other income for the three and six months ended June 30, 2020 includes \$758,000 relating to the federal government's COVID-19 Canada Emergency Wage Subsidy.

Revenues from Discontinued Operations

	For the three months ended		For the six months ended	
	June 30, 2019		June 30, 2019	
Real estate	\$	13,744	\$	31,778
Interest and other		21		-
	\$	13,765	\$	31,778

18. SHARE INCENTIVE PLAN ARRANGEMENTS

The terms of the Corporation's share based compensation plans are summarized in note 20 to the Corporation's 2019 Audited Consolidated Financial Statements.

Share Purchase Plan

As part of the share incentive arrangements, in July 2019, the Corporation established a share purchase plan pursuant to which eligible participants may contribute up to a specified maximum amount of their basic annual salary towards the purchase of Subordinate Shares of the Corporation, either from treasury or in the open market, at the discretion of the Corporation. Compensation expense associated with the share purchase plan, during the three and six months ended June 30, 2020, was \$112,000 and \$222,000 respectively (three and six months ended June 30, 2019 – \$nil).

Share Option Plan

On February 13, 2020, the Corporation granted 60,000 options with a fair value of \$0.57 for an aggregate cost of \$34,000. During the second half of 2019, the Corporation granted 4,080,000 options with a fair value of \$0.61 for an aggregate cost of \$2,506,000. The fair value of the options granted was estimated at the grant date using a Black Scholes option pricing model with the following assumptions:

	2020	2019
Risk-free interest rate	1.40%	1.17%
Volatility factor	51.55%	55.91%
Expected dividend yield	-	-
Expected life of the options	7 years	7 years

A summary of the status of the Corporation's share option plan as at June 30, 2020 and December 31, 2019, and the changes during the periods then ended, is as follows:

	For the six months ended June 30, 2020		For the year ended December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	4,080,000	\$ 1.10	4,080,000	\$ 1.10
Granted	60,000	1.10	-	-
Outstanding, end of period	4,140,000	\$ 1.10	4,080,000	\$ 1.10
Exercisable options	-	\$ -	-	\$ -

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Options Exercisable
Options issued with an exercise price of \$1.10	4,000,000	6.14	-
Options issued with an exercise price of \$1.10	80,000	6.14	-
Options issued with an exercise price of \$1.10	60,000	6.62	-

Share Bonus Plan

During the six months ended June 30, 2020, the Corporation awarded 320,834 bonus shares with an aggregate value of \$385,000 in respect of certain deferred compensation arrangements. Aggregate share bonus awards granted but not yet vested at June 30, 2020, pursuant to the Corporation's share bonus plan, were 469,300.

Deferred Share Unit Plan

During the six months ended June 30, 2020, the Corporation issued 698,155 deferred share units ("DSU") to an executive and certain directors of the Corporation in partial payment for their services. In addition, the Corporation paid cash of \$35,000 in net settlement of 30,000 DSUs. At June 30, 2020, there were 1,733,329 DSUs outstanding that track the value of the Corporation's Subordinate Shares.

Following the cash payment of \$175,000 to settle 15,000 DSUs during the six months ended June 30, 2020, there were 115,815 DSUs outstanding that track the value of subordinate voting shares of Dream Unlimited Corp ("DRM"). Subsequent to June 30, 2020, DRM announced a share consolidation which reduced the 115,815 outstanding DSUs to 57,906.

Stock Based Compensation

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Share option plan	\$ 400	\$ -	\$ 798	\$ -
Deferred share unit plan	769	84	909	161
Share bonus plan	39	107	56	176
Performance share unit plan	-	147	-	292
Dream Unlimited Corp. tracking share incentive arrangements:				
Deferred share units	(59)	(234)	(318)	204
	\$ 1,149	\$ 104	\$ 1,445	\$ 833

Stock Based Compensation of Other Subsidiaries

From time to time, other subsidiaries of the Corporation may incur stock based compensation expense pursuant to their respective share incentive plan arrangements. During the three and six months ended June 30, 2020, these subsidiaries recognized a stock based compensation expense amount of \$nil (three and six months ended June 30, 2019 – recovery of \$8,000 and \$91,000 respectively).

19. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

General and Administrative Expenses in Continuing Operations

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Salary and salary-related	\$ 1,784	\$ 5,607	\$ 4,556	\$ 8,768
Stock based compensation	1,149	96	1,445	742
Corporate and professional fees	1,693	2,126	3,177	5,323
General office and other	2,374	1,632	4,604	3,491
	\$ 7,000	\$ 9,461	\$ 13,782	\$ 18,324

General and Administrative Expenses in Discontinued Operations

	For the three months ended		For the six months ended	
	June 30, 2019		June 30, 2019	
Salary and salary-related	\$ 656		\$ 1,936	
Corporate and professional fees	221		584	
General office and other	1,631		4,005	
	\$ 2,508		\$ 6,525	

20. INCOME TAXES

During the six months ended June 30, 2020, the Corporation recognized an income tax expense amount on its loss from continuing operations of \$5,384,000 (six months ended June 30, 2019 – \$11,382,000), the major components of which include the following items:

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Current income tax expense	\$ (917)	\$ (1,538)	\$ (1,714)	\$ (2,879)
Deferred income tax expense	(2,898)	(2,479)	(3,670)	(8,503)
Total income tax expense	\$ (3,815)	\$ (4,017)	\$ (5,384)	\$ (11,382)

In addition, the Corporation recognized an income tax recovery in respect of discontinued operations of \$226,000 during the six months ended June 30, 2019.

The income tax expense amount on pre-tax loss (earnings) from continuing operations differs from the income tax (expense) recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.5% (six months ended June 30, 2019 – 26.5%), as a result of the following items:

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Loss (earnings) before tax at statutory rate of 26.5% (2019 – 26.5%)	\$ (13,959)	\$ 1,154	\$ 35,071	\$ (5,059)
Effect on taxes of:				
Non-deductible expenses	(1,304)	(887)	(2,572)	(1,825)
Non-taxable revenue	89	1,037	389	2,467
Change in unrecognized temporary differences	11,319	(4,930)	(38,098)	(6,640)
Net income tax not previously recognized	6	(628)	6	(628)
Other differences	34	237	(180)	303
Total income tax expense	\$ (3,815)	\$ (4,017)	\$ (5,384)	\$ (11,382)

Significant components of the Corporation's deferred income tax assets and liabilities are as follows:

As at	June 30, 2020	December 31, 2019
Deferred income tax assets		
Loss carry forwards	\$ 36,261	\$ 49,673
Capital and other assets	313	379
Reserves and accrued liabilities	1,737	1,606
Other	3,964	4,792
Total deferred income tax assets	42,275	56,450
Deferred income tax liabilities		
Investments including equity accounted investments	(25,153)	(34,310)
Other	(7,880)	(9,696)
Total deferred income tax liabilities	(33,033)	(44,006)
Net deferred income tax assets	\$ 9,242	\$ 12,444

A deferred income tax asset is only recognized when management believes it is more likely than not that the benefit will be recognized, which management considers will occur with appreciation in the value of its investments.

At June 30, 2020, the Corporation had operating loss carry forwards of \$491,734,000 (December 31, 2019 – \$550,415,000). Operating loss carry forwards by year of expiry are summarized below:

Year of Expiry:	Recognized	Unrecognized	Total
2024 and subsequent years	\$ 136,561	\$ 329,690	\$ 466,251
Non-Canadian	-	25,483	25,483
Total operating loss carry forwards	\$ 136,561	\$ 355,173	\$ 491,734

In addition, the Corporation had capital loss carry forwards of \$260,013,000 (December 31, 2019 – \$259,979,000) which do not expire and for which the benefit was not recognized in the consolidated financial statements.

21. NET (LOSS) EARNINGS PER SHARE

	For the three months ended		For the six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net (loss) earnings attributable to owners of the parent	\$ 52,241	\$ (7,880)	\$ (114,117)	\$ 6,971
Less: Dividends on Preference Shares, series 2	(1,029)	(1,237)	(2,058)	(2,474)
Dividends on Preference Shares, series 3	(722)	(620)	(1,446)	(1,236)
	\$ 50,490	\$ (9,737)	\$ (117,621)	\$ 3,261
Represented by:				
Continuing operations	\$ 50,490	\$ (9,622)	\$ (117,621)	\$ 4,592
Discontinued operations	-	(115)	-	(1,331)
Weighted average number of shares outstanding during the period	103,092,515	82,810,130	103,092,515	72,014,193
Basic (loss) earnings per share				
Continuing operations	\$ 0.49	\$ (0.12)	\$ (1.14)	\$ 0.07
Discontinued operations	-	-	-	(0.02)
	\$ 0.49	\$ (0.12)	\$ (1.14)	\$ 0.05
Effect of dilutive securities on weighted average number of shares outstanding during the period	2,292,704	n/a	n/a	4,775,718
Diluted (loss) earnings per share				
Continuing operations	\$ 0.48	\$ (0.12)	\$ (1.14)	\$ 0.06
Discontinued operations	-	-	-	(0.02)
	\$ 0.48	\$ (0.12)	\$ (1.14)	\$ 0.04

22. SUPPLEMENTAL CASH FLOW INFORMATION

Items Not Affecting Cash and Other Adjustments

For the six months ended	June 30, 2020	June 30, 2019
Depreciation and depletion	\$ 2,846	\$ 4,280
Net income from investments	(30,968)	(35,189)
Share of loss from equity accounted investments	5,509	3,288
Deferred income taxes	3,670	8,503
Stock based compensation	1,445	742
Harvesting of livestock	7,708	7,380
Fair value changes in		
Livestock	(1,452)	(1,030)
Royalty interest (note 8)	102,005	(9,772)
Contingent consideration (note 8)	32,062	331
Derivative financial liability (note 11)	9,057	-
Embedded derivative (note 14)	-	(9,088)
Other	(103)	3,600
	\$ 131,779	\$ (26,955)

Changes in Non-Cash Working Capital Items

For the six months ended	June 30, 2020	June 30, 2019
Accounts receivable	\$ 953	\$ 5,460
Accounts payable and accrued liabilities	(9,417)	(2,209)
Current income tax amounts	(2,375)	(3,857)
Agricultural inventory	(241)	228
	\$ (11,080)	\$ (378)

23. FINANCIAL INSTRUMENTS

The following table summarizes those assets and liabilities that are included at their fair values in the Corporation's consolidated statements of financial position, or those assets and liabilities for which fair value is otherwise disclosed in the accompanying notes to the consolidated financial statements. These assets and liabilities have been categorized into hierarchical levels, according to the significance of the inputs used in determining fair value measurements.

	Carrying Value as at June 30, 2020	Fair Value as at June 30, 2020		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring Measurements				
Financial Assets				
Investments				
Publicly traded securities	\$ 141,387	\$ 141,387	\$ -	\$ -
Private investments	47,934	-	-	47,934
Debt securities	17,993	-	-	17,993
Warrants and options	2,515	3	2,512	-
Accounts receivable				
Contingent consideration	7,190	-	-	7,190
Resource assets				
Royalty interest	29,019	-	-	29,019
Livestock	20,803	-	20,803	-
Derivative financial liability	(23,562)	-	(23,562)	-

A summary of changes in the fair value of level 3 financial assets during the six months ended June 30, 2020, is as follows:

	Private Investments	Debt Securities	Warrants and Options	Royalty Interest	Contingent Consideration	Total
At December 31, 2019	\$ 50,366	\$ 28,055	\$ 1,854	\$ 126,045	\$ 31,871	\$ 238,191
For the six months ended June 30, 2020						
Transfer to level 2	-	-	(1,854)	-	-	(1,854)
Changes in market values	(2,373)	(10,249)	-	(102,005)	(26,098)	(140,725)
Other	(59)	187	-	4,979	1,417	6,524
At June 30, 2020	\$ 47,934	\$ 17,993	\$ -	\$ 29,019	\$ 7,190	\$ 102,136

Management reviewed the inputs used to measure the fair value of the warrants and options and consider these to be observable. As a result, the Corporation reclassified these financial instruments as level 2. Other than as described above, there have been no other transfers between the fair value hierarchy levels during the six months ended June 30, 2020.

A detailed description of the Corporation's financial assets and financial liabilities and its associated risk management in respect thereof are provided in note 25 to the 2019 Audited Consolidated Financial Statements. Due to the outbreak of COVID-19, other than described below and detailed in note 8, there have been no significant changes in the economic circumstances and the related financial risks that affect the Corporation's valuation of financial assets and financial liabilities since December 31, 2019. Details on the related changes to estimates that have caused a material remeasurement of the Corporation's financial instruments are described in note 8.

Sensitivity Analysis on the Valuation of the Royalty Interest

Significant variables in determining the estimated fair value of UHIC's royalty interest include an estimate of future oil prices, an estimate of the probability and timing of success in the commercial production of oil and the determination of the appropriate discount rate to apply to expected cash flows. The Corporation cautions that developments in the global oil markets and/or possible operational developments at Delonex, as described in note 8, could have a material negative impact on these significant variables.

In determining the estimated fair value of the royalty interest at June 30, 2020, UHIC assumed a forecasted Brent oil price of US\$47.58/bbl or Cdn\$64.84/bbl for 2023, escalating at 2% per year thereafter (December 31, 2019 – US\$69.19/bbl or Cdn\$89.86/bbl for 2022, escalating at 2% per year thereafter). If the Brent crude oil price volatility persists, this could have a significant negative impact on the valuation of the royalty interest, as the royalty interest is only payable when the average quarterly price of Brent crude oil is greater than US\$45.00/bbl, and commercial production decisions and timing could be further impacted.

- A 10% decrease in UHIC's assumed 2023 forecasted Brent crude oil price to US\$42.82/bbl or Cdn\$58.36/bbl and escalating at 2% per year thereafter would reduce the royalty interest valuation by US\$11,692,000 or Cdn\$15,934,000.
- A 10% decrease in the success probability would reduce the royalty interest by US\$11,285,000 or Cdn\$15,380,000.
- A one-year delay in the production of first oil to 2024 would reduce the royalty interest by US\$4,027,000 or Cdn\$5,488,000.
- In combination, a 10% decrease in the forecasted Brent crude oil price, along with a 10% decrease in the success probability and a one-year delay in production of first oil, would reduce the royalty interest by US\$17,506,000 or Cdn\$23,857,000.

Sensitivity Analysis on the Valuation of the Contingent Consideration associated with the Royalty Interest

The estimated fair value of the contingent consideration associated with royalty interest is determined using a probability metric that estimates the likelihood of success and a discount rate applied to the estimated cash flows.

- A 10% decrease in the success probability would reduce the contingent consideration valuation by US\$2,811,000 or Cdn\$3,830,000.
- A one-year delay in the production of first oil to 2024 would reduce the contingent consideration by US\$997,000 or Cdn\$1,359,000.
- In combination, a decrease in the success probabilities by 10% and a one-year delay in production of first oil would reduce the contingent consideration by US\$3,277,000 or Cdn\$4,465,000.

The Corporation continues to monitor the state of the global oil markets as well as operational developments at Delonex. A low Brent crude oil price and/or negative operational developments at Delonex, as described in note 8, could have a material adverse effect on the carrying value of the Corporation's royalty interest and its associated contingent consideration if it were to negatively influence the commercial production decision. It is reasonably possible such a material adverse effect could result in the reduction of the carrying value of the Corporation's royalty interest and its associated contingent consideration to \$nil.

24. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as the aggregate of its shareholders' equity and interest bearing debt. The following table summarizes the carrying value of the Corporation's capital as at June 30, 2020 and December 31, 2019.

As at	June 30, 2020	December 31, 2019
Shareholders' equity	\$ 456,203	\$ 567,079
Corporate debt	45,391	46,140
	\$ 501,594	\$ 613,219

The Corporation's objectives when managing capital include: (i) ensuring that the Corporation is able to meet its financial obligations as they become due whilst ensuring compliance with all applicable debt covenants; (ii) ensuring that the Corporation has sufficient capital to manage business activities in each of its operating segments; (iii) ensuring that the Corporation has sufficient capital available to benefit from acquisition opportunities, should they arise; (iv) ensuring that the Corporation and all of its regulated entities meet relevant regulatory capital requirements; and (v) ensuring adequate returns for shareholders. The Corporation regularly assesses its capital management practices in response to changing economic conditions.

Certain of the Corporation's subsidiaries are subject to regulatory capital requirements. Compliance with these requirements requires that the subsidiaries maintain sufficient cash and other liquid assets on hand to maintain regulatory capital requirements, rather than using these liquid assets in connection with its business or otherwise. As at June 30, 2020 and December 31, 2019, these subsidiaries complied with all regulatory capital requirements.

Certain of the Corporation's subsidiaries, including those in the development stage, may have significant liquidity risk without the continued financial support of Dundee Corporation.

25. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

A description of the Corporation's commitments, contingencies and off-balance sheet arrangements is provided in note 27 to the Corporation's 2019 Audited Consolidated Financial Statements.

Legal Contingencies

The Corporation and/or its subsidiaries are defendants in various legal actions. The defenses to these claims and the quantification of damages are yet to be determined and the amount of the loss, if any, cannot be determined at this time. The Corporation intends to vigorously defend itself against all legal claims. Although the ultimate outcome of these matters cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management, based on information currently available, that these are not material liabilities, adequate provisions have been made for any liabilities and the resolution of these matters will not have a material adverse effect on the consolidated financial position of the Corporation.

Tax Contingencies

As initially disclosed in the June 2018 Interim Consolidated Financial Statements, the Canada Revenue Agency ("CRA") disagreed with a principal tax filing position during the audit of the December 31, 2014 taxation year even though the filing position had been accepted in prior taxation years. As a result, in October 2019, the Corporation received a notice of re-assessment for \$12.0 million. In order to stop interest from accruing, the Corporation remitted the full amount to the CRA.

The Corporation continues to assert its principal filing position is correct and has filed an objection to the notice of re-assessment. Since the Corporation believes the CRA's position is incorrect and expects to recover the amount remitted, the \$12.0 million has been recorded in the consolidated financial statements as "*Deposit with taxation authority*". Presently, the Corporation does not expect the change in filing position to result in a material change to the income taxes payable in respect of its 2015-2019 taxation years.

26. RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 28 to the Corporation's 2019 Audited Consolidated Financial Statements.

27. SEGMENTED INFORMATION

The Corporation's reportable business segments are organized in a manner that reflects how management views those business activities. The tabular information that follows shows data of reportable segments reconciled to amounts reflected in these consolidated financial statements.

<i>Business Entity</i>	<i>Business Activity</i>
Corporate and Other Portfolio Holdings	Investments in public and private equity and debt securities in diversified industry segments
Goodman & Company, Investment Counsel Inc.	100%-owned private subsidiary registered as a portfolio manager and exempt market dealer across Canada and an investment fund manager in Ontario, Quebec and Newfoundland. This segment also includes the activities of Dundee Global Investment Management Inc. through which the Corporation previously explored certain wealth management strategies
Dundee Energy Limited (note 6)	Previous 58%-owned public, non-listed subsidiary in the oil and gas industry
United Hydrocarbon International Corp.	84%-owned private subsidiary engaged in oil and gas exploration through the holding of a royalty interest in the Republic of Chad
Dundee Sustainable Technologies Inc.	62%-owned publicly listed subsidiary developing patented sustainable precious and base metals extraction processes
Eurogas International Inc. (note 6)	Previous 54%-controlled publicly listed subsidiary engaged in oil and gas exploration
Blue Goose Capital Corp.	89%-owned private subsidiary operating in organic and natural protein processing and production
AgriMarine Holdings Inc.	100%-owned private aquaculture company focused on fish farming and sustainable aquaculture technologies
Dundee 360 Real Estate Corporation (note 4)	100%-owned private subsidiary engaged in development and management of international hotel, resort, residential and commercial real estate projects

Segmented Operations for the Six Months Ended June 30, 2020

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 1,966	\$ -	\$ 10,928	\$ 12,894
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	655	-	(2,297)	(1,642)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	(134,469)	(134,469)
Dundee Sustainable Technologies Inc.	1,521	(1,291)	(1,431)	(1,201)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	6,335	(9,163)	(3,192)	(6,020)
AgriMarine Holdings Inc.	4,265	(3,994)	(1,956)	(1,685)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	193	-	(414)	(221)
<i>Intersegment</i>	(1,631)	-	1,631	-
LOSS FROM CONTINUING OPERATIONS BEFORE				
INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 13,304	\$ (14,448)	\$ (131,200)	(132,344)
Income taxes				(5,384)
Non-controlling interest				23,611
NET LOSS FROM CONTINUING OPERATIONS				
ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (114,117)

Segmented Operations for the Six Months Ended June 30, 2019

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 2,097	\$ -	\$ 24,248	\$ 26,345
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,126	-	(1,877)	(751)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	9,004	9,004
Dundee Sustainable Technologies Inc.	549	(494)	(1,706)	(1,651)
Dundee Energy Limited	-	-	(197)	(197)
Eurogas International Inc.	-	-	(95)	(95)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	7,860	(10,825)	(4,917)	(7,882)
AgriMarine Holdings Inc.	2,576	(2,458)	(2,676)	(2,558)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	32,287	(26,195)	(10,888)	(4,796)
<i>Intersegment</i>	(1,240)	-	1,240	-
	45,255	(39,972)	12,136	17,419
<i>Less: Discontinued operations</i>				
Dundee 360 Real Estate Corporation's brokerage division	(31,778)	26,195	7,253	1,670
EARNINGS FROM CONTINUING OPERATIONS BEFORE				
INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 13,477	\$ (13,777)	\$ 19,389	19,089
Income taxes				(11,382)
Non-controlling interest				595
NET EARNINGS FROM CONTINUING OPERATIONS				
ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ 8,302
Discontinued operations, before income taxes and non-controlling interest	\$ 31,778	\$ (26,195)	\$ (7,253)	(1,670)
Gain on disposition of division				113
				(1,557)
Income taxes				226
NET LOSS FROM DISCONTINUED OPERATIONS				
ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (1,331)

Segmented Operations for the Three Months Ended June 30, 2020

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 973	\$ -	\$ 73,695	\$ 74,668
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	457	-	(1,169)	(712)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	(16,978)	(16,978)
Dundee Sustainable Technologies Inc.	1,176	(825)	(401)	(50)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	2,808	(3,336)	(2,785)	(3,313)
AgriMarine Holdings Inc.	2,073	(1,858)	(991)	(776)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	84	-	(248)	(164)
<i>Intersegment</i>	(826)	-	826	-
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 6,745	\$ (6,019)	\$ 51,949	52,675
Income taxes				(3,815)
Non-controlling interest				3,381
NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ 52,241

Segmented Operations for the Three Months Ended June 30, 2019

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 1,178	\$ -	\$ (240)	\$ 938
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	712	-	(1,000)	(288)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	3,003	3,003
Dundee Sustainable Technologies Inc.	411	(348)	(881)	(818)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	4,315	(4,708)	(3,389)	(3,782)
AgriMarine Holdings Inc.	1,213	(1,222)	(974)	(983)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	13,908	(11,270)	(5,336)	(2,698)
<i>Intersegment</i>	(634)	-	634	-
	21,103	(17,548)	(8,183)	(4,628)
<i>Less: Discontinued operations</i>				
Dundee 360 Real Estate Corporation's brokerage division	(13,765)	11,270	2,766	271
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 7,338	\$ (6,278)	\$ (5,417)	(4,357)
Income taxes				(4,017)
Non-controlling interest				609
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (7,765)
Discontinued operations, before income taxes and non-controlling interest	\$ 13,765	\$ (11,270)	\$ (2,766)	(271)
Gain on disposition of division				113
				(158)
Income taxes				43
NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (115)

Segmented Net Assets as at June 30, 2020

	ASSETS					LIABILITIES			NET ASSETS
	Cash	Investments	Deferred Income Taxes	Other Assets	Total	Corporate Debt	Other Liabilities	Total	
<i>Corporate and other portfolio holdings</i>	\$ 140,063	\$ 231,885	\$ 9,571	\$ 21,497	\$ 403,016	\$ -	\$ (39,394)	\$ (39,394)	\$ 363,622
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	1,717	657	-	2,172	4,546	-	(515)	(515)	4,031
<i>Resource industry</i>									
United Hydrocarbon International Corp.	3,780	-	-	42,597	46,377	-	(3)	(3)	46,374
Dundee Sustainable Technologies Inc.	1,212	-	-	8,002	9,214	-	(8,777)	(8,777)	437
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	72	-	-	69,494	69,566	(45,391)	(3,988)	(49,379)	20,187
AgriMarine Holdings Inc.	53	-	-	15,437	15,490	-	(4,258)	(4,258)	11,232
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	779	6,794	(329)	1,354	8,598	-	(2,331)	(2,331)	6,267
Total	\$ 147,676	\$ 239,336	\$ 9,242	\$ 160,553	\$ 556,807	\$ (45,391)	\$ (59,266)	\$ (104,657)	\$ 452,150

Segmented Net Assets as at December 31, 2019

	ASSETS					LIABILITIES			NET ASSETS
	Cash	Investments	Deferred Income Taxes	Other Assets	Total	Corporate Debt	Other Liabilities	Total	
<i>Corporate and other portfolio holdings</i>	\$ 17,943	\$ 334,099	\$ 12,826	\$ 27,031	\$ 391,899	\$ -	\$ (27,801)	\$ (27,801)	\$ 364,098
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	2,857	1,287	-	2,342	6,486	-	(624)	(624)	5,862
<i>Resource industry</i>									
United Hydrocarbon International Corp.	4,385	-	-	170,905	175,290	-	(1,573)	(1,573)	173,717
Dundee Sustainable Technologies Inc.	116	-	-	8,283	8,399	-	(7,906)	(7,906)	493
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	341	-	-	71,444	71,785	(46,135)	(3,287)	(49,422)	22,363
AgriMarine Holdings Inc.	44	-	-	17,603	17,647	-	(4,944)	(4,944)	12,703
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	850	6,413	(382)	1,375	8,256	(5)	(2,060)	(2,065)	6,191
Total	\$ 26,536	\$ 341,799	\$ 12,444	\$ 298,983	\$ 679,762	\$ (46,140)	\$ (48,195)	\$ (94,335)	\$ 585,427

28. SUBSEQUENT EVENTS

Substantial Issuer Bid on Preference Shares, Series 2

On July 22, 2020, the Corporation announced a substantial issuer bid (the “Offer”) to purchase for cancellation from the holders thereof who choose to participate up to \$44,000,000 in value of the Corporation’s PS Series 2. The Offer is being made by way of a “modified Dutch auction”, which will allow the PS Series 2 holders who choose to participate in the Offer to individually select the price ranging from \$16.00 to \$18.50 per PS Series 2 share, in increments of \$0.10 per share. 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 PS 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 PS Series 2 shares tendered to the Offer, having an aggregate purchase price not exceeding \$44,000,000.

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 the Corporation, unless varied or withdrawn by the Corporation.

In addition to the Purchase Price, holders who have PS 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 Corporation’s board of directors on such PS Series 2 shares for the quarter ended September 30, 2020, with such portion of the quarterly cash dividend per PS 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 PS 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. Based on the estimated expiry date, August 27, 2020, the PS 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 PS Series 2 shares, the accrued dividend amount payable per PS Series 2 share validly tendered, taken up and paid for under the Offer is estimated to be approximately \$0.22.

Following the announcement of the Offer, the Corporation has suspended share repurchases under its NCIBs and the NCIBs will remain suspended until at least the day following the expiration of the Offer or the termination of the Offer. During 2020, the Corporation purchased 300 PS, Series 2 shares and 2,000 PS, Series 3 shares for cancellation pursuant to its NCIBs.

Dundee Sustainable Technologies Inc. (“Dundee Sustainable”)

On August 5, 2020, the Corporation announced that its wholly-owned subsidiary, Dundee Resources Limited, has acquired 40,622,794 subordinate voting shares of Dundee Sustainable in consideration for the settlement of intercompany debts of \$13,406,000 between Dundee Resources Limited and Dundee Sustainable, which were eliminated in these consolidated financial statements. As a result of the share acquisition, the Corporation holds 49,526,218 subordinate voting shares and 2,500,000 multiple voting shares of Dundee Sustainable, increasing its ownership from 62% at the end of June 30, 2020 to 82% upon completion of the share acquisition in August 2020.