



DUNDEE
CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

AS AT AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

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

(expressed in thousands of Canadian dollars)

	<i>Note</i>	As at	
		September 30, 2019	December 31, 2018
ASSETS			
Cash		\$ 35,713	\$ 52,787
Accounts receivable		56,869	59,210
Client accounts receivable	7	-	17,276
Investments	8	291,633	270,144
Equity accounted investments	9	33,041	49,580
Resource assets	10	144,870	139,335
Derivative financial instrument	15	-	29,951
Livestock	11	27,667	29,318
Capital and other assets	12	81,387	93,379
Deferred income tax assets	21	17,483	26,531
TOTAL ASSETS		\$ 688,663	\$ 767,511
LIABILITIES			
Accounts payable and accrued liabilities		\$ 32,907	\$ 40,341
Client deposits and related liabilities	7	-	17,276
Income taxes payable		3,221	6,571
Corporate debt	13	51,947	53,618
Lease liabilities	14	13,193	-
Preference Shares, series 5	15	-	82,234
		101,268	200,040
SHAREHOLDERS' EQUITY			
Share capital			
Common shares	16	330,959	286,815
Preference Shares, series 2	15	75,026	84,053
Preference Shares, series 3	15	50,473	43,015
Contributed surplus		16,169	13,620
Warrants	16	-	1,516
Reserves for changes in equity of subsidiaries		(60,471)	(60,711)
Retained earnings		134,110	160,683
Accumulated other comprehensive income	16	16,724	17,763
		562,990	546,754
NON-CONTROLLING INTEREST	17	24,405	20,717
		587,395	567,471
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 688,663	\$ 767,511

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

Commitments, contingencies and off-balance sheet arrangements (note 26)

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 nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
REVENUES	18	\$ 7,940	\$ 11,801	\$ 21,417	\$ 38,543
OTHER ITEMS IN NET LOSS					
Cost of sales		(3,823)	(10,159)	(17,600)	(38,712)
Depreciation and depletion	12	(11,500)	(8,693)	(15,780)	(11,195)
General and administrative expenses	20	(9,598)	(11,034)	(27,922)	(43,162)
Net income (loss) from investments	8	(15,721)	(31,505)	17,763	(50,568)
Share of (loss) earnings from equity accounted investments	9	2,221	(6,995)	(1,067)	(55,836)
Fair value changes in livestock	11	1,064	3,288	2,094	1,323
Remeasurement of financial instruments	10, 15	1,122	5,085	19,651	12,438
Interest expense	13, 15	(961)	(2,466)	(6,394)	(7,098)
Foreign exchange (loss) gain		108	(228)	(2,221)	1,402
NET LOSS BEFORE INCOME TAXES		(29,148)	(50,906)	(10,059)	(152,865)
Income tax expense	21	(571)	(2,701)	(11,953)	(460)
NET LOSS FROM CONTINUING OPERATIONS		(29,719)	(53,607)	(22,012)	(153,325)
DISCONTINUED OPERATIONS	4				
Dundee Energy Limited Partnership					
Operating loss, net of taxes		-	(2,026)	-	(5,525)
Dundee 360 Real Estate Corporation's brokerage division					
Operating (loss) earnings, net of taxes		-	109	(1,444)	(759)
Gain on disposition		-	-	113	-
		-	(1,917)	(1,331)	(6,284)
NET LOSS FOR THE PERIOD		\$ (29,719)	\$ (55,524)	\$ (23,343)	\$ (159,609)
NET LOSS ATTRIBUTABLE TO:					
Owners of the parent					
Continuing operations		\$ (28,592)	\$ (53,235)	\$ (20,290)	\$ (152,058)
Discontinued operations		-	(1,065)	(1,331)	(3,961)
		(28,592)	(54,300)	(21,621)	(156,019)
Non-controlling interest					
Continuing operations		(1,127)	(372)	(1,722)	(1,267)
Discontinued operations		-	(852)	-	(2,323)
		(1,127)	(1,224)	(1,722)	(3,590)
		\$ (29,719)	\$ (55,524)	\$ (23,343)	\$ (159,609)
BASIC AND DILUTED LOSS PER SHARE	22				
Continuing operations		\$ (0.30)	\$ (0.90)	\$ (0.31)	\$ (2.64)
Discontinued operations		-	(0.02)	(0.02)	(0.07)
		\$ (0.30)	\$ (0.92)	\$ (0.33)	\$ (2.71)

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

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

(expressed in thousands of Canadian dollars)

	Note	For the three months ended		For the nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
NET LOSS FOR THE PERIOD		\$ (29,719)	\$ (55,524)	\$ (23,343)	\$ (159,609)
Other comprehensive income (loss):					
Items that may be reclassified to net loss					
Unrealized (loss) gain from foreign currency translation		1,582	(3,963)	(5,980)	5,912
Share of other comprehensive loss from equity accounted investments, net of associated taxes		(378)	(1,040)	(976)	(927)
		101	276	259	246
Transfer of realized foreign currency translation loss related to equity accounted investment, net of taxes, to net loss	9	-	-	1,344	-
Transfer of unrealized other comprehensive loss, net of taxes, to net loss		-	-	5,269	-
Total other comprehensive (loss) income from continuing operations		1,305	(4,727)	(84)	5,231
COMPREHENSIVE LOSS FOR THE PERIOD		\$ (28,414)	\$ (60,251)	\$ (23,427)	\$ (154,378)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the parent					
Continuing operations		\$ (27,636)	\$ (57,238)	\$ (21,329)	\$ (147,913)
Discontinued operations		-	(1,065)	(1,331)	(3,961)
		(27,636)	(58,303)	(22,660)	(151,874)
Non-controlling interest					
Continuing operations		(778)	(1,096)	(767)	(181)
Discontinued operations		-	(852)	-	(2,323)
		(778)	(1,948)	(767)	(2,504)
		\$ (28,414)	\$ (60,251)	\$ (23,427)	\$ (154,378)

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	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest		
Balance, December 31, 2017		58,816,407	\$ 282,719	\$ 84,053	\$ 43,015	\$ 13,736	\$ 1,516	\$ (61,627)	\$ 370,340	\$ 2,808	\$ 23,945	\$ 760,505	
For the nine months ended September 30, 2018													
Net loss, continuing operations		-	-	-	-	-	-	-	(152,058)	-	(1,267)	(153,325)	
Net loss, discontinued operations	4	-	-	-	-	-	-	-	(3,961)	-	(2,323)	(6,284)	
Other comprehensive income, continuing operations		-	-	-	-	-	-	-	-	4,145	1,086	5,231	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(3,711)	-	-	(3,711)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(1,678)	-	-	(1,678)	
Stock based compensation	16, 19	2,283,533	4,096	-	-	(942)	-	-	-	-	-	3,154	
Changes of ownership interest in subsidiaries	6, 17	-	-	-	-	-	-	725	-	-	345	1,070	
Balance, September 30, 2018		61,099,940	286,815	84,053	43,015	12,794	1,516	(60,902)	208,932	6,953	21,786	604,962	
From October 1, 2018 to December 31, 2018													
Net loss, continuing operations		-	-	-	-	-	-	-	(52,389)	-	(6,908)	(59,297)	
Net earnings, discontinued operations		-	-	-	-	-	-	-	5,985	-	3,792	9,777	
Other comprehensive income, continuing operations		-	-	-	-	-	-	-	-	10,810	2,051	12,861	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(1,237)	-	-	(1,237)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(608)	-	-	(608)	
Stock based compensation		-	-	-	-	826	-	-	-	-	-	826	
Changes of ownership interest in subsidiaries		-	-	-	-	-	-	191	-	-	(4)	187	
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 nine months ended September 30, 2019													
Net loss, continuing operations		-	-	-	-	-	-	-	(20,290)	-	(1,722)	(22,012)	
Net loss, discontinued operations	4	-	-	-	-	-	-	-	(1,331)	-	-	(1,331)	
Other comprehensive loss, continuing operations		-	-	-	-	-	-	-	-	(1,039)	955	(84)	
Conversion from Preference Shares, series 2 to series 3	15	-	-	(16,297)	16,297	-	-	-	-	-	-	-	
Acquisition of Preference Shares, series 2 for cancellation	15	-	-	(1,474)	-	-	-	-	583	-	-	(891)	
Conversion from Preference Shares, series 3 to series 2	15	-	-	8,744	(8,744)	-	-	-	-	-	-	-	
Acquisition of Preference Shares, series 3 for cancellation	15	-	-	-	(95)	-	-	-	39	-	-	(56)	
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(3,711)	-	-	(3,711)	
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(1,863)	-	-	(1,863)	
Exercise of warrants	16	316	2	-	-	-	-	-	-	-	-	2	
Expiry of warrants	16	-	-	-	-	1,516	(1,516)	-	-	-	-	-	
Conversion from Preference Shares, series 5 to Subordinate Shares	15, 16	41,977,510	44,092	-	-	-	-	-	-	-	-	44,092	
Stock based compensation	16, 19	14,749	50	-	-	1,033	-	-	-	-	-	1,083	
Changes of ownership interest in subsidiaries	6, 17	-	-	-	-	-	-	240	-	-	4,455	4,695	
Balance, September 30, 2019		103,092,515	\$ 330,959	\$ 75,026	\$ 50,473	\$ 16,169	\$ -	\$ (60,471)	\$ 134,110	\$ 16,724	\$ 24,405	\$ 587,395	

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 nine months ended	
		September 30, 2019	September 30, 2018
OPERATING ACTIVITIES:			
Net loss for the period		\$ (23,343)	\$ (159,609)
Adjusted for:			
Net loss from discontinued operations		1,331	6,284
Items not affecting cash and other adjustments	23	1,072	118,438
Changes in non-cash working capital items	23	1,313	4,103
Cash used in operating activities – continuing operations		(19,627)	(30,784)
Cash (used in) provided from operating activities – discontinued operations		(191)	301
CASH USED IN OPERATING ACTIVITIES		(19,818)	(30,483)
INVESTING ACTIVITIES:			
Net investment in livestock and other agricultural assets		(6,063)	(4,561)
Proceeds from business dispositions	4, 5	5,000	1,500
Cash disbursement on loss of control of subsidiaries	6, 8	(45)	-
Acquisitions of portfolio investments		(18,584)	(37,230)
Proceeds from dispositions of portfolio investments		21,948	74,347
Proceeds from dispositions of equity accounted investment	9	14,500	-
Net investment in capital and other assets		1,084	(1,338)
Cash provided from investing activities – continuing operations		17,840	32,718
Cash used in investing activities – discontinued operations		(1,987)	(118)
CASH PROVIDED FROM INVESTING ACTIVITIES		15,853	32,600
FINANCING ACTIVITIES:			
Change in corporate debt		(1,911)	(6,547)
Cash payment on lease liabilities	14	(3,736)	-
Issuance of Class A subordinate shares, net of issue costs	16	2	-
Acquisition of Preference Shares, series 2, net of costs	15	(891)	-
Acquisition of Preference Shares, series 3, net of costs	15	(56)	-
Net cash from transactions with non-controlling interests		374	451
Redemption of Preference Shares, series 5	15	-	(7,582)
Dividends paid on Preference Shares, series 2	15	(3,711)	(3,711)
Dividends paid on Preference Shares, series 3	15	(1,863)	(1,678)
Cash used in financing activities – continuing operations		(11,792)	(19,067)
Cash used in financing activities – discontinued operations		(1,317)	(1,191)
CASH USED IN FINANCING ACTIVITIES		(13,109)	(20,258)
NET DECREASE IN CASH DURING THE PERIOD		(17,074)	(18,141)
Cash, continuing operations, beginning of period		49,292	75,278
Cash, discontinued operations, beginning of period		3,495	3,736
		35,713	60,873
Less cash, discontinued operations, end of period		-	(2,460)
CASH, CONTINUING OPERATIONS, END OF PERIOD		\$ 35,713	\$ 58,413
Cash flows from continuing operations include the following amounts:			
Interest paid		\$ 6,267	\$ 7,774
Taxes paid		\$ 6,521	\$ 3,983
Cash flows from discontinued operations include the following amounts:			
Interest paid		\$ 108	\$ 3,148
Taxes paid		\$ 18	\$ 2

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 nine months ended September 30, 2019 and 2018 Tabular dollar amounts in thousands of Canadian dollars, except per share amounts
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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 September 30, 2019 and December 31, 2018, the Corporation’s major operating subsidiaries included:

(in alphabetical order)	As at and for the nine months ended September 30, 2019		As at and for the year ended December 31, 2018	
	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
AgriMarine Holdings Inc.	100%	100%	100%	100%
Blue Goose Capital Corp.	89%	89%	90%	89%
Dundee 360 Real Estate Corporation	100%	100%	100%	100%
Dundee Energy Limited *	58%	n/a	58%	58%
Dundee Securities Ltd.	-	-	100%	-
Dundee Sustainable Technologies Inc.	62%	62%	63%	62%
Eurogas International Inc. *	54%	n/a	54%	54%
Goodman & Company, Investment Counsel Inc.	100%	100%	100%	100%
United Hydrocarbon International Corp.	83%	83%	83%	83%

* *The changes of ownership at the end of September 2019 are due to loss of control which occurred in March 2019 (notes 6 and 8).*

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and nine months ended September 30, 2019 (“September 2019 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 September 2019 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, 2018 (“2018 Audited Consolidated Financial Statements”) which were prepared in accordance with IFRS as applicable for annual financial statements. The September 2019 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on November 14, 2019.

The September 2019 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in note 3 to the 2018 Audited Consolidated Financial Statements, except as described below.

Leases

The Corporation recognizes a right-of-use asset and a corresponding lease liability for all leases except for leases to explore for or use oil or natural gas, leases where the underlying assets are of low value and short-term leases with a contractual term of 12 months or less. Lease liability at the initial date of the lease represents the net present value of the lease payments including any exercise price of a purchase option if it is reasonably certain of being exercised, discounted by using the interest rate implicit in the lease or, if this cannot be readily determined, the incremental borrowing rate of the Corporation at the date of the lease. The interest calculated on the lease liability is expensed as interest expense. The right-of-use asset is equal to the lease liability plus any prepayments, less any lease incentive received, initial restoration costs and any direct costs incurred. A corresponding provision is set up for any restoration costs included in the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the term of the lease.

The Corporation adopted IFRS 16, “Leases”, effective January 1, 2019, using the modified retrospective approach. The comparatives for 2018 have not been restated and are accounted for under IAS 17, “Leases” and IFRIC 4, “Determining Whether an Arrangement Contains a Lease”. The transitional adjustments arising from the adoption are recognized in the opening balance sheet on January 1, 2019 (see below).

Subleases

The Corporation classifies its subleases as finance leases and recognizes a receivable at an amount equal to the net investment in the lease which is the present value of the aggregate of lease payments receivable, discounted at the interest rate used in determining the present value of the head lease. In addition, the Corporation derecognizes the right-of-use asset of the head lease relating to the sublease; recognizes any gain or loss between the lease receivable and the derecognized right-of-use asset and recognizes interest income on the lease receivable. The lease receivable amount is included in the consolidated statement of financial position as “Accounts receivable”.

Prior to January 1, 2019, receipts relating to subleases were offset against rent expense in general and administrative expenses.

Changes in Accounting Policies Implemented During the Nine Months Ended September 30, 2019

IFRS 3, “Business Combinations” (“IFRS 3”)

On January 1, 2019, the Corporation implemented the amendments to IFRS 3 which clarify that when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interest in the assets and liabilities of the joint operation at fair value. The implementation of the amendments to IFRS 3 had no impact to the Corporation’s September 2019 Interim Consolidated Financial Statements.

IFRS 16, “Leases” (“IFRS 16”)

Prior to January 1, 2019, the Corporation accounted for operating leases in accordance with IAS 17, “Leases”, which has been replaced by IFRS 16, “Leases”, requiring the recognition of a lease liability for operating leases previously classified under IAS 17. The Corporation has applied IFRS 16 using the modified retrospective approach, which requires the cumulative effect of initial application to be recognized in retained earnings at January 1, 2019. The lease liability on January 1, 2019, the date of initial application, was measured based on the remaining lease payments. The right-of-use asset was recognized at an amount equal to the lease liability, discounted using the Corporation and its subsidiaries' incremental rate of borrowing. As the value of the right-of-use asset was set equal to the value of the lease liability on January 1, 2019, there was no impact on retained earnings at the date of initial application.

The weighted average of the incremental borrowing rate that was used in the calculation of the lease liability on January 1, 2019, was 5.33%. The Corporation applied the following exemptions under IFRS 16 to exclude certain operating leases from the lease liability calculation:

- Reliance on previous assessments on whether leases are onerous;
- Short-term leases, defined as a lease that, on January 1, 2019, had a lease term of 12 months or less; and
- Leases for which the underlying asset is of low value.

The following table describes the total of the undiscounted operating lease commitments disclosed as at December 31, 2018, immediately prior to the initial application of IFRS 16, and the lease liabilities recognized on the consolidated statement of financial position at the date of initial application:

<i>Undiscounted operating lease commitments as at December 31, 2018</i>	\$	28,778
<i>Discount rate</i>		5.33%
Discounted operating lease commitments as at January 1, 2019	\$	25,065
Short-term leases		(73)
Contracts assessed as service agreements and licenses		(1,959)
Finance lease liabilities recognized as at December 31, 2018		(319)
Renewable option		583
Residual value guarantees		140
Other adjustments		(98)
		23,339
Less: Lease liabilities transferred to discontinued operations		(4,649)
Lease liabilities recognized as at January 1, 2019	\$	18,690

At the date of initial application, there were no onerous lease contracts that would have required an adjustment to the right-of-use assets.

Subleases that were previously classified as operating leases under IAS 17 and are ongoing at the date of initial application have been reassessed as finance leases under IFRS 16. This assessment was performed on the basis of the remaining contractual terms and conditions of the head lease and sublease at that date. These subleases are accounted for as new finance leases entered at the date of initial application.

	Continuing Operations	Discontinued Operations
Balance as at December 31, 2018	\$ -	\$ -
IFRS 16 transition adjustment	6,605	-
Interest income	225	-
Payment from subleases	(1,605)	-
Balance as at September 30, 2019	\$ 5,225	\$ -

IFRIC 23, “Uncertainty over Income Tax Treatments” (“IFRIC 23”)

On January 1, 2019, the Corporation implemented IFRIC 23 which clarifies the application of the recognition and measurement requirements in IAS 12, “Income Taxes” (“IAS 12”), for situations where there is uncertainty over income tax treatments. IFRIC 23 specifically addresses whether an entity considers income tax treatments separately; assumptions that an entity makes regarding the examination of tax treatments by taxation authorities; how an entity determines taxable income or loss, tax bases, unused tax losses or credits, and tax rates; and how an entity considers changes in facts and circumstances. IFRIC 23 does not apply to taxes or levies outside the scope of IAS 12. The implementation of IFRIC 23 had no impact to the Corporation’s September 2019 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, 2018, are described in note 3 to the 2018 Audited Consolidated Financial Statements. There were no other changes to existing IFRS accounting standards and interpretations since December 31, 2018 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 September 2019 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 in accounting judgments, estimates and assumptions made by the Corporation in the preparation of the September 2019 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 4 to the 2018 Audited Consolidated Financial Statements.

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 will 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 in the next 12 months certain of its investments. The Corporation may experience difficulty in obtaining satisfactory financial terms, 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 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 of \$113,000 from the transaction.

Gain on Sale of Dundee 360's Brokerage Division

	<i>Note</i>	
Carrying value of net assets:		
Cash		\$ 1,755
Accounts receivable		1,873
Client accounts receivable		30,280
Income tax receivable		24
Capital and other assets	12	11,837
Deferred income tax assets		141
Accounts payable		(4,745)
Client deposits and related liabilities		(29,626)
Corporate debt		(17)
Lease liabilities	14	(6,635)
		\$ 4,887
Proceeds received on disposition of net assets:		
Cash		\$ 5,000
Gain on sale of net assets		\$ 113

Operating results of Dundee 360's brokerage division for the three and nine months ended September 30, 2019 and 2018, and cash flow for the nine months ended September 30, 2019 and 2018 have been classified as discontinued operations in the consolidated statements of operations and comprehensive loss, and in the consolidated statements of cash flow respectively.

Net (Loss) Earnings from Discontinued Operations

	<i>Note</i>	For the three months ended		For the nine months ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
REVENUES	18	\$ -	\$ 30,458	\$ 31,778	\$ 75,262
OTHER ITEMS IN NET (LOSS) EARNINGS					
Cost of sales		-	(25,260)	(26,195)	(62,135)
Depreciation and depletion	12	-	(263)	(620)	(814)
General and administrative expenses	20	-	(4,814)	(6,525)	(13,230)
Interest expense		-	(22)	(108)	(65)
NET (LOSS) EARNINGS BEFORE INCOME TAXES		-	99	(1,670)	(982)
Income tax recovery	21	-	10	226	223
NET (LOSS) EARNINGS FOR THE PERIOD		\$ -	\$ 109	\$ (1,444)	\$ (759)
NET (LOSS) EARNINGS ATTRIBUTABLE TO:					
Owners of the parent		\$ -	\$ 109	\$ (1,444)	\$ (759)
Non-controlling interest		-	-	-	-
		\$ -	\$ 109	\$ (1,444)	\$ (759)

Dundee Energy Limited Partnership

On November 16, 2018, Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy Ltd. ("Dundee Energy"), completed the sale of substantially all of its property for total cash consideration of \$27,002,000 pursuant to the provisions of the *Bankruptcy and Insolvency Act (Canada)* and recognized a loss of \$18,849,000 from the transaction. Following the completion of the sale of substantially all of DELP's property, Dundee Energy determined that it effectively lost control of the operations of DELP and, as a result, the associated assets and liabilities were subsequently deconsolidated, resulting in a gain from disposal of subsidiary of \$30,829,000 recorded in the consolidated statements of operations during the year ended December 31, 2018.

Operating results of DELP for three and nine months ended September 30, 2018 and cash flow of DELP for the nine months ended September 30, 2018 were classified as discontinued operations in the consolidated statements of operations and comprehensive loss, and in the consolidated statements of cash flow respectively.

Net Loss from Discontinued Operations

	Note	For the three months ended September 30, 2018	For the nine months ended September 30, 2018
REVENUES	18	\$ 6,103	\$ 17,286
OTHER ITEMS IN NET LOSS			
Cost of sales		(3,097)	(8,623)
Depreciation and depletion		(2,241)	(6,459)
General and administrative expenses	20	(1,333)	(3,828)
Interest expense	13	(1,411)	(4,115)
Foreign exchange gain (loss)		(47)	214
NET LOSS FOR THE PERIOD		\$ (2,026)	\$ (5,525)
NET LOSS ATTRIBUTABLE TO			
Owners of the parent		\$ (1,174)	\$ (3,202)
Non-controlling interest		(852)	(2,323)
		\$ (2,026)	\$ (5,525)

5. SIGNIFICANT DISPOSITIONS

Other than the disposition of Dundee 360's brokerage division (note 4), the Corporation did not complete any significant dispositions during the nine months ended September 30, 2019.

Information regarding significant dispositions completed by the Corporation during the prior year ended December 31, 2018 are described in note 6 to the 2018 Audited Consolidated Financial Statements and are further summarized below. Comparative net operating earnings or loss for the three and nine months ended September 30, 2018 include the results of the underlying operations of disposed assets and liabilities, as such dispositions occurred subsequent to September 30, 2018.

Dundee Securities Europe Limited

On April 1, 2018, the Corporation completed the sale of 80% of the business of Dundee Securities Europe Limited ("DUK") to certain members of its key management. The Corporation retained 1,968,000 class A voting shares and 450,000 class B 10% non-cumulative preference shares of DUK, which represented a 20% voting interest in DUK. The Corporation determined that it still has significant influence over the investment and accordingly, this investment is accounted for using the equity method.

Asset disposition of North Wind Fisheries Ltd.

On July 11, 2018, Blue Goose Capital Corp. ("Blue Goose") completed a transaction that resulted in the partial sale of the assets in North Wind Fisheries Ltd., a fish division of Blue Goose, for total consideration of \$2,472,000 and recognized a gain of \$674,000.

Dundee Securities Ltd.

On December 14, 2018, the Corporation completed a transaction whereby it sold its 100% interest in Dundee Securities Ltd., a member of the Investment Industry Regulatory Organization of Canada, for total consideration of \$4,000,000 and recognized a gain of \$2,647,000.

At closing of the sale transaction, the Corporation received \$2,900,000 of cash consideration, of which \$1,500,000 was held in an escrow account and will be released within a two-year period pursuant to the terms of the share purchase agreement. In addition, the Corporation may receive up to a further \$800,000 of additional consideration, which amount is contingent upon the retention and performance of assets under administration by the acquiring company.

The potential undiscounted amount of all future consideration that the Corporation may receive under the contingent arrangement referred to above is between \$nil and \$800,000. The fair value of the contingent consideration as at December 14, 2018 was \$800,000 and was determined by applying future expected performance returns on assets under administration. These key inputs to the determination of fair value of the contingent consideration are not observable in the market and

therefore, the Corporation has classified the measurement of the asset at level 3 of the fair value hierarchy. At September 30, 2019, the fair value of the contingent consideration remains unchanged.

6. ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

Change of Ownership Interests in Subsidiaries

	30-Sept-19	31-Dec-18	Interest Owned as at		Effect on Reserves for Changes in Equity of Subsidiaries during the nine months ended	
			30-Sept-18	31-Dec-17	30-Sept-19	30-Sept-18
Blue Goose Capital Corp.	89%	89%	89%	90%	\$ 290	\$ 253
Dundee Sustainable Technologies Inc.	62%	62%	63%	63%	(50)	472
Total					\$ 240	\$ 725

Blue Goose Capital Corp.

During the nine months ended September 30, 2019, the Corporation received 74,793 common shares of 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 \$290,000.

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 in the subsidiaries' underlying equity to account for the associated stock based compensation expense, during the nine months ended September 30, 2019, the Corporation recognized a decrease of \$50,000 in its reserves for changes in equity of subsidiaries.

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

Following the loss of control of Dundee Energy Limited Partnership (note 4), on March 27, 2019, 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 (note 8).

As noted above, 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 (note 8). The Corporation accounted for its interest in EII as an investment at FVTPL following the loss of control. The Corporation impaired the receivable from EII and recognized a loss of \$121,000 and \$5,979,000 respectively for the three and nine months ended September 30, 2019. This amount is included in the consolidated statements of operations as "*Net income (loss) from investments*".

7. CLIENT ACCOUNTS RECEIVABLE AND CLIENT DEPOSITS AND RELATED LIABILITIES

As at	September 30, 2019			December 31, 2018		
	Client Accounts Receivable	Client Deposits and Related Liabilities		Client Accounts Receivable	Client Deposits and Related Liabilities	
Funds deposited into trust / held in escrow	\$ -	\$ -	\$ -	\$ 17,276	\$ 17,276	\$ -
	\$ -	\$ -	\$ -	\$ 17,276	\$ 17,276	\$ -

“Funds deposited into trust / held in escrow” included funds placed in escrow by an acquiror in a real estate property transaction from which applicable fees were distributed to the relevant parties associated with the real estate transaction. The funds were transferred on the sale of Dundee 360’s brokerage division in May 2019 (note 4).

8. INVESTMENTS

Cost and Fair Value of Investments

As at	September 30, 2019			December 31, 2018		
	Cost	Fair Value		Cost	Fair Value	
Publicly traded securities	\$ 303,242	\$ 195,041	\$ -	\$ 370,180	\$ 166,492	\$ -
Private investments	189,644	65,658	-	210,018	71,067	-
Debt securities	48,739	29,487	-	52,368	31,804	-
Warrants and options	-	1,447	-	-	781	-
	\$ 541,625	\$ 291,633	\$ -	\$ 632,566	\$ 270,144	\$ -

During the nine months ended September 30, 2019, the Corporation invested \$18,359,000 (nine months ended September 30, 2018 – \$35,012,000) to acquire new positions, or to increase its interest in existing positions within its portfolio.

During the same period, the Corporation generated proceeds of \$21,948,000 (nine months ended September 30, 2018 – \$74,347,000) from the sale of various public and private investments and from collection of amounts due under debt arrangements.

Net Income (Loss) from Investments

For the nine months ended	September 30, 2019			September 30, 2018		
	Interest and Dividend	Realized	Change in Unrealized	Interest and Dividend	Realized	Change in Unrealized
Publicly traded securities	\$ -	\$ (67,506)	\$ 95,483	\$ 155	\$ 5,631	\$ (28,120)
Private investments	-	(20,348)	14,969	3,209	(53,748)	22,213
Debt securities	(510)	(5,454)	1,312	2,878	(1,126)	(1,009)
Warrants and options	-	-	666	-	(20)	(631)
Loss of control of subsidiaries (note 6)	-	(849)	-	-	-	-
	\$ (510)	\$ (94,157)	\$ 112,430	\$ 6,242	\$ (49,263)	\$ (7,547)

For the three months ended	September 30, 2019			September 30, 2018		
	Interest and Dividend	Realized	Change in Unrealized	Interest and Dividend	Realized	Change in Unrealized
Publicly traded securities	\$ -	\$ (68,185)	\$ 52,525	\$ -	\$ 1,394	\$ (7,889)
Private investments	-	(27,211)	27,763	-	(54,050)	28,673
Debt securities	346	(5,454)	4,987	395	-	(9)
Warrants and options	-	-	(492)	-	-	(19)
	\$ 346	\$ (100,850)	\$ 84,783	\$ 395	\$ (52,656)	\$ 20,756

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, 2018 are included in the Corporation's net earnings or loss. During the nine months ended September 30, 2019, the Corporation recorded a gain in the fair value of its investments designated as FVTLP of \$19,122,000, which includes a net loss of fair value recognized during the third quarter of 2019 of \$16,067,000. During the three and nine months ended September 30, 2018, the Corporation recognized a loss of \$31,900,000 and \$56,810,000 respectively in the fair value of its investments designated as FVTLP.

9. EQUITY ACCOUNTED INVESTMENTS

As at	September 30, 2019		December 31, 2018	
Investment	Ownership	Carrying Value	Ownership	Carrying Value
Android Industries, LLC	20%	\$ 20,404	20%	\$ 23,048
Cambridge Medical Funding Group II, LLC	50%	-	50%	-
Cambridge Medical Capital Services LLC	50%	-	50%	-
Dundee Acquisition Ltd.	98%	243	98%	243
Dundee Sarea Acquisition I Limited Partnership (i)	50%	6,271	34%	5,582
Dundee Sarea Limited Partnership	49%	-	21%	-
Dundee Securities Europe Limited	20%	1,018	20%	687
Odyssey Resources Limited	31%	-	31%	-
Parq Equity Limited Partnership (ii)	23%	-	37%	-
Union Group International Holdings Limited	-	-	40%	14,500
		27,936		44,060
Real estate joint ventures		5,105		5,520
		\$ 33,041		\$ 49,580

- (i) During the third quarter of 2019, the Corporation obtained joint control of Dundee Sarea Acquisition I Limited Partnership due to the exit of a former partner.
- (ii) The Corporation owns a 50% interest in 0832912 B.C. Unlimited Liability Company which, in turn, previously owned a 71% interest in Parq Equity Limited Partnership. The Corporation held a 37% aggregate interest in PELP at the end of December 2018. During the second quarter of 2019, all of PELP's issued and outstanding preference units were converted to voting units, reducing the Corporation's total economic interest from 37% to 23%.

A detailed description of significant transactions that affected the carrying value of equity accounted investments as at and during the year ended December 31, 2018 is provided in note 10 to the 2018 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, 2018.

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 equals to or exceeds the share of losses not yet recognized. Accordingly, the Corporation discontinued recognizing its share of losses subsequent to June 30, 2018. At September 30, 2019, net unrecognized losses attributable to the Corporation are \$51,875,000.

Union Group International Holdings Limited ("Union Group")

The Corporation completed the sale of all of its interest in Union Group for proceeds of \$14,500,000 during January 2019. The carrying value of Union Group at December 31, 2018 reflected the sale proceeds received in January 2019 as the Corporation was not able to ascertain information regarding the carrying value of Union Group's assets and liabilities and

information regarding Union Group's operating results. In addition, the Corporation transferred a \$1,828,000 foreign exchange currency loss, net of income taxes of \$484,000, previously recorded as other comprehensive loss to net loss during the nine months ended September 30, 2019.

Share of (Loss) Earnings from Equity Accounted Investments

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Android Industries, LLC	\$ 2,147	\$ (600)	\$ (1,597)	\$ (1,514)
Dundee Acquisition Ltd.	-	-	-	624
Dundee Sarea Acquisition I Limited Partnership	(44)	(10,251)	453	(9,866)
Dundee Sarea Limited Partnership	-	101	-	(91)
Dundee Securities Europe Limited	383	(75)	331	(75)
Parq Equity Limited Partnership	-	-	-	(52,592)
Union Group International Holdings Limited	-	2,959	-	6,914
	2,486	(7,866)	(813)	(56,600)
Real estate joint ventures	(265)	871	(254)	764
	\$ 2,221	\$ (6,995)	\$ (1,067)	\$ (55,836)

10. RESOURCE ASSETS

	Machinery and Equipment	Royalty Interest	Other	Total
At December 31, 2017				
Carrying value	\$ 286	\$ 143,060	\$ 361	\$ 143,707
Accumulated depreciation and depletion	-	-	-	-
Net carrying value, December 31, 2017	286	143,060	361	143,707
For the nine months ended September 30, 2018				
Net carrying value, December 31, 2017	286	143,060	361	143,707
Net additions *	-	4,580	-	4,580
Remeasurement of financial instruments **	-	10,331	-	10,331
Net carrying value, September 30, 2018	286	157,971	361	158,618
At September 30, 2018				
Carrying value	286	157,971	361	158,618
Accumulated depreciation and depletion	-	-	-	-
Net carrying value, September 30, 2018	286	157,971	361	158,618
From October 1, 2018 to December 31, 2018				
Net carrying value, September 30, 2018	286	157,971	361	158,618
Net additions *	-	8,499	-	8,499
Depreciation	(286)	-	-	(286)
Remeasurement of financial instruments **	-	(27,496)	-	(27,496)
Net carrying value, December 31, 2018	-	138,974	361	139,335
At December 31, 2018				
Carrying value	-	138,974	361	139,335
Accumulated depreciation and depletion	-	-	-	-
Net carrying value, December 31, 2018	-	138,974	361	139,335
For the nine months ended September 30, 2019				
Net carrying value, December 31, 2018	-	138,974	361	139,335
Net additions *	-	(4,131)	-	(4,131)
Remeasurement of financial instruments **	-	9,666	-	9,666
Net carrying value, September 30, 2019	-	144,509	361	144,870
At September 30, 2019				
Carrying value	-	144,509	361	144,870
Accumulated depreciation and depletion	-	-	-	-
Net carrying value, September 30, 2019	\$ -	\$ 144,509	\$ 361	\$ 144,870

* 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.

** During the three and nine months ended September 30, 2019, the Corporation also recorded a gain of \$1,228,000 and \$3,572,000 respectively (three and nine months ended September 30, 2018 – \$91,000 and \$2,107,000 respectively) in respect of changes in the fair value of the contingent consideration associated with its royalty interest which is included in the consolidated statements of operations as “Remeasurement of financial instruments”. The contingent consideration amount is included in these consolidated statements of financial position as “Accounts receivable”.

In addition, during the second quarter ended June 30, 2019, the Corporation wrote off the production sharing contract extension fee holdback associated with its royalty interest which was previously setup as “Accounts receivable” in the consolidated statements of financial position, resulting in a loss of \$2,675,000 recorded as “Remeasurement of financial instruments” in the consolidated statements of operations.

11. LIVESTOCK

	For the nine months ended September 30, 2019			For the year ended December 31, 2018		
	Inventory	Biological Assets	Total	Inventory	Biological Assets	Total
Balance, beginning of period	\$ 3,464	\$ 25,854	\$ 29,318	\$ 2,710	\$ 33,595	\$ 36,305
Asset dispositions	-	-	-	-	(866)	(866)
Net additions (usage / harvested)	2,250	(5,995)	(3,745)	754	(11,098)	(10,344)
Fair value changes *	-	2,094	2,094	-	4,223	4,223
Balance, end of period	\$ 5,714	\$ 21,953	\$ 27,667	\$ 3,464	\$ 25,854	\$ 29,318

* Fair value changes for the nine months ended September 30, 2018 was a gain of \$1,323,000.

12. CAPITAL AND OTHER ASSETS

Capital and Other Assets in Continuing Operations

	<i>Capital Assets</i>				<i>Intangible Assets</i>			Lease Assets	Total
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Other	Trademarks	Other Intangible Assets			
At December 31, 2017									
Cost	\$ 2,705	\$ 5,769	\$ 77,805	\$ 45,928	\$ 16,624	\$ 47,223	\$ -	\$ 196,054	
Accumulated depreciation and amortization	(2,169)	(5,439)	(15,075)	(19,962)	(10,671)	(15,654)	-	(68,970)	
Net carrying value, December 31, 2017	536	330	62,730	25,966	5,953	31,569	-	127,084	
For the nine months ended September 30, 2018									
Carrying value December 31, 2017	536	330	62,730	25,966	5,953	31,569	-	127,084	
Asset dispositions	-	-	(76)	(856)	-	-	-	(932)	
Asset additions	176	-	180	1,434	85	-	-	1,875	
Asset disposals	(179)	(52)	-	(1,576)	-	(299)	-	(2,106)	
Depreciation and amortization									
Impairment	-	-	(5,171)	-	-	(2,240)	-	(7,411)	
Other	(205)	(160)	(613)	(2,948)	(737)	(1,195)	-	(5,858)	
Net carrying value, September 30, 2018	328	118	57,050	22,020	5,301	27,835	-	112,652	
At September 30, 2018									
Cost	2,271	4,952	77,838	41,207	16,709	46,924	-	189,901	
Accumulated depreciation and amortization	(1,943)	(4,834)	(20,788)	(19,187)	(11,408)	(19,089)	-	(77,249)	
Net carrying value, September 30, 2018	328	118	57,050	22,020	5,301	27,835	-	112,652	
From October 1, 2018 to December 31, 2018									
Carrying value September 30, 2018	328	118	57,050	22,020	5,301	27,835	-	112,652	
Asset additions	28	8	86	414	-	164	-	700	
Asset disposals	-	(13)	(62)	(3,811)	-	(1,561)	-	(5,447)	
Depreciation and amortization									
Impairment	-	-	-	-	(4,000)	(7,956)	-	(11,956)	
Other	(71)	(96)	(219)	(1,021)	(246)	(917)	-	(2,570)	
Net carrying value, December 31, 2018	285	17	56,855	17,602	1,055	17,565	-	93,379	
At December 31, 2018									
Cost	1,656	819	77,863	30,323	16,709	41,304	-	168,674	
Accumulated depreciation and amortization	(1,371)	(802)	(21,008)	(12,721)	(15,654)	(23,739)	-	(75,295)	
Net carrying value, December 31, 2018	285	17	56,855	17,602	1,055	17,565	-	93,379	
For the nine months ended September 30, 2019									
Carrying value December 31, 2018	285	17	56,855	17,602	1,055	17,565	-	93,379	
IFRS 16 transition adjustment	-	-	-	-	-	-	15,965	15,965	
Transferred to discontinued operations	(158)	-	(744)	-	-	(4,288)	(4,649)	(9,839)	
Asset additions	-	-	81	1,859	-	-	-	1,940	
Asset disposals	(5)	-	(2,365)	(227)	-	-	(2,132)	(4,729)	
Depreciation and amortization									
Impairment	-	-	(8,000)	(2,000)	-	-	-	(10,000)	
Other	(54)	(14)	(846)	(1,988)	(71)	(392)	(1,964)	(5,329)	
Net carrying value, September 30, 2019	68	3	44,981	15,246	984	12,885	7,220	81,387	
At September 30, 2019									
Cost	628	566	61,670	31,282	16,709	22,854	9,184	142,893	
Accumulated depreciation and amortization	(560)	(563)	(16,689)	(16,036)	(15,725)	(9,969)	(1,964)	(61,506)	
Net carrying value, September 30, 2019	\$ 68	\$ 3	\$ 44,981	\$ 15,246	\$ 984	\$ 12,885	\$ 7,220	\$ 81,387	

During the nine months ended September 30, 2019, Blue Goose reassessed the value of its properties and recognized an impairment charge of \$8,000,000 (nine months ended September 30, 2018 – \$3,000,000) against certain properties, reducing its carrying value to its estimated realizable amount. In addition, Blue Goose recognized an impairment charge of \$2,000,000 against certain capital assets during the nine months ended September 30, 2019, reducing its carrying value to its estimated realizable amount and \$2,240,000 against certain intangible assets during the nine months ended September 30, 2018, reducing its carrying value to \$nil.

Included as “Land and buildings” are certain real estate assets, including land previously owned by Dundee 360 through its 86%-owned subsidiary, Clearpoint Resort Limited (Malta). As a result of the initiation of the sale of its subsidiary, during

the nine months ended September 30, 2018, Dundee 360 recognized an impairment of \$2,171,000 against the carrying value of land, reducing the residual value of these assets to the estimated sale proceeds. Dundee 360 completed the sale of the underlying land assets for proceeds of \$2,190,000 during the second quarter of 2019.

Capital and Other Assets in Discontinued Operations

	<i>Capital Assets</i>				<i>Intangible Assets</i>			Total
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Other	Trademarks	Other Intangible Assets	Lease Assets	
As at December 31, 2018								
Cost	\$ 959	\$ -	\$ 1,507	\$ -	\$ -	\$ 16,630	\$ -	\$ 19,096
Accumulated depreciation and amortization	(801)	-	(763)	-	-	(12,342)	-	(13,906)
Net carrying value, December 31, 2018	158	-	744	-	-	4,288	-	5,190
For the nine months ended September 30, 2019								
Carrying value December 31, 2018	158	-	744	-	-	4,288	-	5,190
IFRS 16 transition adjustment	-	-	-	-	-	-	4,649	4,649
Business disposition (note 4)	(134)	-	(874)	-	-	(4,243)	(6,586)	(11,837)
Asset additions	31	-	201	-	-	-	2,386	2,618
Depreciation and amortization	(55)	-	(71)	-	-	(45)	(449)	(620)
Net carrying value, September 30, 2019	-	-	-	-	-	-	-	-
At September 30, 2019								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation and amortization	-	-	-	-	-	-	-	-
Net carrying value, September 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

13. CORPORATE DEBT

As at	September 30, 2019	December 31, 2018
Corporate revolving term credit facility	\$ -	\$ -
Subsidiaries		
Loan facilities, Blue Goose Capital Corp.	51,936	53,567
Loan facilities, Dundee 360 Real Estate Corporation	11	51
	\$ 51,947	\$ 53,618

Corporate 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. On June 30, 2019, the maturity date was further extended to February 17, 2020.

At September 30, 2019, the Corporation had issued letters of credit in the amount of €2,400,000 (\$3,465,000 Canadian dollars) under the terms of the above-mentioned revolving term credit facility to support certain of its equity accounted investments.

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 \$51,936,000 at September 30, 2019. Other than as described below, since December 31, 2018, 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 2018 Audited Consolidated Financial Statements.

Dundee Agriculture Corporation, a wholly-owned subsidiary of the Corporation, provided a limited guarantee of \$10,000,000 on a loan entered into on September 23, 2016 with Farm Credit Canada. The amount owing under this arrangement at September 30, 2019 was \$9,044,000 (December 31, 2018 – \$9,304,000).

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 4.00% cash and 4.00% payment in kind, then 10% per year for the following 36 months, payable as 6.00% in cash and 4.00% 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 September 30, 2019, the present value of the convertible debentures net of the debt arrangement is \$11,778,000 (December 31, 2018 – \$11,513,000).

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 nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Dundee Corporation	\$ 44	\$ 8	\$ 112	\$ 212
Dundee Energy Limited Partnership	-	1,072	-	3,083
Blue Goose Capital Corp.	849	847	2,541	2,482
	893	1,927	2,653	5,777
Less: Interest expense from discontinued operations				
Dundee Energy Limited Partnership	-	(1,072)	-	(3,083)
Interest expense from continuing operations	\$ 893	\$ 855	\$ 2,653	\$ 2,694

14. LEASE LIABILITIES

Lease liabilities encompass leases on premises and equipment which have remaining lease terms between one and 13 years, discounted at a weighted average interest rate of 5.53%.

	Continuing Operations	Discontinued Operations
Balance as at December 31, 2018	\$ -	\$ -
IFRS 16 transition adjustment	18,690	4,649
Additions	-	2,386
Dispositions	(2,036)	-
Interest expense	653	89
Lease payments	(3,736)	(489)
Other	(378)	-
Business disposition (note 4)	-	(6,635)
Balance as at September 30, 2019	\$ 13,193	\$ -

The following table summarizes the undiscounted lease payment obligations as at September 30, 2019:

	Continuing Operations	Discontinued Operations
Remaining 2019	\$ 1,100	\$ -
During 2020 to 2021	7,683	-
During 2022 to 2023	2,962	-
Thereafter	3,740	-
	\$ 15,485	\$ -

During the three and nine months ended September 30, 2019, the Corporation recognized an interest expense charge relating to the lease liabilities of \$190,000 and \$653,000 respectively from continuing operations and \$nil and \$89,000 respectively from discontinued operations. The Corporation did not recognize any interest expense from either continuing and discontinued operations during the three and nine months ended September 30, 2018.

15. PREFERENCE SHARES

The terms of the Corporation's First Preference Shares, Series 2 ("Preference Shares, series 2"), First Preference Shares, Series 3 ("Preference Shares, series 3") and First Preference Shares, Series 5 ("Preference Shares, series 5"), and significant transactions in respect thereof during the year ended December 31, 2018, are summarized in note 16 to the Corporation's 2018 Audited Consolidated Financial Statements.

Conversion of Preference Shares, series 2 and Preference Shares, series 3

In accordance with the terms of the Corporation's Preference Shares, series 2 and Preference Shares, series 3, on August 16, 2019, the Corporation announced that it did not intend to exercise its right to redeem the Preference Shares, series 2 and the Preference Shares, series 3 on September 30, 2019. As a result, holders of the Preference Shares, series 2 and Preference Shares, series 3 had the right, at their option, to convert all or part of their shares on a one-for-one basis into Preference Shares, series 3 and Preference Shares, series 2 respectively. On September 30, 2019, 651,862 Preference Shares, series 2, with a face value of \$16,297,000, were converted to Preference Shares, series 3, and 349,755 Preference Shares, series 3, with a face value of \$8,744,000, were converted to Preference Shares, series 2.

Shareholders who did not exercise their right to convert retained their Preference Shares, series 2, subject to the 5.284% dividend rate for the 5-year period commencing on September 30, 2019 to, but excluding September 30, 2024. Previously, and for the 5-year period ended September 30, 2019, the Preference Shares, series 2 paid an annual dividend of 5.688%. During the three and nine months ended September 30, 2019, the Corporation paid dividends of \$1,237,000 and \$3,711,000 respectively on its outstanding Preference Shares, series 2 (three and nine months ended September 30, 2018 – \$1,237,000 and \$3,711,000 respectively).

Holders of Preference Shares, series 3 are entitled to receive a quarterly floating rate, cumulative preferential cash dividends based on the applicable three-month Government of Canada T-Bill rate plus 4.10%. During the three and nine months ended September 30, 2019, the Corporation paid dividends of \$627,000 and \$1,863,000 respectively (three and nine months ended September 30, 2018 – \$586,000 and \$1,678,000 respectively) on its outstanding Preference Shares, series 3, representing a coupon rate ranging from 5.78% to 5.81% respectively (three and nine months ended September 30, 2018 – ranging from 4.97% to 5.40% respectively).

Normal Course Issuer Bid 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 bid 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 Preference Shares, series 2 and 172,061 Preference Shares, series 3, representing approximately 10% of its public float at the time approval for the normal course issuer bid was granted.

During the nine months ended September 30, 2019, the Corporation purchased 61,000 Preference Shares, Series 2, having an aggregate stated capital value of \$1,525,000, for cancellation pursuant to these arrangements. The Corporation paid \$891,000 to retire these shares. The excess of the value of stated capital over the purchase price, which totalled \$583,000, was recorded as an increase in retained earnings.

During the nine months ended September 30, 2019, the Corporation purchased 3,800 Preference Shares, Series 3, having an aggregate stated capital value of \$95,000, for cancellation pursuant to these arrangements. The Corporation paid \$56,000 to retire these shares. The excess of the value of stated capital over the purchase price, which totalled \$39,000, was recorded as an increase in retained earnings.

Issued and Outstanding Preference Shares, series 2

	Number of Shares	Par Value	Issue Costs	Carrying Value
Balance as at September 30, 2018 and December 31, 2018	3,479,385	\$ 86,985	\$ (2,932)	\$ 84,053
Transactions during the nine months ended September 30, 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 September 30, 2019	3,116,278	\$ 77,907	\$ (2,881)	\$ 75,026

Issued and Outstanding Preference Shares, series 3

	Number of Shares	Par Value	Carrying Value
Balance as at September 30, 2018 and December 31, 2018	1,720,615	\$ 43,015	\$ 43,015
Transactions during the nine months ended September 30, 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 September 30, 2019	2,018,922	\$ 50,473	\$ 50,473

Conversion from Preference Shares, series 5 into Subordinate Shares

In accordance with the terms of the Corporation's Preference Shares, series 5, the Corporation had the option to convert the Preference Shares, 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 Preference Shares, series 5, together with all accrued and unpaid dividends up to but excluding the date of conversion, into 41,977,510 Subordinate Shares. The Preference Shares, series 5 were converted on the basis of one Preference Share, 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 Preference Shares, 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 Preference Shares, series 5 met the definition of an embedded derivative and was bifurcated and recognized as "*Derivative financial instrument*" in these consolidated financial statements. The fair value ascribed to the redemption option feature prior to the conversion of Preference Shares, series 5 was \$39,039,000 (December 31, 2018 – \$29,951,000). Accordingly, the Corporation recognized a gain of \$9,088,000 in these consolidated financial statements as "*Remeasurement of financial instruments*".

In accordance with the terms of the Corporation's Preference Shares, series 5, holders thereof had the option to redeem up to 17% of their holdings on January 31, 2018 at a price of \$25.00 per share. During the first nine months of 2018, the Corporation paid cash of \$7,582,000 to redeem 303,265 Preference Shares, series 5 pursuant to these arrangements.

The Preference Shares, series 5 carried an annual coupon rate of 7.5%. During the three and nine months ended September 30, 2019, the Corporation paid dividends of \$nil and \$2,303,000 respectively (three and nine months ended September 30, 2018 – \$1,544,000 and \$4,682,000 respectively) on its outstanding Preference Shares, series 5. These amounts have been included as "Interest expense" in the September 2019 Interim Consolidated Financial Statements.

Issued and Outstanding Preference Shares, series 5

	Number of Shares	Par Value	Carrying Value
Balance as at December 31, 2017	3,598,203	\$ 89,955	\$ 91,211
For the nine months ended September 30, 2018			
Redemption	(303,265)	(7,582)	(7,582)
Amortization of premium	-	-	(1,040)
Balance as at September 30, 2018	3,294,938	82,373	82,589
From October 1, 2018 to December 31, 2018			
Amortization of premium	-	-	(355)
Balance as at December 31, 2018	3,294,938	82,373	82,234
For the nine months ended September 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 September 30, 2019	-	\$ -	\$ -

16. 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, 2018, are summarized in note 17 to the Corporation's 2018 Audited Consolidated Financial Statements.

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2017	55,701,603	\$ 274,565	3,114,804	\$ 8,154	58,816,407	\$ 282,719
For the nine months ended September 30, 2018						
Issuance of shares under share incentive arrangements	2,283,533	4,096	-	-	2,283,533	4,096
Outstanding September 30, 2018 and December 31, 2018	57,985,136	278,661	3,114,804	8,154	61,099,940	286,815
For the nine months ended September 30, 2019						
Warrants exercised	316	2	-	-	316	2
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 September 30, 2019	99,977,739	\$ 322,805	3,114,776	\$ 8,154	103,092,515	\$ 330,959

Subordinate Share Warrants

On February 12, 2016, and in connection with the reorganization of the Corporation's Preference Shares, series 4, the Corporation issued 1,421,374 subordinate share warrants with a fair value on the date of issue of \$1,516,000. Each subordinate share warrant entitled the holder thereof to purchase one Subordinate Share of the Corporation at a price of \$6.00 per Subordinate Share on or before July 2, 2019, after which time the subordinate share warrant expired.

During the nine months ended September 30, 2019, holders of the Corporation's subordinate share warrants exercised 316 warrants for \$1,896. There were no subordinate share warrants outstanding on September 30, 2019 (December 31, 2018 – 1,421,124).

Accumulated Other Comprehensive Income

	Equity Accounted Investments	Foreign Currency Translation	Non- controlling Interest	Total
Balance at December 31, 2017	\$ (5,471)	\$ 6,830	\$ 1,449	\$ 2,808
For the nine months ended September 30, 2018				
Other comprehensive income (loss)	(681)	5,912	(1,086)	4,145
Balance at September 30, 2018	(6,152)	12,742	363	6,953
From October 1, 2018 to December 31, 2018				
Other comprehensive income	1,481	11,380	(2,051)	10,810
Balance at December 31, 2018	(4,671)	24,122	(1,688)	17,763
For the nine months ended September 30, 2019				
Other comprehensive income (loss)	4,552	(5,980)	(955)	(2,383)
Transfer of realized foreign currency translation loss related to equity accounted investment, net of taxes, to net loss	1,344	-	-	1,344
Balance at September 30, 2019	\$ 1,225	\$ 18,142	\$ (2,643)	\$ 16,724

17. NON-CONTROLLING INTEREST

As at	September 30, 2019	December 31, 2018
Blue Goose Capital Corp.	\$ (1,917)	\$ (95)
Dundee 360 Real Estate Corporation	(65)	100
Dundee Energy Limited	-	(3,325)
Dundee Sustainable Technologies Inc.	(7,699)	(6,251)
Eurogas International Inc.	-	(3,021)
United Hydrocarbon International Corp.	34,086	33,309
Total	\$ 24,405	\$ 20,717

18. REVENUES

Revenues from Continuing Operations

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Management fees	\$ 346	\$ 269	\$ 905	\$ 1,314
Financial services	60	1,191	588	2,578
Resource services	456	298	1,005	1,397
Agriculture	5,563	7,685	15,275	27,582
Real estate	197	104	701	1,074
Interest and other *	1,318	2,254	2,943	4,598
	\$ 7,940	\$ 11,801	\$ 21,417	\$ 38,543

* Interest and other revenue for the three and nine months ended September 30, 2019 includes \$69,000 and \$225,000 respectively (three and nine months ended September 30, 2018 – \$nil) interest income from subleases.

Revenues from Discontinued Operations

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Oil and gas, net of royalties	\$ -	\$ 6,076	\$ -	\$ 17,210
Real estate	-	30,376	31,778	75,159
Interest and other	-	109	-	179
	\$ -	\$ 36,561	\$ 31,778	\$ 92,548

19. SHARE INCENTIVE PLAN ARRANGEMENTS

The terms of the Corporation's share based compensation plans are summarized in note 20 to the Corporation's 2018 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. Shares purchased in the open market or issued from treasury are considered outstanding for purposes of computing the Corporation's basic and diluted earnings per share.

Compensation expense associated with the share purchase plan during the three and nine months ended September 30, 2019 was \$102,000. During the nine months ended September 30, 2019, all transactions pursuant to the Corporation's share purchase plan were completed in the open market. There was no share purchase plan established during 2018.

Share Option Plan

Under the terms of the Corporation's share option plan, the Corporation may issue options to eligible participants to purchase Subordinate Shares from treasury. The exercise price per option may not be less than the closing price of the Subordinate Shares as quoted on the TSX or such other stock exchange, as applicable, on the last trading day immediately preceding the day the options are granted. Outstanding options become exercisable as to one-third of the Subordinate Shares on the first three anniversary dates following the date of grant and expire seven years thereafter.

On August 19, 2019, the Corporation granted 4,000,000 options with a fair value of \$0.62 for an aggregate cost of \$2,467,000. There were no options granted in fiscal 2018. The fair value of the options granted during the nine months ended September 30, 2019 was estimated at the grant date using an option pricing model with the following assumptions:

Risk-free interest rate	1.16%
Volatility factor	55.94%
Expected dividend yield	-
Expected life of the options	7 years

A summary of the status of the Corporation's share option plan as at September 30, 2019 and December 31, 2018, and the changes during the periods then ended, is as follows:

	Nine months ended September 30, 2019		Year ended December 31, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	-	\$ -	-	\$ -
Granted	4,000,000	1.10	-	-
Outstanding, end of period	4,000,000	\$ 1.10	-	\$ -
Exercisable options	-	\$ -	-	\$ -

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	
		Options	Options Exercisable
Options issued with an exercise price of \$1.10	4,000,000	6.89	-

Share Bonus Plan

During the nine months ended September 30, 2019, the Corporation paid cash of \$45,000 and issued 14,749 Subordinate Shares from treasury in settlement of vested share bonus awards. The Corporation awarded a further 148,466 share bonus awards during the nine months ended September 30, 2019. Aggregate share bonus awards granted but not yet vested at September 30, 2019, pursuant to the Corporation's share bonus plan, were 331,936.

Performance Share Unit Plan

There were 682,500 performance share units outstanding as at September 30, 2019.

Deferred Share Unit Plan

During the nine months ended September 30, 2019, the Corporation issued 155,956 deferred share units to certain directors of the Corporation in partial payment for their services. In addition, the Corporation paid cash of \$2,000 in net settlement of 1,988 deferred share units. At September 30, 2019, there were 1,149,077 deferred share units outstanding that track the value of the Corporation's Subordinate Shares. Following the cash payment of \$31,000 to settle 3,611 deferred share units during the nine months ended September 30, 2019, there were 482,659 deferred share units outstanding that track the value of class A subordinate voting shares of Dream Unlimited Corp.

Stock Based Compensation

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Share option plan	\$ 179	\$ -	\$ 179	\$ -
Deferred share unit plan	118	73	279	215
Share bonus plan	74	80	250	(6)
Performance share unit plan	149	219	441	483
Dream Unlimited Corp. tracking share incentive arrangements:				
Deferred share units	1,124	(687)	1,328	1,709
	\$ 1,644	\$ (315)	\$ 2,477	\$ 2,401

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 nine months ended September 30, 2019, these subsidiaries recognized a stock based compensation recovery amount of \$nil and \$91,000 respectively (three and nine months ended September 30, 2018 – expense of \$2,000 and \$619,000 respectively).

20. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

General and Administrative Expenses in Continuing Operations

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Salary and salary-related	\$ 4,525	\$ 4,753	\$ 13,293	\$ 21,104
Stock based compensation	1,644	(313)	2,386	3,020
Corporate and professional fees	1,813	2,039	7,136	5,318
General office	1,470	3,415	4,182	11,427
Other	146	1,140	925	2,293
	\$ 9,598	\$ 11,034	\$ 27,922	\$ 43,162

General and Administrative Expenses in Discontinued Operations

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Salary and salary-related	\$ -	\$ 1,746	\$ 1,936	\$ 5,116
Corporate and professional fees	-	1,495	584	3,494
General office	-	1,704	2,115	5,494
Other	-	1,202	1,890	2,954
	\$ -	\$ 6,147	\$ 6,525	\$ 17,058

21. INCOME TAXES

During the nine months ended September 30, 2019, the Corporation recognized an income tax expense amount on its loss from continuing operations of \$11,953,000 (nine months ended September 30, 2018 – \$460,000), the major components of which include the following items:

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Current income tax expense	\$ (297)	\$ (1,921)	\$ (3,176)	\$ (6,620)
Deferred income tax (expense) recovery	(274)	(780)	(8,777)	6,160
Total income tax expense	\$ (571)	\$ (2,701)	\$ (11,953)	\$ (460)

In addition, the Corporation recognized an income tax recovery in respect of discontinued operations of \$226,000 during the nine months ended September 30, 2019 (nine months ended September 30, 2018 – \$223,000).

The income tax expense amount on pre-tax loss from continuing operations differs from the income tax recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.5% (nine months ended September 30, 2018 – 26.5%), as a result of the following items:

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Loss before tax at statutory rate of 26.5% (2018 – 26.5%)	\$ 7,724	\$ 13,489	\$ 2,665	\$ 40,509
Effect on taxes of:				
Non-deductible expenses	(1,641)	(540)	(3,466)	(2,253)
Non-taxable revenue	210	97	2,677	161
Change in unrecognized temporary differences	(7,081)	(14,695)	(13,721)	(37,582)
Net income tax not previously recognized	559	(723)	(69)	(731)
Other differences	(342)	(329)	(39)	(564)
Total income tax expense	\$ (571)	\$ (2,701)	\$ (11,953)	\$ (460)

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

As at	September 30, 2019	December 31, 2018
Deferred income tax assets		
Loss carry forwards	\$ 45,083	\$ 61,177
Capital and other assets	421	1,423
Reserves and accrued liabilities	1,468	1,569
Other	5,529	3,285
Total deferred income tax assets	52,501	67,454
Deferred income tax liabilities		
Investments including equity accounted investments	(25,753)	(31,276)
Other	(9,265)	(9,647)
Total deferred income tax liabilities	(35,018)	(40,923)
Net deferred income tax assets	\$ 17,483	\$ 26,531

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 September 30, 2019, the Corporation had operating loss carry forwards of \$543,675,000 (December 31, 2018 – \$528,816,000) and capital loss carry forwards of \$259,348,000 (December 31, 2018 – \$237,264,000).

Operating and capital loss carry forwards by year of expiry are summarized below:

Year of Expiry:	Recognized	Unrecognized	Total
2024 and subsequent years	\$ 169,377	\$ 349,103	\$ 518,480
Non-Canadian	-	25,195	25,195
Total operating loss carry forwards	\$ 169,377	\$ 374,298	\$ 543,675
No expiry - Capital loss carry forwards	\$ 491	\$ 258,857	\$ 259,348

22. NET LOSS PER SHARE

	For the three months ended		For the nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net loss attributable to owners of the parent	\$ (28,592)	\$ (54,300)	\$ (21,621)	\$ (156,019)
Less: Dividends on Preference Shares, series 2	(1,237)	(1,237)	(3,711)	(3,711)
Dividends on Preference Shares, series 3	(627)	(586)	(1,863)	(1,678)
	\$ (30,456)	\$ (56,123)	\$ (27,195)	\$ (161,408)
Represented by:				
Continuing operations	\$ (30,456)	\$ (55,058)	\$ (25,864)	\$ (157,447)
Discontinued operations	-	(1,065)	(1,331)	(3,961)
Weighted average number of shares outstanding during the period	103,107,261	61,054,776	82,487,472	59,613,990
Basic and diluted loss per share				
Continuing operations	\$ (0.30)	\$ (0.90)	\$ (0.31)	\$ (2.64)
Discontinued operations	-	(0.02)	(0.02)	(0.07)
	\$ (0.30)	\$ (0.92)	\$ (0.33)	\$ (2.71)

23. SUPPLEMENTAL CASH FLOW INFORMATION

Items Not Affecting Cash and Other Adjustments

For the nine months ended	September 30, 2019	September 30, 2018
Depreciation and depletion	\$ 15,780	\$ 11,195
Net (income) loss from investments	(19,122)	56,810
Share of loss from equity accounted investments	1,067	55,836
Deferred income taxes	8,777	(6,160)
Stock based compensation	2,386	3,020
Gain on asset disposition (note 5)	-	(674)
Harvesting of livestock	10,709	15,926
Fair value changes in		
Livestock	(2,094)	(1,323)
Royalty interest (note 10)	(9,666)	(10,331)
Embedded derivative (note 15)	(9,088)	-
Contingent consideration	(897)	(2,107)
Other	3,220	(3,754)
	\$ 1,072	\$ 118,438

Changes in Non-Cash Working Capital Items

For the nine months ended	September 30, 2019	September 30, 2018
Accounts receivable	\$ 5,889	\$ 2,284
Accounts payable and accrued liabilities	102	(6,036)
Current income tax amounts	(3,345)	2,637
Brokerage securities owned and sold short, net	-	8,710
Client accounts receivable, net of client deposits and related liabilities	-	(825)
Agricultural inventory	(1,333)	(2,667)
	\$ 1,313	\$ 4,103

24. 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 hierarchal levels, according to the significance of the inputs used in determining fair value measurements.

	Carrying Value as at September 30, 2019	Fair Value as at September 30, 2019		
		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	\$ 195,041	\$ 195,041	\$ -	\$ -
Private investments	65,658	-	-	65,658
Debt securities	29,487	-	-	29,487
Warrants and options	1,447	3	-	1,444
Accounts receivable				
Contingent consideration	33,067	-	-	33,067
Resource assets				
Royalty interest	144,509	-	-	144,509
Livestock				
	21,953	-	21,953	-

A summary of changes in the fair value of level 3 financial assets during the nine months ended September 30, 2019, is as follows:

	Private Investments	Debt Securities	Warrants and Options	Equity Accounted Investments	Derivative Financial Instrument	Royalty Interest	Contingent Consideration	Total
At December 31, 2018	\$ 71,067	\$ 31,804	\$ 780	\$ 14,500	\$ 29,951	\$ 138,974	\$ 30,397	\$ 317,473
For the nine months ended September 30, 2019								
New investments	10,132	12,736	-	-	-	-	-	22,868
Proceeds from sales of investments	(9,708)	(16,813)	-	(14,500)	-	-	-	(41,021)
Transfer to level 1	(454)	-	-	-	-	-	-	(454)
Changes in market values	(5,379)	(4,142)	664	-	9,088	9,666	3,572	13,469
Conversion of Preference Shares, series 5 into Subordinate Shares	-	-	-	-	(39,039)	-	-	(39,039)
Other transactions	-	5,902	-	-	-	(4,131)	(902)	869
At September 30, 2019	\$ 65,658	\$ 29,487	\$ 1,444	\$ -	\$ -	\$ 144,509	\$ 33,067	\$ 274,165

Reasonably possible changes in the value of unobservable inputs for any of these individual investments would not significantly change the fair value of investments classified as level 3 in the fair value hierarchy. Other than as described above, there have been no other transfers between the fair value hierarchy levels during the nine months ended September 30, 2019.

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 2018 Audited Consolidated Financial Statements. There have been no significant changes in the business and economic circumstances and the related financial risks that affect the Corporation's valuation of financial assets and financial liabilities since December 31, 2018.

25. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as the aggregate of its shareholders' equity and interest bearing debt, including certain outstanding preference shares. The following table summarizes the carrying value of the Corporation's capital as at September 30, 2019 and December 31, 2018.

As at	September 30, 2019	December 31, 2018
Shareholders' equity	\$ 562,990	\$ 546,754
Corporate debt	51,947	53,618
Preference Shares, series 5	-	82,234
	\$ 614,937	\$ 682,606

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 September 30, 2019 and December 31, 2018, 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.

26. 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 2018 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, the Corporation has received a notice of re-assessment for \$12 million. In order to stop interest from accruing, the Corporation remitted the full amount to the CRA in October 2019.

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 million will be recorded as a deposit and included in the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2019 as "Accounts receivable". 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 2015-2018 taxation years.

27. 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 2018 Audited Consolidated Financial Statements.

28. 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 Securities Ltd. (note 5)	Previous 100%-owned private subsidiary and, historically, a full-service Canadian investment dealer registered with the Investment Industry Regulatory Organization of Canada
Dundee Energy Limited (notes 6 and 8)	Previous 58%-owned public, non-listed subsidiary in the oil and gas industry
Dundee Energy Limited Partnership (Discontinued operations) (note 4)	Previous 58%-owned private subsidiary engaged in oil and gas activities in southern Ontario
United Hydrocarbon International Corp.	83%-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. (notes 6 and 8)	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 Nine Months Ended September 30, 2019

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 3,187	\$ -	\$ 3,741	\$ 6,928
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,551	-	(2,402)	(851)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	9,952	9,952
Dundee Sustainable Technologies Inc.	1,005	(894)	(2,603)	(2,492)
Dundee Energy Limited	-	-	(197)	(197)
Eurogas International Inc.	-	-	(95)	(95)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	11,963	(12,525)	(16,742)	(17,304)
AgriMarine Holdings Inc.	4,711	(4,181)	(3,624)	(3,094)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	32,673	(26,195)	(11,054)	(4,576)
<i>Intersegment</i>	(1,895)	-	1,895	-
	53,195	(43,795)	(21,129)	(11,729)
<i>Less: Discontinued operations</i>				
Dundee 360 Real Estate Corporation's brokerage division	(31,778)	26,195	7,253	1,670
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 21,417	\$ (17,600)	\$ (13,876)	(10,059)
Income taxes				(11,953)
Non-controlling interest				1,722
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (20,290)
Discontinued operations, before income taxes and non-controlling interest	\$ 31,778	\$ (26,195)	\$ (7,253)	(1,670)
Gain on business disposition				113
				(1,557)
Income taxes				226
NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (1,331)

Segmented Operations for the Nine Months Ended September 30, 2018

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 1,837	\$ -	\$ (131,939)	\$ (130,102)
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,388	-	(5,344)	(3,956)
Dundee Securities Ltd.	4,077	(1,650)	(5,966)	(3,539)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	11,780	11,780
Dundee Sustainable Technologies Inc.	1,456	(1,095)	(2,638)	(2,277)
Dundee Energy Limited Partnership	17,286	(8,623)	(14,188)	(5,525)
Dundee Energy Limited	-	-	535	535
Eurogas International Inc.	-	-	(467)	(467)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	21,611	(27,420)	(13,293)	(19,102)
AgriMarine Holdings Inc.	8,132	(8,547)	(2,926)	(3,341)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	76,905	(62,135)	(18,148)	(3,378)
<i>Intersegment</i>	(1,601)	-	1,601	-
	131,091	(109,470)	(180,993)	(159,372)
<i>Less: Discontinued operations</i>				
Dundee Energy Limited Partnership	(17,286)	8,623	14,188	5,525
Dundee 360 Real Estate Corporation's brokerage division	(75,262)	62,135	14,109	982
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 38,543	\$ (38,712)	\$ (152,696)	(152,865)
Income taxes				(460)
Non-controlling interest				1,267
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (152,058)
Discontinued operations, before income taxes and non-controlling interest	\$ 92,548	\$ (70,758)	\$ (28,297)	(6,507)
Income taxes				223
Non-controlling interest				2,323
NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (3,961)

Segmented Operations for the Three Months Ended September 30, 2019

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 1,090	\$ -	\$ (20,507)	\$ (19,417)
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	425	-	(525)	(100)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	948	948
Dundee Sustainable Technologies Inc.	456	(400)	(897)	(841)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	4,103	(1,700)	(11,825)	(9,422)
AgriMarine Holdings Inc.	2,135	(1,723)	(948)	(536)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	386	-	(166)	220
<i>Intersegment</i>	(655)	-	655	-
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 7,940	\$ (3,823)	\$ (33,265)	(29,148)
Income taxes				(571)
Non-controlling interest				1,127
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (28,592)

Segmented Operations for the Three Months Ended September 30, 2018

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 721	\$ -	\$ (46,573)	\$ (45,852)
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	277	-	(421)	(144)
Dundee Securities Ltd.	1,669	(461)	(2,186)	(978)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	5,061	5,061
Dundee Sustainable Technologies Inc.	349	(351)	(745)	(747)
Dundee Energy Limited Partnership	6,103	(3,097)	(5,032)	(2,026)
Dundee Energy Limited	-	-	(84)	(84)
Eurogas International Inc.	-	-	(138)	(138)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	6,827	(6,674)	(4,801)	(4,648)
AgriMarine Holdings Inc.	2,309	(2,673)	(1,239)	(1,603)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	30,749	(25,260)	(7,163)	(1,674)
<i>Intersegment</i>	(642)	-	642	-
	48,362	(38,516)	(62,679)	(52,833)
<i>Less: Discontinued operations</i>				
Dundee Energy Limited Partnership	(6,103)	3,097	5,032	2,026
Dundee 360 Real Estate Corporation's brokerage division	(30,458)	25,260	5,099	(99)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	\$ 11,801	\$ (10,159)	\$ (52,548)	(50,906)
Income taxes				(2,701)
Non-controlling interest				372
NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (53,235)
Discontinued operations, before income taxes and non-controlling interest	\$ 36,561	\$ (28,357)	\$ (10,131)	(1,927)
Income taxes				10
Non-controlling interest				852
NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT				\$ (1,065)

Segmented Net Assets as at September 30, 2019

	ASSETS						LIABILITIES		
	Cash	Investments	Deferred Income Taxes	Other Assets	Total	Corporate Debt	Other Liabilities	Total	
<i>Corporate and other portfolio holdings</i>	\$ 26,924	\$ 318,420	\$ 17,734	\$ 16,678	\$ 379,756	\$ -	\$ (28,832)	\$ (28,832)	
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	2,356	1,149	-	2,015	5,520	-	(452)	(452)	
<i>Resource industry</i>									
United Hydrocarbon International Corp.	4,641	-	-	190,806	195,447	-	(103)	(103)	
Dundee Sustainable Technologies Inc.	540	-	-	8,527	9,067	-	(7,808)	(7,808)	
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	386	-	-	73,586	73,972	(51,936)	(5,747)	(57,683)	
AgriMarine Holdings Inc.	21	-	-	17,598	17,619	-	(4,459)	(4,459)	
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	845	5,105	(251)	1,583	7,282	(11)	(1,920)	(1,931)	
Total	\$ 35,713	\$ 324,674	\$ 17,483	\$ 310,793	\$ 688,663	\$ (51,947)	\$ (49,321)	\$ (101,268)	

Segmented Net Assets as at December 31, 2018

	ASSETS						LIABILITIES		
	Cash	Investments	Deferred Income Taxes	Other Assets	Total	Corporate Debt	Other Liabilities	Total	
<i>Corporate and other portfolio holdings</i>	\$ 38,386	\$ 313,517	\$ 26,821	\$ 40,959	\$ 419,683	\$ -	\$ (104,440)	\$ (104,440)	
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	4,168	687	-	2,502	7,357	-	(1,393)	(1,393)	
<i>Resource industry</i>									
Dundee Energy Limited	112	-	-	-	112	-	(2,356)	(2,356)	
United Hydrocarbon International Corp.	5,006	-	-	185,929	190,935	-	(44)	(44)	
Dundee Sustainable Technologies Inc.	116	-	-	7,881	7,997	-	(6,230)	(6,230)	
Eurogas International Inc.	11	-	-	-	11	-	(949)	(949)	
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	668	-	-	85,295	85,963	(53,567)	(3,933)	(57,500)	
AgriMarine Holdings Inc.	194	-	-	16,668	16,862	-	(3,615)	(3,615)	
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	4,126	5,520	(290)	29,235	38,591	(51)	(23,462)	(23,513)	
Total	\$ 52,787	\$ 319,724	\$ 26,531	\$ 368,469	\$ 767,511	\$ (53,618)	\$ (146,422)	\$ (200,040)	