



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**AS AT AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020**

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

*(expressed in thousands of Canadian dollars)*

	<i>Note</i>	As at	
		September 30, 2020	December 31, 2019
<b>ASSETS</b>			
Cash		\$ 87,777	\$ 26,536
Accounts receivable	8	22,579	54,157
Deposit with taxation authority	25	13,840	11,979
Investments	6	244,724	306,687
Equity accounted investments	7	27,474	35,112
Resource assets	8	30,218	126,406
Livestock	9	26,303	26,601
Capital and other assets	10	73,041	79,840
Deferred income tax assets	20	4,911	12,444
<b>TOTAL ASSETS</b>		<b>\$ 530,867</b>	<b>\$ 679,762</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	2	\$ 16,009	\$ 25,549
Income taxes payable		105	3,819
Derivative financial liability	11	25,342	-
Corporate debt	2, 12	48,828	51,558
Lease liabilities	13	11,732	13,409
		102,016	94,335
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Common shares	15	330,959	330,959
Preference Shares, series 2	14	27,667	75,026
Preference Shares, series 3	14	50,423	50,473
Contributed surplus		18,818	16,751
Reserves for changes in equity of subsidiaries		(63,885)	(58,800)
Retained earnings		43,018	138,649
Accumulated other comprehensive income	15	17,986	14,021
		424,986	567,079
<b>NON-CONTROLLING INTEREST</b>	16	3,865	18,348
		428,851	585,427
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 530,867</b>	<b>\$ 679,762</b>

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

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

**Subsequent event (note 28)**

**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, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>REVENUES</b>	17	\$ 8,653	\$ 7,940	\$ 21,957	\$ 21,417
<b>OTHER ITEMS IN NET (LOSS) EARNINGS</b>					
Cost of sales		(3,536)	(3,823)	(17,984)	(17,600)
Depreciation and depletion	10	(1,405)	(11,500)	(4,251)	(15,780)
General and administrative expenses	19	(6,790)	(9,598)	(20,572)	(27,922)
Net income (loss) from investments	6	24,160	(15,721)	58,790	17,763
Share of (loss) earnings from equity accounted investments	7	(1,977)	2,221	(7,486)	(1,067)
Fair value changes in livestock	9	3,718	1,064	5,170	2,094
Remeasurement of financial instruments	8, 11, 14	62	1,122	(143,062)	19,651
Interest expense	12, 13, 14	(1,182)	(961)	(3,441)	(6,394)
Foreign exchange gain (loss)		(60)	108	178	(2,221)
<b>NET (LOSS) EARNINGS BEFORE INCOME TAXES</b>		21,643	(29,148)	(110,701)	(10,059)
Income tax expense	20	(5,156)	(571)	(10,540)	(11,953)
<b>NET (LOSS) EARNINGS FROM CONTINUING OPERATIONS</b>		16,487	(29,719)	(121,241)	(22,012)
<b>DISCONTINUED OPERATIONS</b>					
Dundee 360 Real Estate Corporation's brokerage division	4				
Operating loss, net of taxes		-	-	-	(1,444)
Gain on disposition		-	-	-	113
<b>NET LOSS FROM DISCONTINUED OPERATIONS</b>		-	-	-	(1,331)
<b>NET (LOSS) EARNINGS FOR THE PERIOD</b>		\$ 16,487	\$ (29,719)	\$ (121,241)	\$ (23,343)
<b>NET (LOSS) EARNINGS ATTRIBUTABLE TO:</b>					
Owners of the parent					
Continuing operations		\$ 15,943	\$ (28,592)	\$ (98,174)	\$ (20,290)
Discontinued operations		-	-	-	(1,331)
		15,943	(28,592)	(98,174)	(21,621)
Non-controlling interest					
Continuing operations		544	(1,127)	(23,067)	(1,722)
Discontinued operations		-	-	-	-
		544	(1,127)	(23,067)	(1,722)
		\$ 16,487	\$ (29,719)	\$ (121,241)	\$ (23,343)
<b>BASIC (LOSS) EARNINGS PER SHARE</b>					
Continuing operations	21	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.31)
Discontinued operations		-	-	-	(0.02)
		\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.33)
<b>DILUTED NET (LOSS) EARNINGS PER SHARE</b>					
Continuing operations	21	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.31)
Discontinued operations		-	-	-	(0.02)
		\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.33)

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

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

*(expressed in thousands of Canadian dollars)*

	Note	For the three months ended		For the nine months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>NET (LOSS) EARNINGS FOR THE PERIOD</b>		\$ 16,487	\$ (29,719)	\$ (121,241)	\$ (23,343)
Other comprehensive income (loss):					
<b>Items that may be reclassified to net (loss) earnings</b>					
Unrealized gain (loss) from foreign currency translation		(842)	1,582	6,436	(5,980)
Share of other comprehensive loss from equity accounted investments		(210)	(378)	(1,956)	(976)
Tax recovery associated with equity accounted investments		55	101	517	259
Transfer of realized foreign currency translation loss related to equity accounted investment, net of tax expense of \$484, to net (loss) earnings		-	-	-	1,344
Transfer of unrealized other comprehensive loss, net of tax expense of \$124, to net (loss) earnings		-	-	-	5,269
Total other comprehensive income (loss) from continuing operations		(997)	1,305	4,997	(84)
<b>COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>		\$ 15,490	\$ (28,414)	\$ (116,244)	\$ (23,427)
<b>COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:</b>					
Owners of the parent					
Continuing operations		\$ 15,104	\$ (27,636)	\$ (94,209)	\$ (21,329)
Discontinued operations		-	-	-	(1,331)
		15,104	(27,636)	(94,209)	(22,660)
Non-controlling interest					
Continuing operations		386	(778)	(22,035)	(767)
Discontinued operations		-	-	-	-
		386	(778)	(22,035)	(767)
		\$ 15,490	\$ (28,414)	\$ (116,244)	\$ (23,427)

*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	Number of Common Shares	Attributable to Owners of the Parent							Reserves for Changes in Equity of Subsidiaries	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total
			Common Shares	Preference Shares, Series 2	Preference Shares, Series 3	Contributed Surplus	Warrants							
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		
<b>For the nine months ended September 30, 2019</b>														
Net loss, continuing operations		-	-	-	-	-	-	-	(20,290)	-	(1,722)	(22,012)		
Net loss, discontinued operations		-	-	-	-	-	-	-	(1,331)	-	-	(1,331)		
Other comprehensive (loss) income, continuing operations		-	-	-	-	-	-	-	-	(1,039)	955	(84)		
Conversion from Preference Shares, series 2 to series 3	14	-	-	(16,297)	16,297	-	-	-	-	-	-	-		
Conversion from Preference Shares, series 3 to series 2	14	-	-	8,744	(8,744)	-	-	-	-	-	-	-		
Conversion from Preference Shares, series 5 to Subordinate Shares	14, 15	41,977,510	44,092	-	-	-	-	-	-	-	-	44,092		
Acquisition and cancellation of Preference Shares, series 2	14	-	-	(1,474)	-	-	-	-	583	-	-	(891)		
Acquisition and cancellation of Preference Shares, series 3	14	-	-	-	(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	15	316	2	-	-	-	-	-	-	-	-	2		
Expiry of warrants	15	-	-	-	-	1,516	(1,516)	-	-	-	-	-		
Stock based compensation	15, 18	14,749	50	-	-	1,033	-	-	-	-	-	1,083		
Changes of ownership interest in subsidiaries	5	-	-	-	-	-	-	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		
<b>From October 1, 2019 to December 31, 2019</b>														
Net earnings (loss), continuing operations		-	-	-	-	-	-	-	6,299	-	(3,695)	2,604		
Other comprehensive loss, continuing operations		-	-	-	-	-	-	-	-	(2,835)	(582)	(3,417)		
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(1,029)	-	-	(1,029)		
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(731)	-	-	(731)		
Stock based compensation		-	-	-	-	582	-	-	-	-	-	582		
Changes of ownership interest in subsidiaries		-	-	-	-	-	-	1,671	-	132	(1,780)	23		
Balance, December 31, 2019		103,092,515	330,959	75,026	50,473	16,751	-	(58,800)	138,649	14,021	18,348	585,427		
<b>For the nine months ended September 30, 2020</b>														
Net loss, continuing operations		-	-	-	-	-	-	-	(98,174)	-	(23,067)	(121,241)		
Other comprehensive income, continuing operations		-	-	-	-	-	-	-	-	3,965	1,032	4,997		
Acquisition and cancellation of Preference Shares, series 2	14	-	-	(47,359)	-	-	-	-	7,464	-	-	(39,895)		
Acquisition and cancellation of Preference Shares, series 3	14	-	-	-	(50)	-	-	-	18	-	-	(32)		
Dividends on Preference Shares, series 2		-	-	-	-	-	-	-	(2,939)	-	-	(2,939)		
Dividends on Preference Shares, series 3		-	-	-	-	-	-	-	(2,000)	-	-	(2,000)		
Stock based compensation	18	-	-	-	-	2,067	-	-	-	-	-	2,067		
Changes of ownership interest in subsidiaries	5	-	-	-	-	-	-	(5,085)	-	-	7,552	2,467		
<b>Balance, September 30, 2020</b>		<b>103,092,515</b>	<b>\$ 330,959</b>	<b>\$ 27,667</b>	<b>\$ 50,423</b>	<b>\$ 18,818</b>	<b>\$ -</b>	<b>\$ (63,885)</b>	<b>\$ 43,018</b>	<b>\$ 17,986</b>	<b>\$ 3,865</b>	<b>\$ 428,851</b>		

*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, 2020	September 30, 2019
<b>OPERATING ACTIVITIES:</b>			
Net loss for the period		\$ (121,241)	\$ (23,343)
Adjusted for:			
Net loss from discontinued operations		-	1,331
Items not affecting cash and other adjustments	22	116,702	1,446
Changes in non-cash working capital items	22	(15,448)	1,313
Cash used in operating activities – continuing operations		(19,987)	(19,253)
Cash used in operating activities – discontinued operations		-	(191)
<b>CASH USED IN OPERATING ACTIVITIES</b>		<b>(19,987)</b>	<b>(19,444)</b>
<b>INVESTING ACTIVITIES:</b>			
Net investment in livestock and other agricultural assets		(2,913)	(6,063)
Proceeds from business disposition	4	-	5,000
Cash disbursement on loss of control of subsidiaries	6	-	(45)
Acquisitions of portfolio and equity accounted investments		(28,539)	(18,584)
Proceeds from dispositions of portfolio investments		163,430	21,948
Proceeds from disposition of equity accounted investment		-	14,500
Transaction cost related to disposition of portfolio investment	6	(5,327)	-
Change in capital and other assets		4,764	1,084
Cash provided from investing activities – continuing operations		131,415	17,840
Cash used in investing activities – discontinued operations		-	(1,987)
<b>CASH PROVIDED FROM INVESTING ACTIVITIES</b>		<b>131,415</b>	<b>15,853</b>
<b>FINANCING ACTIVITIES:</b>			
Change in corporate debt		(1,634)	(1,911)
Cash payment on lease liabilities	13	(3,687)	(3,736)
Issuance of Subordinate Shares, net of issue costs	15	-	2
Acquisition of Preference Shares, series 2, net of costs	14	(39,895)	(891)
Acquisition of Preference Shares, series 3, net of costs	14	(32)	(56)
Dividends paid on Preference Shares, series 2	14	(2,939)	(3,711)
Dividends paid on Preference Shares, series 3	14	(2,000)	(1,863)
Cash used in financing activities – continuing operations		(50,187)	(12,166)
Cash used in financing activities – discontinued operations		-	(1,317)
<b>CASH USED IN FINANCING ACTIVITIES</b>		<b>(50,187)</b>	<b>(13,483)</b>
<b>NET INCREASE (DECREASE) IN CASH DURING THE PERIOD</b>		<b>61,241</b>	<b>(17,074)</b>
Cash, continuing operations, beginning of period		26,536	49,292
Cash, discontinued operations, beginning of period		-	3,495
		87,777	35,713
Less cash, discontinued operations, end of period		-	-
<b>CASH, CONTINUING OPERATIONS, END OF PERIOD</b>		<b>\$ 87,777</b>	<b>\$ 35,713</b>
Cash flows from continuing operations include the following amounts:			
Interest paid		\$ 3,119	\$ 5,822
Taxes paid		\$ 6,228	\$ 6,521
Cash flows from discontinued operations include the following amounts:			
Interest paid		\$ -	\$ 108
Taxes paid		\$ -	\$ 18

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

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

For the three and nine months ended September 30, 2020 and 2019 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, 2020 and December 31, 2019, the Corporation’s major operating subsidiaries included:

(in alphabetical order)	As at and for the nine months ended September 30, 2020		As at and for the year ended December 31, 2019	
	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
AgriMarine Holdings Inc.	100%	100%	100%	100%
Blue Goose Capital Corp.	89%	89%	89%	89%
Dundee 360 Real Estate Corporation	100%	100%	100%	100%
Dundee Sustainable Technologies Inc.	62%	82%	62%	62%
Goodman & Company, Investment Counsel Inc.	100%	100%	100%	100%
United Hydrocarbon International Corp.	84%	84%	83%	84%

**2. BASIS OF PREPARATION**

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

### Changes in Accounting Policies Implemented During the Nine Months Ended September 30, 2020

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

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

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

#### *IFRS 16, "Leases" ("IFRS 16")*

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

#### *Government Grants*

The Corporation recognizes government grants related to income when it has reasonable assurance that it will comply with the relevant conditions and the grants will be received. The Corporation recognizes these government grants as income over the period necessary to match them with related costs for which they are intended to compensate. These government grants are included in "*Interest and other revenue*" in these consolidated statements of operations.

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

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

### Reclassified 2019 Comparative Amounts

The Corporation reclassified the amount of \$5,418,000 from *Accounts payable and accrued liabilities* to *Corporate debt* in the consolidated statements of financial position to conform to the September 30, 2020 presentation. The purpose of the reclassification was to appropriately reflect the nature of the debt obligation recorded by its subsidiary, Dundee Sustainable Technologies Inc.

The effect of the reclassification of the above-mentioned financial position items in these consolidated financial statements is shown in the following table.

	As reported		Restated
	December 31, 2019	Reclassification	December 31, 2019
Accounts payable and accrued liabilities	\$ 30,967	\$ (5,418)	\$ 25,549
Corporate debt	\$ 46,140	\$ 5,418	\$ 51,558



### 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the September 2020 Interim Consolidated Financial Statements in accordance with IFRS requires the Corporation to make judgments in applying its accounting policies, estimates and assumptions about the future. These judgments, estimates and assumptions affect the reported amounts of assets, liabilities, revenues and other items in net operating earnings or loss, and the related disclosure of contingent assets and liabilities included in the Corporation's consolidated financial statements. The Corporation evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Corporation believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and other items in net operating earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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

### 4. DISCONTINUED OPERATIONS

#### Dundee 360 Real Estate Corporation's Brokerage Division

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

Operating results and cash flow of Dundee 360's brokerage division for the period up to the date of sale in May 2019 were classified as discontinued operations in these consolidated statements of operations and comprehensive (loss) income, and in these consolidated statements of cash flow, respectively.

#### *Net Loss from Discontinued Operations*

<i>For the nine months ended September 30, 2019</i>	
<b>REVENUES</b>	\$ 31,778
<b>OTHER ITEMS IN NET LOSS</b>	
Cost of sales	(26,195)
Depreciation and depletion	(620)
General and administrative expenses	(6,525)
Interest expense	(108)
<b>NET LOSS BEFORE INCOME TAXES</b>	<b>(1,670)</b>
Income tax recovery	226
<b>NET LOSS FOR THE PERIOD</b>	<b>\$ (1,444)</b>
<b>NET LOSS ATTRIBUTABLE TO:</b>	
Owners of the parent	\$ (1,444)
Non-controlling interest	-
	<b>\$ (1,444)</b>

## 5. ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

### Change of Ownership Interests in Subsidiaries

	30-Sept-20		31-Dec-19		Interest Owned as at		Effect on Reserves for Changes in Equity of Subsidiaries during the nine months ended	
	30-Sept-20	31-Dec-19	30-Sept-19	31-Dec-18	30-Sept-20	30-Sept-19	30-Sept-20	30-Sept-19
Blue Goose Capital Corp.	89%	89%	89%	89%	\$	347	\$	290
Dundee Sustainable Technologies Inc.	82%	62%	62%	62%		(5,432)		(50)
<b>Total</b>					<b>\$</b>	<b>(5,085)</b>	<b>\$</b>	<b>240</b>

#### *Blue Goose Capital Corp. (“Blue Goose”)*

During the nine months ended September 30, 2020, the Corporation received 74,793 (nine months ended September 30, 2019 – 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 \$347,000 (nine months ended September 30, 2019 – \$290,000).

#### *Dundee Sustainable Technologies Inc. (“Dundee Sustainable”)*

On August 5, 2020, the Corporation announced that its wholly-owned subsidiary, Dundee Resources Limited (“Dundee Resources”), has acquired 40,622,794 subordinate voting shares (“SV shares”) of Dundee Sustainable in consideration for the settlement of intercompany debts of \$13,406,000 between Dundee Resources and Dundee Sustainable, which were eliminated in these consolidated financial statements. The conversion price, \$0.33 per SV share of Dundee Sustainable, was based on a 20-day volume weighted average price of the SV shares of Dundee Sustainable. As a result of the share acquisition, the Corporation holds 49,526,218 SV shares and 2,500,000 multiple voting shares of Dundee Sustainable, increasing its ownership from 62% at the end of December 2019 to 82% as at September 30, 2020. Combined with other changes in Dundee Sustainable’s shareholders’ equity related to stock based compensation expense, the Corporation recognized a reduction in its reserves for changes in equity of subsidiaries of \$5,432,000 during the nine months ended September 30, 2020.

During the nine-month period ended September 30, 2019, the Corporation recognized a decrease of \$50,000 in its reserves for changes in equity of subsidiaries as a result of the cancellation of stock based awards previously granted by Dundee Sustainable.

## 6. INVESTMENTS

### Cost and Fair Value of Investments

As at	September 30, 2020		December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
Publicly traded securities	\$ 158,571	\$ 169,867	\$ 295,286	\$ 226,409
Private investments	180,856	49,697	178,534	50,366
Debt securities	39,456	17,987	45,429	28,055
Warrants and options	246	7,173	-	1,857
	<b>\$ 379,129</b>	<b>\$ 244,724</b>	<b>\$ 519,249</b>	<b>\$ 306,687</b>

During the nine months ended September 30, 2020, the Corporation invested \$26,957,000 (nine months ended September 30, 2019 – \$18,359,000) to acquire new positions or to increase its interest in existing positions within its portfolio.

During the same period, the Corporation generated proceeds of \$158,103,000 (nine months ended September 30, 2019 – \$21,948,000), which is net of transaction costs of \$5,327,000, from the sale of various public and private investments and

from the collection of amounts due under debt arrangements. On May 13, 2020, the Corporation announced the closing of the sale (“Sale Transaction”) of 23,900,000 units (the “Units”), at a price of \$6.35 per Unit to qualified purchasers, for gross proceeds of \$151,765,000 (the “Sale Transaction”). Each Unit consisted of one common share of Dundee Precious Metals Inc. (“Dundee Precious”) owned by the Corporation (a “Unit Share”) and one-half of a common share purchase warrant (each whole warrant a “Warrant”). Each Warrant shall entitle the holder thereof to acquire one additional common share of Dundee Precious owned by the Corporation (a “Warrant Share”) at an exercise price of \$8.00 per share for a term of 12 months from the date of issue (notes 11 and 28). The common shares of Dundee Precious reserved to satisfy the exercise of the warrants are currently held in escrow. The transaction costs of \$5,327,000 relating to the Sale Transaction was netted against “*Net income (loss) from investments*” in the consolidated statements of operations for the nine months ended September 30, 2020.

### Net Income (Loss) from Investments

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Changes in the fair value of				
Publicly traded securities	\$ 19,502	\$ (15,660)	\$ 67,761	\$ 27,977
Private investments	(571)	552	(2,944)	(5,379)
Debt securities	(83)	(467)	(10,332)	(4,142)
Warrants and options	4,658	(492)	5,316	666
	23,506	(16,067)	59,801	19,122
Transaction cost *	-	-	(5,327)	-
	23,506	(16,067)	54,474	19,122
Interest and dividend income	654	346	4,316	(510)
Loss of control of subsidiaries	-	-	-	(849)
	<b>\$ 24,160</b>	<b>\$ (15,721)</b>	<b>\$ 58,790</b>	<b>\$ 17,763</b>

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

The Corporation’s portfolio of investments has been designated as a portfolio of investments at fair value through profit or loss (“FVTPL”). Accordingly, changes in the fair value of individual investments since December 31, 2019 are included in the Corporation’s net earnings or loss. During 2020, the financial markets experienced a significant increase in volatility as a result of the uncertainty related to the COVID-19 pandemic, with equity and debt securities experiencing significant volatility. During the three and nine months ended September 30, 2020, the Corporation recognized an increase in the fair value of its investments designated as FVTPL of \$23,506,000 and \$59,801,000, respectively (three and nine months ended September 30, 2019 – decrease of \$16,067,000 and increase of \$19,122,000, respectively).

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

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

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

## 7. EQUITY ACCOUNTED INVESTMENTS

As at	September 30, 2020		December 31, 2019	
	Ownership	Carrying Value	Ownership	Carrying Value
Investment				
Android Industries, LLC	20%	\$ 18,825	20%	\$ 21,375
Dundee Acquisition Ltd.	98%	243	98%	243
Dundee Sarea Acquisition I Limited Partnership	50%	1,000	50%	6,040
Dundee Securities Europe Limited	20%	366	20%	1,041
Parq Equity Limited Partnership	23%	-	23%	-
		20,434		28,699
Real estate joint ventures		7,040		6,413
		<b>\$ 27,474</b>		<b>\$ 35,112</b>

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

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

Prior to the COVID-19 outbreak, Dundee Sarea’s sole investment, Redecam Group S.p.A, based in Milan, Italy, had been working to address ongoing liquidity constraints in its global business operations. While these discussions and negotiations have continued throughout 2020, securing new financing has proven to be difficult and there are no guarantees a satisfactory outcome will be reached. As a result, in addition to recognizing its share of Dundee Sarea’s loss, the Corporation recognized an impairment loss of \$2,423,000 and \$5,223,000 related to its investment in Dundee Sarea during the three and nine months ended September 30, 2020, respectively.

### *Parq Equity Limited Partnership (“PELP”)*

Due to the COVID-19 pandemic in 2020, which resulted in the suspension of gaming activities and a decrease in hotel and conference activities, PELP recognized a net loss of \$29,755,000 and \$86,323,000 during the three and nine months ended September 30, 2020, respectively (three and nine months ended September 30, 2019 – \$20,098,000 and \$84,975,000, respectively). At September 30, 2020, net unrecognized losses attributable to the Corporation are \$76,123,000 (December 31, 2019 – \$56,268,000). The Corporation carries its equity interest in PELP at \$nil since June 30, 2018 and can only resume recognizing future income from PELP after its share of said future income is equal to or exceeds the above-mentioned net unrecognized losses.

### **Share of (Loss) Earnings from Equity Accounted Investments**

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Android Industries, LLC	\$ 296	\$ 2,147	\$ (594)	\$ (1,597)
Dundee Sarea Acquisition I Limited Partnership	(2,325)	(44)	(6,655)	453
Dundee Securities Europe Limited	(40)	383	(596)	331
	(2,069)	2,486	(7,845)	(813)
Real estate joint ventures	92	(265)	359	(254)
	<b>\$ (1,977)</b>	<b>\$ 2,221</b>	<b>\$ (7,486)</b>	<b>\$ (1,067)</b>

## 8. RESOURCE ASSETS

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

	Royalty Interest		Other	Total
Net carrying value, December 31, 2018	\$	138,974	\$ 361	\$ 139,335
<b>For the nine months ended September 30, 2019</b>				
Translation adjustment *		(4,131)	-	(4,131)
Remeasurement of financial instruments **		9,666	-	9,666
Net carrying value, September 30, 2019		144,509	361	144,870
<b>From October 1, 2019 to December 31, 2019</b>				
Translation adjustment *		(2,527)	-	(2,527)
Remeasurement of financial instruments **		(15,937)	-	(15,937)
Net carrying value, December 31, 2019		126,045	361	126,406
<b>For the nine months ended September 30, 2020</b>				
Translation adjustment *		4,366	-	4,366
Remeasurement of financial instruments **		(100,554)	-	(100,554)
<b>Net carrying value, September 30, 2020</b>	<b>\$</b>	<b>29,857</b>	<b>\$ 361</b>	<b>\$ 30,218</b>

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

\*\* With the outbreak of COVID-19 in early 2020 and the ensuing oil price decline from a related reduction in global demand for hydrocarbons, the commencement of the next phase of the exploration program in Chad has been delayed and force majeure has been declared on the PSC, extending the expiration of the exploration license. In addition, Delonex has undergone significant management turnover as well as having initiated a strategic alternative process focused on securing a path forward for the exploration assets underlying the royalty interest and the associated contingent consideration, introducing a material degree of operational and financial uncertainty. All these factors increase the risk in estimating the fair value of the Corporation’s royalty interest and associated contingent consideration. Refer to note 23 for a sensitivity analysis on the valuation of the royalty interest and its associated contingent consideration. While the Corporation continues to monitor the state of the global oil markets and the effects of possible operational and financial developments at Delonex, it applied the following assumptions or rates in determining the estimated fair value of its royalty interest as at September 30, 2020.

- o Assumed success probability metric to the cash flows ranging from 11.30% to 23.75% (December 31, 2019 – 47.50%);
- o Weighted average forecasted Brent oil price of US\$54.38/bbl or Cdn\$72.54/bbl with production starting in 2023 (December 31, 2019 – US\$79.29/bbl or Cdn\$102.98/bbl with production starting in 2022); and
- o Applied discount rate to expected cash flows of 23.3% (December 31, 2019 – 19.3%).

As a result, during the nine months ended September 30, 2020, the Corporation recognized a loss of \$100,554,000 (nine months ended September 30, 2019 – gain of \$9,666,000) on remeasurement of royalty interest. During the three months ended September 30, 2020, the Corporation recorded a gain of \$1,451,000 (three months ended September 30, 2019 – loss of \$106,000) on remeasurement. Changes in the remeasurement of royalty interest are included in the consolidated statements of operations as “Remeasurement of financial instruments”.

The above-mentioned factors also impacted the estimated fair value of the contingent consideration associated with its royalty interest. The Corporation applied the following assumptions or rates in determining the estimated fair value of its contingent consideration associated with its royalty interest of \$7,416,000 at September 30, 2020 (December 31, 2019 – \$31,871,000).

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

During the three and nine months ended September 30, 2020, the Corporation recorded a gain of \$391,000 and a loss of \$31,671,000, respectively, in respect of changes in the estimated fair value of the contingent consideration which includes its contingent consideration associated with its royalty interest in addition to its contingent proceeds receivable that are held in an escrow account. During the three and nine months ended September 30, 2019, the Corporation recorded a gain of \$1,228,000 and \$3,572,000, respectively, in respect of the changes in the estimated fair value of the contingent consideration. The fair value changes are included in the consolidated statements of operations as “Remeasurement of financial instruments”.

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

## 9. LIVESTOCK

	For the nine months ended September 30, 2020			For the year ended December 31, 2019		
	Inventory	Biological Assets		Inventory	Biological Assets	
<b>Balance, beginning of period</b>	\$ 2,391	\$ 24,210	\$ 26,601	\$ 3,464	\$ 25,854	\$ 29,318
Net additions (usage / harvested)	201	(5,669)	(5,468)	(1,073)	(7,565)	(8,638)
Fair value changes *	-	5,170	5,170	-	5,921	5,921
<b>Balance, end of period</b>	<b>\$ 2,592</b>	<b>\$ 23,711</b>	<b>\$ 26,303</b>	<b>\$ 2,391</b>	<b>\$ 24,210</b>	<b>\$ 26,601</b>

\* Fair value changes for the nine months ended September 30, 2019 was a gain of \$2,094,000.

## 10. CAPITAL AND OTHER ASSETS

	<i>Capital Assets</i>			<i>Intangible Assets</i>			Lease Assets	Total
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Trademarks	Other Intangible Assets	Other Assets		
<b>At December 31, 2018</b>								
Cost	\$ 1,656	\$ 819	\$ 77,863	\$ 16,709	\$ 41,304	\$ 30,323	\$ -	\$ 168,674
Accumulated depreciation and amortization	(1,371)	(802)	(21,008)	(15,654)	(23,739)	(12,721)	-	(75,295)
Net carrying value, December 31, 2018	285	17	56,855	1,055	17,565	17,602	-	93,379
<b>For the nine months ended September 30, 2019</b>								
Carrying value December 31, 2018	285	17	56,855	1,055	17,565	17,602	-	93,379
IFRS 16 transition adjustment	-	-	-	-	-	-	15,965	15,965
Transferred to discontinued operations	(158)	-	(744)	-	(4,288)	-	(4,649)	(9,839)
Asset additions	-	-	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)	(71)	(392)	(1,988)	(1,964)	(5,329)
Net carrying value, September 30, 2019	68	3	44,981	984	12,885	15,246	7,220	81,387
<b>At September 30, 2019</b>								
Cost	628	566	61,670	16,709	22,854	31,282	9,184	142,893
Accumulated depreciation and amortization	(560)	(563)	(16,689)	(15,725)	(9,969)	(16,036)	(1,964)	(61,506)
Net carrying value, September 30, 2019	68	3	44,981	984	12,885	15,246	7,220	81,387
<b>From October 1, 2019 to December 31, 2019</b>								
Carrying value September 30, 2019	68	3	44,981	984	12,885	15,246	7,220	81,387
IFRS 16 transition adjustment	-	-	-	-	-	(297)	(19)	(316)
Asset additions	-	-	23	-	-	(892)	748	(121)
Asset disposals	(1)	(2)	(225)	-	-	67	643	482
Depreciation and amortization	(4)	1	(201)	(24)	(163)	(577)	(624)	(1,592)
Net carrying value, December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
<b>At December 31, 2019</b>								
Cost	622	561	61,383	16,709	21,053	29,772	10,556	140,656
Accumulated depreciation and amortization	(559)	(559)	(16,805)	(15,749)	(8,331)	(16,225)	(2,588)	(60,816)
Net carrying value, December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
<b>For the nine months ended September 30, 2020</b>								
Carrying value December 31, 2019	63	2	44,578	960	12,722	13,547	7,968	79,840
Asset additions	-	9	163	-	-	1,405	1,908	3,485
Asset disposals	-	-	(31)	-	(5,259)	(423)	(294)	(6,007)
Depreciation and amortization	(12)	(2)	(620)	(70)	(488)	(1,417)	(1,668)	(4,277)
Net carrying value, September 30, 2020	51	9	44,090	890	6,975	13,112	7,914	73,041
<b>At September 30, 2020</b>								
Cost	622	570	53,473	16,709	14,463	27,230	12,106	125,173
Accumulated depreciation and amortization	(571)	(561)	(9,383)	(15,819)	(7,488)	(14,118)	(4,192)	(52,132)
Net carrying value, September 30, 2020	\$ 51	\$ 9	\$ 44,090	\$ 890	\$ 6,975	\$ 13,112	\$ 7,914	\$ 73,041

During the nine months ended September 30, 2019, Blue Goose recognized aggregate impairment charges of \$10,000,000 against certain properties and capital assets, reducing the carrying value to its estimated realized amount.

## 11. DERIVATIVE FINANCIAL LIABILITY

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

	September 30, 2020	May 7, 2020
Risk-free interest rate	0.507%	0.526%
Volatility factor	49.209%	59.774%
Expected dividend yield	0.916%	1.628%
Expected life	0.62 years	1 year

At September 30, 2020, the Corporation remeasured the derivative financial liability and recognized a fair value loss for the three and nine months ended September 30, 2020 of \$1,780,000 and \$10,837,000, respectively, as “*Remeasurement of financial instruments*” in these consolidated statements of operations. At September 30, 2020, the fair value of Dundee Precious’ common share purchase warrants liability is \$25,342,000 (note 28).

## 12. CORPORATE DEBT

As at	September 30, 2020	December 31, 2019
<b>Corporate credit facility</b>	\$ -	\$ -
<b>Subsidiaries</b>		
Loan facilities, Blue Goose Capital Corp.	44,855	46,135
Loan facilities, Dundee Sustainable Technologies Inc.	3,973	5,418
Loan facilities, Dundee 360 Real Estate Corporation	-	5
	<b>\$ 48,828</b>	<b>\$ 51,558</b>

### Credit Facilities, Corporate

#### *Margin Account*

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

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

#### *Revolving Term Credit Facility*

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

### Loan Facilities, Blue Goose Capital Corp.

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose had borrowed an aggregate of \$44,855,000 at September 30, 2020. Other than as described below, since December 31, 2019, there have been no significant changes to the terms of the credit facilities and other debt instruments available to Blue Goose from those terms outlined in note 14 to the 2019 Audited Consolidated Financial Statements.

On May 14, 2020, the maturity date of the \$4,322,000 loan facility with a Canadian Schedule 1 Chartered Bank was amended from a fixed date to when the lender demands repayment. At September 30, 2020, the balance outstanding on this loan was \$3,690,000.

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



On May 22, 2020, Blue Goose entered into a two-year \$500,000 credit facility with FCC which bears interest at FCC's variable mortgage rate, currently at 3.45%, payable monthly and matures on May 2, 2022. This credit line was offered in response to COVID-19. As of September 30, 2020, the amount drawn against this new credit facility and outstanding is \$275,000.

In July 2020, FCC agreed to defer payments for principal and interest on all its loans except for the above-mentioned \$500,000 credit facility, until December 1, 2020. The total amount owing to FCC at September 30, 2020 was \$15,007,000.

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% cash and 4% payment in kind, then 10% per year for the following 36 months, payable as 6% in cash and 4% payment in kind. Interest is payable on a quarterly basis and uses a conversion rate of \$6.00 per share for the payment in kind portion. The debentures are convertible into common shares at the option of the holder at a price of \$7.25 during the term of the debentures. However, if a monetizing event has not occurred before the second anniversary of the issuance date, the conversion is at the lesser of \$7.25 per share and 90% of the net asset value per common share. At the maturity date, each debenture can be repaid in cash or shares at the option of the holder. These convertible debentures are secured against various real estate assets held directly by wholly-owned subsidiaries of Blue Goose. Of the total proceeds of \$12,500,000 received upon issuance, \$10,764,000 was allocated to the liability component and \$1,736,000 was allocated to the equity component. The resulting debt discount is being amortized as additional non-cash interest expense over the five-year period for which the debt is expected to be outstanding. Blue Goose incurred a debt arrangement of \$500,000 pursuant to the private placement of secured convertible debentures. The present value of the finance cost is being amortized over the life of the debentures. At September 30, 2020, the present value of the convertible debentures, net of the debt arrangement fee, is \$12,166,000 (December 31, 2019 – \$11,874,000).

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

#### **Loan Facilities, Dundee Sustainable Technologies Inc.**

Dundee Sustainable has entered into several borrowing arrangements, pursuant to which Dundee Sustainable had borrowed an aggregate of \$3,973,000 at September 30, 2020 (December 31, 2019 – \$5,418,000). Other than as described below, the lending institutions to Dundee Sustainable do not have recourse to the Corporation in respect of any of the amounts borrowed.

#### *Convertible Debenture*

In May 2015, Dundee Sustainable completed a \$5,000,000 financing with Investissement Québec ("IQ") consisting of a private placement of subordinated voting shares of \$1,000,000 and a secured convertible loan in an amount of up to \$4,000,000 (the "IQ Loan"). The IQ Loan had a term of five years from its inception date, bore interest at a rate of 8% per annum, payable quarterly, and could be converted after one year at the holder's option into SV shares of Dundee Sustainable at a conversion price equal to the closing market price of the shares on the day prior to conversion. The IQ Loan was secured against all of Dundee Sustainable's property except for its intellectual property. In May 2020, Dundee Sustainable reached an agreement with IQ to extend the maturity date of the loan from May 2020 to August 2020.

On July 31, 2020, Dundee Sustainable entered into a debt settlement agreement with IQ. On the date of the agreement, the outstanding amount owed on the debenture was \$5,418,000 which included capitalized interest of \$1,418,000. According to the terms of the debt settlement agreement, IQ has agreed to convert \$1,418,000 of its debt in exchange for 4,298,082 SV shares of Dundee Sustainable, using a conversion price of \$0.33 per share (note 5). The maturity date on the remaining \$4,000,000 debt was extended to July 13, 2023.

The present value of the amended debt was estimated on the date of the modification as \$3,673,000 using an effective rate of 11% corresponding to a rate that Dundee Sustainable would have obtained for a similar non-subsidized financing. The difference of \$327,000 between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows is recognized in the consolidated statements of operations for the three and nine months ended September 30, 2020 as “*Interest and other revenue*” (note 17). During the three and nine months ended September 30, 2010, Dundee Sustainable capitalized interest expense of \$89,000 and \$297,000, respectively (three and nine months ended September 30, 2019 – \$100,000 and \$292,000, respectively).

In order to support the IQ Loan, the Corporation has guaranteed \$1,500,000 of Dundee Sustainable’s debt owing to IQ. As at September 30, 2020, the carrying value of the IQ Loan is \$3,699,000 (December 31, 2019 – \$5,157,000).

#### *CED Contribution Agreement*

Under an amended agreement dated October 12, 2016, Dundee Sustainable received from Canada Economic Development for Québec Regions (“CED”) a \$397,000 repayable contribution (the “CED Contribution”). The CED Contribution was used by Dundee Sustainable for the acquisition of equipment for its demonstration plant (the “Project”) in Thetford Mines. The CED Contribution is secured against all Dundee Sustainable’s property other than its intellectual property. The CED Contribution is non-interest bearing and repayable in equal monthly installments over seven years starting from three years after the end of the Project which was in March 2020. As at September 30, 2020, the carrying value of the CED Contribution is \$274,000 (December 31, 2019 – \$261,000).

#### **Interest Expense Incurred on Corporate Debt**

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Dundee Corporation	\$ -	\$ 44	\$ 118	\$ 112
Blue Goose Capital Corp.	671	849	2,115	2,541
Dundee Sustainable Technologies Inc.	115	153	357	445
	<b>\$ 786</b>	<b>\$ 1,046</b>	<b>\$ 2,590</b>	<b>\$ 3,098</b>

### **13. LEASE LIABILITIES**

As at	September 30, 2020	December 31, 2019
Balance, beginning of period	\$ 13,409	\$ -
IFRS 16 transition adjustment	-	18,556
Additions	1,908	741
Dispositions	(476)	(1,575)
Interest expense	601	910
Lease payments	(3,687)	(5,026)
Other	(23)	(197)
<b>Balance, end of period</b>	<b>\$ 11,732</b>	<b>\$ 13,409</b>

Lease liabilities are discounted at a weighted average interest rate of 6.16% (December 31, 2019 – 5.69%). During the three and nine months ended September 30, 2020, the Corporation recognized an interest expense relating to lease liabilities of \$189,000 and \$601,000, respectively, (three and nine months ended September 30, 2019 – \$190,000 and \$653,000, respectively) from continuing operations. During the three and nine months ended September 30, 2019, the Corporation also recognized an interest expense of \$nil and \$89,000, respectively, relating to lease liabilities from its discontinued operations.

## 14. PREFERENCE SHARES

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

### **Substantial Issuer Bid on Preference Shares, series 2**

On September 9, 2020, the Corporation announced the completion of its substantial issuer bid, as amended by the notice of variation dated August 26, 2020 (the "Offer"), to purchase for cancellation from the holders thereof all of its issued and outstanding PS Series 2 at a fixed price of \$19.50 per share. The Offer expired on September 8, 2020.

The Corporation paid an aggregate of \$38,353,000 for the purchase and cancellation of 1,966,816 PS Series 2 shares that were validly tendered to the Offer. The PS Series 2 shares purchased under the Offer represented approximately 63% of the PS Series 2 issued and outstanding before giving effect to the Offer. The excess of carrying value over the purchase price, which totalled \$8,999,000, was recorded as an increase in retained earnings. Transaction costs in respect of the Offer were \$1,537,000 and were charged to retained earnings.

In addition to the payment of the purchase price, the Corporation also paid an aggregate amount of \$501,000, approximately \$0.25487 per share, of the accrued dividends on the PS Series 2 shares validly tendered, in accordance with the Offer and applicable laws.

There were 1,149,162 PS Series 2 issued and outstanding as at September 30, 2020.

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

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

Prior to July 22, 2020, the Corporation purchased 300 PS Series 2 shares, having an aggregate stated capital value of \$8,000, for cancellation pursuant to these arrangements. The Corporation paid \$5,000 to retire these shares. The excess of the value of stated capital over the purchase price, which totalled \$2,000, was recorded as an increase in retained earnings. During the same period of 2020, the Corporation also purchased 2,000 PS Series 3 shares, having an aggregate stated capital value of \$50,000, for cancellation pursuant to these arrangements. The Corporation paid \$32,000 to retire these shares. The excess of the value of stated capital over the purchase price, which totalled \$18,000, was recorded as an increase in retained earnings.

During the year ended December 31, 2019, the Corporation purchased for cancellation a total of 61,000 PS Series 2 shares and 3,800 PS Series 3 shares pursuant to its NCIBs.

### Issued and Outstanding Preference Shares, series 2

	Number of Shares	Par Value	Issue Costs	Carrying Value
Balance as at December 31, 2018	3,479,385	\$ 86,985	\$ (2,932)	\$ 84,053
<b>For the nine months ended September 30, 2019</b>				
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 and December 31, 2019	3,116,278	77,907	(2,881)	75,026
<b>For the nine months ended September 30, 2020</b>				
Redeemed pursuant to substantial issuer bid	(1,966,816)	(49,170)	1,818	(47,352)
Redeemed pursuant to normal course issuer bid	(300)	(8)	1	(7)
<b>Balance as at September 30, 2020</b>	<b>1,149,162</b>	<b>\$ 28,729</b>	<b>\$ (1,062)</b>	<b>\$ 27,667</b>

The PS Series 2 carry an annual coupon rate of 5.284% for the 5-year period commencing on September 30, 2019 (prior to September 30, 2019 – 5.688%). During the three and nine months ended September 30, 2020, the Corporation paid dividends of \$881,000 and \$2,939,000, respectively, on its outstanding PS Series 2 (three and nine months ended September 30, 2019 – \$1,237,000 and \$3,711,000, respectively).

### Issued and Outstanding Preference Shares, series 3

	Number of Shares	Par Value	Carrying Value
Balance as at December 31, 2018	1,720,615	\$ 43,015	\$ 43,015
<b>For the nine months ended September 30, 2019</b>			
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 and December 31, 2019	2,018,922	50,473	50,473
<b>For the nine months ended September 30, 2020</b>			
Redeemed pursuant to normal course issuer bid	(2,000)	(50)	(50)
<b>Balance as at September 30, 2020</b>	<b>2,016,922</b>	<b>\$ 50,423</b>	<b>\$ 50,423</b>

The PS Series 3 are subject to a quarterly floating cumulative preferential cash dividend rate based on the applicable three-month Government of Canada T-Bill rate plus 4.10%. During the three and nine months ended September 30, 2020, the Corporation paid dividends of \$554,000 and \$2,000,000, respectively, (three and nine months ended September 30, 2019 – \$627,000 and \$1,863,000, respectively) on its outstanding PS Series 3, representing a coupon rate ranging from 4.36% to 5.75% (three and nine months ended September 30, 2019 – ranging from 5.78% to 5.81%, respectively).

### Issued and Outstanding Preference Shares, series 5

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

### Conversion from Preference Shares, series 5 into Subordinate Shares

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

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

The PS 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, on its outstanding PS Series 5. These amounts were included as "*Interest expense*" in these consolidated financial statements.

## 15. SHARE CAPITAL

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

### Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2018	57,985,136	\$ 278,661	3,114,804	\$ 8,154	61,099,940	\$ 286,815
<b>For the nine months ended September 30, 2019</b>						
Issuance of shares under						
share incentive arrangements	14,749	50	-	-	14,749	50
Warrants exercised	316	2	-	-	316	2
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
<b>From October 1, 2019 to December 31, 2019</b>						
Conversion from Class B Shares						
to Subordinate Shares	63	-	(63)	-	-	-
Outstanding December 31, 2019	99,977,802	322,805	3,114,713	8,154	103,092,515	330,959
<b>For the nine months ended September 30, 2020</b>						
Conversion from Class B Shares						
to Subordinate Shares	111	-	(111)	-	-	-
<b>Outstanding September 30, 2020</b>	<b>99,977,913</b>	<b>\$ 322,805</b>	<b>3,114,602</b>	<b>\$ 8,154</b>	<b>103,092,515</b>	<b>\$ 330,959</b>

### Subordinate Share Warrants

On February 12, 2016, and in connection with the reorganization of the Corporation's historic 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 \$2,000.

### Accumulated Other Comprehensive Income

	Equity Accounted Investments	Foreign Currency Translation	Non- controlling Interest	Total
Balance at December 31, 2018	\$ (4,671)	\$ 24,122	\$ (1,688)	\$ 17,763
<b>For the nine months ended September 30, 2019</b>				
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 tax expense, to net loss	1,344	-	-	1,344
Balance at September 30, 2019	1,225	18,142	(2,643)	16,724
<b>From October 1, 2019 to December 31, 2019</b>				
Other comprehensive income (loss)	4	(3,421)	582	(2,835)
Reattribution of accumulated other comprehensive loss on change of ownership interest in subsidiaries	-	-	132	132
Balance at December 31, 2019	1,229	14,721	(1,929)	14,021
<b>For the nine months ended September 30, 2020</b>				
Other comprehensive (loss) income	(1,439)	6,436	(1,032)	3,965
<b>Balance at September 30, 2020</b>	<b>\$ (210)</b>	<b>\$ 21,157</b>	<b>\$ (2,961)</b>	<b>\$ 17,986</b>

## 16. NON-CONTROLLING INTEREST

As at	September 30, 2020	December 31, 2019
Blue Goose Capital Corp.	\$ (2,307)	\$ (1,964)
Dundee 360 Real Estate Corporation	(48)	(60)
Dundee Sustainable Technologies Inc.	(1,520)	(8,167)
United Hydrocarbon International Corp.	7,740	28,539
<b>Total</b>	<b>\$ 3,865</b>	<b>\$ 18,348</b>

## 17. REVENUES

### Revenues from Continuing Operations

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Management fees	\$ 306	\$ 346	\$ 734	\$ 905
Financial services	970	60	1,188	588
Resource services	861	456	2,253	1,005
Agriculture	3,717	5,563	13,442	15,275
Real estate	580	197	773	701
Interest and other (i) (ii)	2,219	1,318	3,567	2,943
	<b>\$ 8,653</b>	<b>\$ 7,940</b>	<b>\$ 21,957</b>	<b>\$ 21,417</b>

(i) Interest and other revenue for the three and nine months ended September 30, 2020 includes \$46,000 and \$154,000, respectively, (three and nine months ended September 30, 2019 – \$69,000 and \$225,000, respectively) interest income from subleases.

(ii) In addition, interest and other income for the three and nine months ended September 30, 2020 include \$1,074,000 and \$1,895,000, respectively, relating to the government grants which the Corporation received.

## 18. SHARE INCENTIVE PLAN ARRANGEMENTS

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

### *Share Purchase Plan*

As part of the share incentive arrangements, in July 2019, the Corporation established a share purchase plan pursuant to which eligible participants may contribute up to a specified maximum amount of their basic annual salary towards the purchase of Subordinate Shares of the Corporation, either from treasury or in the open market, at the discretion of the Corporation. Compensation expense associated with the share purchase plan, during the three and nine months ended September 30, 2020 was \$111,000 and \$333,000, respectively (three and nine months ended September 30, 2019 – \$102,000).

### *Share Option Plan*

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

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

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

	For the nine months ended September 30, 2020		For the year ended December 31, 2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	4,080,000	\$ 1.10	-	\$ -
Granted	60,000	1.10	4,080,000	1.10
<b>Outstanding, end of period</b>	<b>4,140,000</b>	<b>\$ 1.10</b>	<b>4,080,000</b>	<b>\$ 1.10</b>
Exercisable options	1,333,336	\$ 1.10	-	\$ -

	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Options Exercisable
Exercise Price			
Options issued with an exercise price of \$1.10	4,000,000	5.89	1,333,336
Options issued with an exercise price of \$1.10	80,000	5.89	-
Options issued with an exercise price of \$1.10	60,000	6.37	-

### *Share Bonus Plan*

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

### Deferred Share Unit Plan

During the nine months ended September 30, 2020, the Corporation issued 784,147 deferred share units (“DSU”) to an executive and certain directors of the Corporation in partial payment for their services. In addition, the Corporation paid cash of \$201,000 in net settlement of 151,682 DSUs. At September 30, 2020, there were 1,697,639 DSUs outstanding that track the value of the Corporation’s Subordinate Shares.

During the nine months ended September 30, 2020, the Corporation paid cash of \$541,000 to settle the DSUs that track the value of subordinate voting shares of Dream Unlimited Corp (“DRM’s DSUs”). At September 30, 2020, there were 38,031 DRM’s DSUs outstanding.

### Stock Based Compensation

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Share option plan	\$ 296	\$ 179	\$ 1,094	\$ 179
Deferred share unit plan	119	118	1,028	279
Share bonus plan	90	74	146	250
Performance share unit plan	-	149	-	441
Dream Unlimited Corp. tracking share incentive arrangements:				
Deferred share units	74	1,124	(244)	1,328
	<b>\$ 579</b>	<b>\$ 1,644</b>	<b>\$ 2,024</b>	<b>\$ 2,477</b>

### 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, 2020, these subsidiaries recognized a stock based compensation expense amount of \$675,000 (three and nine months ended September 30, 2019 – recovery amount of \$nil and \$91,000, respectively).

## 19. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

### General and Administrative Expenses in Continuing Operations

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Salary and salary-related	\$ 2,878	\$ 4,525	\$ 7,434	\$ 13,293
Stock based compensation	1,254	1,644	2,699	2,386
Corporate and professional fees	1,395	1,813	4,572	7,136
General office and other	1,263	1,616	5,867	5,107
	<b>\$ 6,790</b>	<b>\$ 9,598</b>	<b>\$ 20,572</b>	<b>\$ 27,922</b>

## 20. INCOME TAXES

During the nine months ended September 30, 2020, the Corporation recognized an income tax expense amount on its loss from continuing operations of \$10,540,000 (nine months ended September 30, 2019 – \$11,953,000), the major components of which include the following items:

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Current income tax expense	\$ (800)	\$ (297)	\$ (2,514)	\$ (3,176)
Deferred income tax expense	(4,356)	(274)	(8,026)	(8,777)
<b>Total income tax expense</b>	<b>\$ (5,156)</b>	<b>\$ (571)</b>	<b>\$ (10,540)</b>	<b>\$ (11,953)</b>



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.

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

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Loss (earnings) before tax at statutory rate of 26.5% (2019 – 26.5%)	\$ (5,735)	\$ 7,724	\$ 29,336	\$ 2,665
Effect on taxes of:				
Non-deductible expenses	1,077	(1,641)	(1,495)	(3,466)
Non-taxable revenue	94	210	483	2,677
Change in unrecognized temporary differences	(556)	(7,081)	(38,654)	(13,721)
Net income tax not previously recognized	(3)	559	3	(69)
Other differences	(33)	(342)	(213)	(39)
<b>Total income tax expense</b>	<b>\$ (5,156)</b>	<b>\$ (571)</b>	<b>\$ (10,540)</b>	<b>\$ (11,953)</b>

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

As at	September 30, 2020	December 31, 2019
Deferred income tax assets		
Loss carry forwards	\$ 35,135	\$ 49,673
Capital and other assets	219	379
Reserves and accrued liabilities	1,731	1,606
Other	3,857	4,792
<b>Total deferred income tax assets</b>	<b>40,942</b>	<b>56,450</b>
Deferred income tax liabilities		
Investments including equity accounted investments	(27,573)	(34,310)
Other	(8,458)	(9,696)
<b>Total deferred income tax liabilities</b>	<b>(36,031)</b>	<b>(44,006)</b>
<b>Net deferred income tax assets</b>	<b>\$ 4,911</b>	<b>\$ 12,444</b>

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, 2020, the Corporation had operating loss carry forwards of \$496,608,000 (December 31, 2019 – \$550,415,000). Operating loss carry forwards by year of expiry are summarized as follows:

Year of Expiry:	Recognized	Unrecognized	Total
2024 and subsequent years	\$ 132,266	\$ 339,250	\$ 471,516
Non-Canadian	-	25,092	25,092
<b>Total operating loss carry forwards</b>	<b>\$ 132,266</b>	<b>\$ 364,342</b>	<b>\$ 496,608</b>

In addition, the Corporation had capital loss carry forwards of \$277,219,000 (December 31, 2019 – \$259,979,000) which do not expire and for which the benefit was not recognized in the consolidated financial statements.

## 21. NET (LOSS) EARNINGS PER SHARE

	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Net (loss) earnings attributable to owners of the parent	\$ 15,943	\$ (28,592)	\$ (98,174)	\$ (21,621)
Less: Dividends on Preference Shares, series 2	(881)	(1,237)	(2,939)	(3,711)
Dividends on Preference Shares, series 3	(554)	(627)	(2,000)	(1,863)
	\$ 14,508	\$ (30,456)	\$ (103,113)	\$ (27,195)
Represented by:				
Continuing operations	\$ 14,508	\$ (30,456)	\$ (103,113)	\$ (25,864)
Discontinued operations	-	-	-	(1,331)
Weighted average number of shares outstanding during the period	103,092,515	103,107,261	103,092,515	82,487,472
Basic (loss) earnings per share				
Continuing operations	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.31)
Discontinued operations	-	-	-	(0.02)
	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.33)
Effect of dilutive securities on weighted average number of shares outstanding during the period	2,745,935	n/a	n/a	n/a
Diluted (loss) earnings per share				
Continuing operations	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.31)
Discontinued operations	-	-	-	(0.02)
	\$ 0.14	\$ (0.30)	\$ (1.00)	\$ (0.33)

## 22. SUPPLEMENTAL CASH FLOW INFORMATION

### Items Not Affecting Cash and Other Adjustments

For the nine months ended	September 30, 2020	September 30, 2019
Depreciation and depletion	\$ 4,251	\$ 15,780
Net income from investments	(54,474)	(19,122)
Share of loss from equity accounted investments	7,486	1,067
Deferred income taxes	8,026	8,777
Stock based compensation	2,699	2,386
Harvesting of livestock	11,256	10,709
Fair value changes in		
Livestock	(5,170)	(2,094)
Royalty interest (note 8)	100,554	(9,666)
Contingent consideration (note 8)	31,671	(897)
Derivative financial liability (note 11)	10,837	-
Embedded derivative (note 14)	-	(9,088)
Other	(434)	3,594
	\$ 116,702	\$ 1,446

### Changes in Non-Cash Working Capital Items

For the nine months ended	September 30, 2020	September 30, 2019
Accounts receivable	\$ 1,851	\$ 5,889
Accounts payable and accrued liabilities	(8,849)	102
Current income tax amounts	(3,714)	(3,345)
Deposit with taxation authority	(1,861)	-
Agricultural inventory	(2,875)	(1,333)
	\$ (15,448)	\$ 1,313

## 23. FINANCIAL INSTRUMENTS

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

	Carrying Value as at September 30, 2020	Fair Value as at September 30, 2020		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Recurring Measurements</b>				
<b>Financial Assets</b>				
Investments				
Publicly traded securities	\$ 169,867	\$ 169,867	\$ -	\$ -
Private investments	49,697	-	-	49,697
Debt securities	17,987	-	-	17,987
Warrants and options	7,173	3	7,170	-
Accounts receivable				
Contingent consideration	7,416	-	-	7,416
<b>Resource assets</b>				
Royalty interest	29,857	-	-	29,857
<b>Livestock</b>	23,711	-	23,711	-
<b>Derivative financial liability</b>	(25,342)	-	(25,342)	-

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

	Private Investments	Debt Securities	Warrants and Options		Royalty Interest	Contingent Consideration	Total
At December 31, 2019	\$ 50,366	\$ 28,055	\$ 1,854	\$ -	\$ 126,045	\$ 31,871	\$ 238,191
<b>For the nine months ended September 30, 2020</b>							
New investments	2,334	-	-	-	-	-	2,334
Transfer to level 2	-	-	(1,854)	-	-	-	(1,854)
Changes in market values	(2,944)	(10,332)	-	(100,554)	(25,720)	-	(139,550)
Translation adjustment	-	-	-	4,366	1,265	-	5,631
Other	(59)	264	-	-	-	-	205
<b>At September 30, 2020</b>	<b>\$ 49,697</b>	<b>\$ 17,987</b>	<b>\$ -</b>	<b>\$ 29,857</b>	<b>\$ 7,416</b>	<b>\$ -</b>	<b>\$ 104,957</b>

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

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

#### *Sensitivity Analysis on the Valuation of the Royalty Interest*

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

In determining the estimated fair value of the royalty interest at September 30, 2020, UHIC assumed a forecasted Brent oil price of US\$47.42/bbl or Cdn\$63.25/bbl for 2023, escalating at 2% per year thereafter (December 31, 2019 – US\$69.19/bbl or Cdn\$89.86/bbl for 2022, escalating at 2% per year thereafter). If the Brent crude oil price volatility persists, this could have a significant negative impact on the valuation of the royalty interest, as the royalty interest is only payable when the average quarterly price of Brent crude oil is greater than US\$45.00/bbl, and commercial production decisions and timing could be further impacted.

- A 10% decrease in UHIC's assumed 2023 forecasted Brent crude oil price to US\$42.68/bbl or Cdn\$56.93/bbl and escalating at 2% per year thereafter would reduce the royalty interest valuation by US\$12,283,000 or Cdn\$16,385,000.
- A 10% decrease in the success probability would reduce the royalty interest by US\$11,863,000 or Cdn\$15,824,000.
- A one-year delay in the production of first oil to 2024 would reduce the royalty interest by US\$4,233,000 or Cdn\$5,646,000.
- In combination, a 10% decrease in the forecasted Brent crude oil price, along with a 10% decrease in the success probability and a one-year delay in production of first oil, would reduce the royalty interest by US\$18,399,000 or Cdn\$24,543,000.

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

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

- A 10% decrease in the success probability would reduce the contingent consideration valuation by US\$2,962,000 or Cdn\$3,951,000.
- A one-year delay in the production of first oil to 2024 would reduce the contingent consideration by US\$1,051,000 or Cdn\$1,401,000.
- In combination, a decrease in the success probabilities by 10% and a one-year delay in production of first oil would reduce the contingent consideration by US\$3,453,000 or Cdn\$4,606,000.

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

## **24. CAPITAL MANAGEMENT**

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

As at	September 30, 2020	December 31, 2019
Shareholders' equity	\$ 424,986	\$ 567,079
Corporate debt	48,828	51,558
	<b>\$ 473,814</b>	<b>\$ 618,637</b>

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, 2020 and December 31, 2019, these subsidiaries complied with all regulatory capital requirements.

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

## **25. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS**

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

### *Legal Contingencies*

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

### *Tax Contingencies*

As initially disclosed in the June 2018 Interim Consolidated Financial Statements, the Canada Revenue Agency ("CRA") disagreed with a principal tax filing position during the audit of the December 31, 2014 taxation year even though the filing position had been accepted in prior taxation years. As a result, in October 2019, the Corporation received a notice of re-assessment for \$12.0 million. In order to stop interest from accruing, the Corporation remitted the full amount to the CRA. In August 2020, the CRA completed the audit of the December 31, 2015 and December 31, 2016 taxation years applying the CRA's interpretation of the principal filing position. The audit denied certain tax deductions which required a reallocation of loss carry forwards and the Corporation remitting \$1.8 million in respect of interest.

The Corporation continues to assert its principal filing position is correct and has filed objections to the notices of re-assessment. Since the Corporation believes the CRA's position is incorrect and expects to recover the amounts remitted, the \$13.8 million (December 31, 2019 – \$12.0 million) has been recorded in the consolidated financial statements as "*Deposit with taxation authority*". Presently, the Corporation does not expect the change in filing position to result in a material change to the income taxes payable in respect of its 2017-2019 taxation years.

## 26. RELATED PARTY TRANSACTIONS

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

## 27. SEGMENTED INFORMATION

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

<i>Business Entity</i>	<i>Business Activity</i>
Corporate and Other Portfolio Holdings	Investments in public and private equity and debt securities in diversified industry segments
Goodman & Company, Investment Counsel Inc.	100%-owned private subsidiary registered as a portfolio manager and exempt market dealer across Canada and an investment fund manager in Ontario, Quebec and Newfoundland. This segment also includes the activities of Dundee Global Investment Management Inc. through which the Corporation previously explored certain wealth management strategies
Dundee Energy Limited (note 6)	Previous 58%-owned public, non-listed subsidiary in the oil and gas industry
United Hydrocarbon International Corp.	84%-owned private subsidiary engaged in oil and gas exploration through the holding of a royalty interest in the Republic of Chad
Dundee Sustainable Technologies Inc.	82%-owned publicly listed subsidiary developing patented sustainable precious and base metals extraction processes
Eurogas International Inc. (note 6)	Previous 54%-controlled publicly listed subsidiary engaged in oil and gas exploration
Blue Goose Capital Corp.	89%-owned private subsidiary operating in organic and natural protein processing and production
AgriMarine Holdings Inc.	100%-owned private aquaculture company focused on fish farming and sustainable aquaculture technologies
Dundee 360 Real Estate Corporation (note 4)	100%-owned private subsidiary engaged in development and management of international hotel, resort, residential and commercial real estate projects

### Segmented Operations for the Nine Months Ended September 30, 2020

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 4,147	\$ -	\$ 27,641	\$ 31,788
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,931	-	(3,464)	(1,533)
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	(132,774)	(132,774)
Dundee Sustainable Technologies Inc.	2,987	(1,801)	(4,119)	(2,933)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	9,889	(11,048)	(2,149)	(3,308)
AgriMarine Holdings Inc.	5,896	(5,135)	(2,903)	(2,142)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	773	-	(572)	201
<i>Intersegment</i>	(3,666)	-	3,666	-
<b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST</b>	\$ 21,957	\$ (17,984)	\$ (114,674)	(110,701)
Income taxes				(10,540)
Non-controlling interest				23,067
<b>NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				<b>\$ (98,174)</b>

### 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
<b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST</b>	\$ 21,417	\$ (17,600)	\$ (13,876)	(10,059)
Income taxes				(11,953)
Non-controlling interest				1,722
<b>NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				<b>\$ (20,290)</b>
Discontinued operations, before income taxes and non-controlling interest	\$ 31,778	\$ (26,195)	\$ (7,253)	(1,670)
Gain on disposition of division				113
				(1,557)
Income taxes				226
<b>NET LOSS FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				<b>\$ (1,331)</b>

### Segmented Operations for the Three Months Ended September 30, 2020

	Revenues	Cost of Sales	Other Amounts in Earnings (Loss)	Net Earnings (Loss)
<i>Corporate and other portfolio holdings</i>	\$ 2,181	\$ -	\$ 16,713	\$ 18,894
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,276	-	(1,167)	109
<i>Resource industry</i>				
United Hydrocarbon International Corp.	-	-	1,695	1,695
Dundee Sustainable Technologies Inc.	1,466	(510)	(2,688)	(1,732)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	3,554	(1,885)	1,043	2,712
AgriMarine Holdings Inc.	1,631	(1,141)	(947)	(457)
<i>Real estate industry</i>				
Dundee 360 Real Estate Corporation	580	-	(158)	422
<i>Intersegment</i>	(2,035)	-	2,035	-
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST</b>	\$ 8,653	\$ (3,536)	\$ 16,526	21,643
Income taxes				(5,156)
Non-controlling interest				(544)
<b>NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				<b>\$ 15,943</b>

### 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	-
<b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST</b>	\$ 7,940	\$ (3,823)	\$ (33,265)	(29,148)
Income taxes				(571)
Non-controlling interest				1,127
<b>NET LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				<b>\$ (28,592)</b>



**Segmented Net Assets as at September 30, 2020**

	ASSETS					LIABILITIES			NET ASSETS
	Cash	Investments	Deferred	Other	Total	Corporate Debt	Other	Total	
			Income Taxes	Assets			Liabilities		
<i>Corporate and other portfolio holdings</i>	\$ 78,806	\$ 263,938	\$ 5,352	\$ 22,443	\$ 370,539	\$ -	\$ (38,619)	\$ (38,619)	\$ 331,920
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	2,691	1,220	-	2,336	6,247	-	(444)	(444)	5,803
<i>Resource industry</i>									
United Hydrocarbon International Corp.	3,690	-	-	43,479	47,169	-	(54)	(54)	47,115
Dundee Sustainable Technologies Inc.	1,189	-	-	8,122	9,311	(3,973)	(2,891)	(6,864)	2,447
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	72	-	-	72,551	72,623	(44,855)	(3,766)	(48,621)	24,002
AgriMarine Holdings Inc.	9	-	-	15,768	15,777	-	(4,951)	(4,951)	10,826
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	1,320	7,040	(441)	1,282	9,201	-	(2,463)	(2,463)	6,738
<b>Total</b>	<b>\$ 87,777</b>	<b>\$ 272,198</b>	<b>\$ 4,911</b>	<b>\$ 165,981</b>	<b>\$ 530,867</b>	<b>\$ (48,828)</b>	<b>\$ (53,188)</b>	<b>\$ (102,016)</b>	<b>\$ 428,851</b>

**Segmented Net Assets as at December 31, 2019**

	ASSETS					LIABILITIES			NET ASSETS
	Cash	Investments	Deferred	Other	Total	Corporate Debt	Other	Total	
			Income Taxes	Assets			Liabilities		
<i>Corporate and other portfolio holdings</i>	\$ 17,943	\$ 334,099	\$ 12,826	\$ 27,031	\$ 391,899	\$ -	\$ (27,801)	\$ (27,801)	\$ 364,098
<i>Asset management and capital markets</i>									
Goodman & Company, Investment Counsel Inc.	2,857	1,287	-	2,342	6,486	-	(624)	(624)	5,862
<i>Resource industry</i>									
United Hydrocarbon International Corp.	4,385	-	-	170,905	175,290	-	(1,573)	(1,573)	173,717
Dundee Sustainable Technologies Inc.	116	-	-	8,283	8,399	(5,418)	(2,488)	(7,906)	493
<i>Agriculture industry</i>									
Blue Goose Capital Corp.	341	-	-	71,444	71,785	(46,135)	(3,287)	(49,422)	22,363
AgriMarine Holdings Inc.	44	-	-	17,603	17,647	-	(4,944)	(4,944)	12,703
<i>Real estate industry</i>									
Dundee 360 Real Estate Corporation	850	6,413	(382)	1,375	8,256	(5)	(2,060)	(2,065)	6,191
<b>Total</b>	<b>\$ 26,536</b>	<b>\$ 341,799</b>	<b>\$ 12,444</b>	<b>\$ 298,983</b>	<b>\$ 679,762</b>	<b>\$ (51,558)</b>	<b>\$ (42,777)</b>	<b>\$ (94,335)</b>	<b>\$ 585,427</b>

## 28. SUBSEQUENT EVENT

On October 28, 2020, the Corporation announced the completion of its early discount exercise price program of Dundee Precious' purchase warrants, as described in the press release dated October 20, 2020. The Corporation offered to any warrant holder the opportunity to exercise their Warrants at the discounted exercise price of \$7.60 during the period commencing on October 20, 2020 through October 27, 2020. A total of 7,452,400 Warrants were exercised at the discounted exercise price during this specific period in exchange for a corresponding number of Dundee Precious' common shares owned by the Corporation for proceeds of \$56,638,000.

As a result of the above-mentioned warrants exercise and updated for current market conditions as at October 27, 2020, the fair value of the Corporation's investment in Dundee Precious' common shares decreased by \$71,231,000. Combined with the proceeds of \$56,638,000, the net fair value reduction from the Corporation's investment in Dundee Precious' common shares was \$14,593,000. In addition, the derivative financial liability relating to the fair value of the Warrants decreased by \$16,999,000. Accordingly, the net reduction associated with the Corporation's investment in Dundee Precious' common shares as well as the decline in the fair value of the related derivative financial liability will have a direct impact on the earnings or loss for the fourth quarter of 2020.