



DUNDEE
CORPORATION

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2016 SECOND QUARTER REPORT

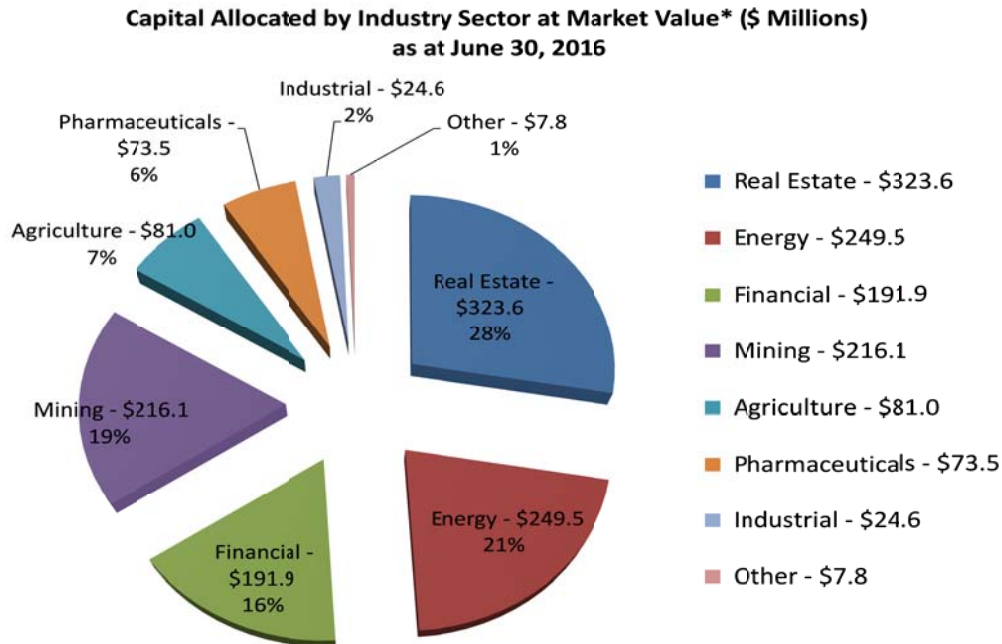
DUNDEE CORPORATION

Management's Discussion and Analysis

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.

This Management's Discussion and Analysis (“MD&A”) has been prepared with an effective date of August 9, 2016 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2015 (the “2015 Audited Consolidated Financial Statements”), together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and six months ended June 30, 2016 (the “June 2016 Interim Consolidated Financial Statements”), all of which have been prepared using International Financial Reporting Standards (“IFRS”). All amounts in this MD&A are in Canadian dollars unless otherwise specified. Tabular dollar amounts, unless otherwise specified, are in thousands of dollars, except for per share or per unit amounts. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the “Cautionary Note Regarding Forward Looking Statements” section later in this MD&A for further information.

DUNDEE CORPORATION'S CAPITAL ALLOCATED BY INDUSTRY SECTOR



* Certain of the Corporation's investments trade in public markets, while other investments are in debt or equity securities of private companies. While the Corporation has applied valuation methodologies to estimate the market value of its portfolio of non-publicly traded investments, these valuation methodologies have not been applied to operating subsidiaries and equity accounted investments that are not publicly traded. For purposes of the above chart, the “market value” of the Corporation's non-public operating subsidiaries and non-public equity accounted investments is equal to their underlying carrying value (see “Understanding the Allocation of Dundee Corporation's Capital”).

UNDERSTANDING THE ALLOCATION OF DUNDEE CORPORATION'S CAPITAL

	Carrying Value as at June 30, 2016	Market Value* as at June 30, 2016
1		
<p>Operating Subsidiaries Operating subsidiaries are not recorded as individual investments in the Corporation's consolidated financial statements. Instead, the accounts of the operating subsidiary are consolidated with those of the Corporation on a line-by-line basis. For example, the revenue generated by an operating subsidiary is reported as revenue of the Corporation in the consolidated statement of operations.</p>	\$ 456,169	\$ 442,284
2		
<p>Equity Accounted Investments Investments that are accounted for using the equity method are separately disclosed in the Corporation's consolidated statement of financial position as "Equity accounted investments". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee.</p>	169,254	169,302
3		
<p>Investments All other investments are designated as "Investments" in the Corporation's consolidated statement of financial position. These investments may include investments in equity or debt securities of public or private companies in a variety of sectors. These investments are reported in the Corporation's consolidated financial statements at their estimated fair value.</p>	556,463	556,463
4		
<p>Corporate Account Balances Corporate account balances represent balances of the Corporation's capital that are not directly attributable to a particular investment. These balances include cash held by the Corporation directly, offset by the Corporation's direct obligations, including obligations in respect of its credit facilities.</p>	(155,798)	(158,943)
	\$ 1,026,088	\$ 1,009,106
<p>SHAREHOLDERS' EQUITY Less: Shareholders' equity attributable to holders of: Preference Shares, series 2 Preference Shares, series 3</p>	 (84,053) (43,015)	 (86,985) (43,015)
<p>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO CLASS A SUBORDINATE SHARES AND CLASS B SHARES OF THE CORPORATION</p>	\$ 899,020	\$ 879,106
<p>Number of Class A Subordinate Shares and Class B Shares of the Corporation outstanding Class A Subordinate Shares Class B Shares</p>		 55,535,423 3,115,134 <u>58,650,557</u>
	\$ 15.33	\$ 14.99

* Certain of the Corporation's investments trade in public markets, while other investments are in debt or equity securities of private companies. While the Corporation has applied valuation methodologies to estimate the market value of its portfolio of non-publicly traded investments, these valuation methodologies have not been applied to operating subsidiaries and equity accounted investments that are not publicly traded. For purposes of the above schedule, the "market value" of the Corporation's non-public operating subsidiaries and non-public equity accounted investments is equal to their underlying carrying value.

** Before accounting for deferred income tax assets and liabilities in respect of the Corporation's investments in operating subsidiaries, which are not recognized in the Corporation's consolidated financial statements as per International Accounting Standard 12.

PERFORMANCE MEASURES

The Corporation believes that important measures of its operating performance, as well as that of its subsidiaries, include certain metrics that are not defined under IFRS and as such, may not be comparable to similar performance measures used by other companies. Throughout this MD&A, there will be references to certain performance measures which management believes are relevant in assessing the economics of its business. While these performance measures are not formally recognized by IFRS, the Corporation believes that they are informative and provide further qualitative insight into net earnings and cash flows.

- **“AUA” or “Assets under Administration”** represent the approximate period-end value of client assets administered by the Corporation’s brokerage subsidiaries and in respect of which these subsidiaries earn commission revenue and other similar fees from clients. AUA are not included in the Corporation’s consolidated statements of financial position.
- **“AUM” or “Assets under Management”** represent the period-end value of client assets managed by the Corporation’s asset management subsidiaries, or by its brokerage subsidiaries, on a discretionary basis and in respect of which these subsidiaries earn management fee revenue and, in certain cases, performance fee revenue. AUM is not included in the Corporation’s consolidated statements of financial position.
- **“Barrel of Oil Equivalent”** or “boe” is calculated at a barrel of oil conversion ratio of six thousand cubic feet (“Mcf”) of natural gas to one barrel (“bbl”) of oil (6 Mcf to 1 bbl), based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not always represent a value equivalency at the wellhead.
- **“Contingent Resources”** are those quantities of oil estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.
- **“Contingent Resources – 2C”** are considered to be the best estimate of the quantity that will actually be recovered from the Contingent Resources. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.
- **“Contingent Resources – 3C”** are considered to be the optimistic estimate of the quantity that will actually be recovered from the Contingent Resources. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability that the quantities actually recovered will equal or exceed the high estimate.
- **“Contingent Resources – 3C net of 2C”** are considered to be the additional quantity of 3C that will actually be recovered above the 2C.
- **“Contribution Margin”** or **“Margin”** is an important measure of earnings in certain business segments and generally represents core revenues less cost of sales. Margin generally excludes general and administrative expenses, interest expense, and income taxes and may also exclude depreciation and depletion of assets not directly associated with the activities of producing or extracting product for sale.
- **“Market Value”** or **“Fair Value”** of an investment is generally determined using quoted market prices on prescribed stock exchanges for investments that are publicly traded. Market value or fair value of an investment that is privately held is determined by reference to valuation methodologies appropriate for the investment.

- **“Field Level Cash Flows”** are calculated as revenue from oil and natural gas sales, less royalties and cost of sales. Field level cash flows contribute to working capital, including debt management, as well as to the funding of capital expenditure requirements for the Corporation’s resource-based business activities.
- **“Field Netbacks”** refer to field level cash flows expressed on a measurement unit or barrel of oil equivalent basis.
- **“Per Day Amount” or (“/d”)** is used throughout this MD&A to reflect oil and gas production volumes on an average per day basis.
- **“Probable Reserves”** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining reserves quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
- **“Prospective Resources”** are defined as those quantities of oil estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.
- **“Prospective Resources – Best Estimate”** are considered to be the best estimate of the quantity of prospective resources that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the best estimate.
- **“Proved Reserves”** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining reserves quantities recovered will exceed the estimated proved reserves.
- **“Shareholders’ Equity on a Per Share Basis”** is calculated by dividing the carrying value of the Corporation’s shareholders’ equity in accordance with IFRS (or the “Market Value” or “Fair Value” of such shareholders’ equity determined using valuation methodologies as described under the definition of “Market Value” or “Fair Value” above, and as may be adjusted for non-publicly traded operating subsidiaries or equity accounted investments), by the aggregate number of Subordinate Shares and Class B Shares of the Corporation issued and outstanding.

RESULTS OF OPERATIONS

Six months ended June 30, 2016 compared with the six months ended June 30, 2015

Consolidated Net Earnings

During the six months ended June 30, 2016, the Corporation incurred a net loss attributable to owners of Dundee Corporation of \$18.7 million, or a loss of \$0.38 per share. In comparison, during the first half of the prior year, the Corporation incurred a loss attributable to owners of Dundee Corporation of \$168.3 million, or \$2.96 per share. The following table summarizes the Corporation's net operating loss on a per segment basis.

<i>For the six months ended June 30,</i>	2016	2015
Net loss before income taxes from:		
Goodman & Company, Investment Counsel Inc.	\$ (1,457)	\$ (1,175)
Dundee Securities Ltd.	(2,365)	(4,439)
Dundee Energy Limited	(14,218)	(3,870)
United Hydrocarbon International Corp.	(7,511)	(23,053)
Dundee Sustainable Technologies Inc.	(2,637)	(3,271)
Eurogas International Inc.	(340)	(396)
Blue Goose Capital Corp.	(11,212)	(12,384)
AgriMarine Holdings Inc.	(4,135)	(15,930)
Dundee 360 Real Estate Corporation	(34,023)	(7,717)
	(77,898)	(72,235)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments:		
Dundee Precious Metals Inc.	63,896	(121,443)
DREAM Unlimited Corp.	14,929	2,596
Other portfolio investments	24,503	(32,298)
Share of earnings from equity accounted investments	1,140	1,742
Other items in the corporate and other portfolio holdings segment	(28,511)	(17,484)
Income tax (expense) recovery	(11,956)	51,219
Net loss for the period	\$ (13,897)	\$ (187,903)
Net loss attributable to:		
Owners of the parent	\$ (18,730)	\$ (168,292)
Non-controlling interest	4,833	(19,611)
	\$ (13,897)	\$ (187,903)

Operating results during the first half of 2016 benefited from improved market performance in certain of the Corporation's investments that are carried in the consolidated financial statements at fair value through profit or loss ("FVTPL"). Included as part of the "Corporate and other portfolio holdings" segment, these investments resulted in the recognition of a gain from investments of \$103.3 million in the current six month period, compared with a loss of \$151.1 million during the first half of 2015. Changes in the fair value of investments carried at FVTPL, which are determined by trends and information in equity and capital markets, are recorded in the Corporation's net earnings or loss and can cause substantial volatility in operating results. The Corporation cautions that the equity and credit markets do not always necessarily reflect the underlying value of certain assets.

A number of the Corporation's investments are accounted for using the equity method of accounting, which requires that the Corporation increase or decrease the carrying value of its investment by its proportionate share of the net earnings or loss of the underlying investee. This method of accounting further subjects the Corporation to significant volatility in its operating performance as the underlying net earnings or loss of the equity accounted investee may be subject to market forces or other events over which the Corporation does not exert control. During the first half of 2016, the Corporation recognized earnings from its equity accounted investments of \$1.1 million, compared with earnings of \$1.7 million in the same period of the prior year.

In April 2016, Parq Holdings Limited Partnership (“Parq”), the developer of the casino and resort development project in Vancouver, British Columbia, entered into an amending agreement with the general contractor of the project, which culminated in an extension of the construction schedule, updating the completion of the project to the fall of 2017. The schedule extension required the concurrence of the project’s lenders (see “*Dundee 360 Real Estate Corporation*” segment). In connection with the extension of the construction contract and the concurrent changes to the terms of the associated credit agreements, the development contract previously awarded to Dundee 360 was cancelled. Consequently, during the first half of 2016, Dundee 360 accelerated the depreciation of the value attributed to the development contract by \$3.5 million, and it further recognized an impairment of \$14.1 million against goodwill previously attributed to this project.

Highlights of other period-over-period comparable results are described below and are further discussed under “*Segmented Results of Operations*”.

- Dundee Securities’ capital market division incurred a net operating loss before taxes of \$2.4 million during the six months ended June 30, 2016, compared with a net operating loss before taxes of \$0.4 million during the same period of the prior year. The increased operating loss reflects a decline in the number and size of investment banking engagements awarded to Dundee Securities.
- In April 2016, Dundee Securities completed the sale of its retail division, previously branded as “Dundee Goodman Private Wealth” to Echelon Wealth Partners Inc. Included in operating results during the first half of 2016 is a gain of \$2.6 million relating to the transaction.
- Dundee Energy’s operating performance continues to be impacted by the significant volatility in prices of oil and natural gas. Dundee Energy reported a net operating loss before taxes of \$14.2 million in the first half of 2016, including an impairment of \$5.0 million on certain of its natural gas properties in southern Ontario. In comparison, Dundee Energy reporting a net operating loss before taxes of \$3.9 million during the same period of the prior year.
- UHIC incurred a net operating loss before taxes of \$7.5 million during the first half of 2016, compared with a net operating loss before taxes of \$23.1 million during the same period of the prior year. Prior year results included \$7.1 million of termination and shutdown costs incurred by UHIC as it committed to reduce operating costs in response to lower commodity prices.
- Driven primarily by changes in the fair value of livestock, Blue Goose incurred a net operating loss before taxes of \$11.2 million in the first half of 2016, compared with a net operating loss before taxes of \$12.4 million in the same period of the prior year. These factors have also negatively impacted the operating performance of AgriMarine, which reported a net operating loss before taxes of \$4.1 million in the first half of 2016, compared with a net operating loss before taxes of \$15.9 million in the same period of the prior year. Prior year results of AgriMarine included a \$13.6 million one-time charge against the carrying value of certain intangible assets.
- Dundee 360 incurred a net operating loss before taxes of \$34.0 million during the first half of 2016, including depreciation of \$17.6 million relating to goodwill and other intangible assets associated with the Parq project. In addition, Dundee 360 incurred depreciation charges of \$5.8 million on the sale of certain hospitality services agreements following a restructuring of that business segment in June 2016. In comparison, operating losses before taxes in the first half of 2015 were \$7.7 million and included one-time revenue of \$4.0 million related to the termination of an asset management agreement.

OPERATING SUBSIDIARIES AS AT JUNE 30, 2016

		(000's)				Non-Controlling Interests	Carrying Value as at	Market Value as at
	Ticker Symbol	# of Shares Held	Market Price/Share	Percentage Ownership	Net Assets (note 1)	(note 2)	June 30, 2016	June 30, 2016
Subsidiaries That Are Not Publicly Listed								
				33%	\$ 218,332	\$ -	\$ 218,332	\$ 218,332
				100%	84,949	-	84,949	84,949
				88%	64,651	(4,854)	59,797	59,797
				100%	39,329	(1,750)	37,579	37,579
				100%	19,249	-	19,249	19,249
				100%	510	-	510	510
Subsidiaries That Are Publicly Listed								
	DST	228,068.5	\$0.05	66%	4,683	2,577	7,260	11,403
	DEN	108,993.5	\$0.04	58%	43,241	(16,992)	26,249	3,815
	EI	16,646.8	\$0.01	53%	85	2,159	2,244	83
							-	6,567
TOTAL – OPERATING SUBSIDIARIES							\$ 456,169	\$ 442,284

1. See note 34 “Segmented Information” to the June 2016 Interim Consolidated Financial Statements for a more detailed analysis of the carrying value of individual assets and liabilities attributed to each operating subsidiary.
2. See note 22 “Non-Controlling Interest” to the June 2016 Interim Consolidated Financial Statements for information regarding the carrying value of non-controlling interest in each subsidiary.
3. Includes “Dundee Securities Europe LLP”, “Dundee Securities Inc.”, and “Dundee Goodman Insurance Agency Ltd.”, all of which are sister companies to Dundee Securities Ltd.
4. From time to time, the Corporation will advance monies to an operating subsidiary to fund working capital requirements. Amounts advanced between the Corporation and its operating subsidiaries are eliminated in the June 2016 Interim Consolidated Financial Statements of the Corporation. Accordingly, for purposes of determining the estimated market value of operating subsidiaries that are publicly traded, the Corporation has included its proportionate interest in advances to each operating subsidiary that is due to the Corporation from non-controlling shareholders of each operating subsidiary. Amounts due under these arrangements to operating subsidiaries that are not publicly traded are already included in the determination of the net carrying value of these operating subsidiaries.

Segmented Results of Operations

The following discussion provides a more comprehensive analysis of the performance results of each of the Corporation’s operating subsidiaries, and their impact to the consolidated operating results of the Corporation. The following information is presented in a manner that corresponds to the Corporation’s reportable business segments as presented in note 34 to the June 2016 Interim Consolidated Financial Statements.

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

Goodman & Company, Investment Counsel Inc. (“GCIC”) is a registered portfolio manager and exempt market dealer across Canada, and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland. GCIC is an indirect, wholly-owned subsidiary of Dundee Corporation. Information about GCIC may be accessed at www.goodmanandcompany.com.

GCIC is the entity through which the Corporation intends to build out its Investment Counsel/Portfolio Management (“ICPM”) platform that is currently branded as “Dundee Global Investment Management” (“DGIM”). The ICPM strategy includes developing integrated and diversified financial products and services focused on the high-net-worth and ultra-high-net-worth markets.

During the first half of 2016, GCIC accumulated approximately \$85.8 million in AUM under managed account arrangements for private clients, and it successfully launched its most recent tax-sheltered limited partnership, *CMP 2016 Resource Limited Partnership*, which raised new capital of \$20.7 million. In addition, GCIC established its own series of investment products geared towards its high-net-worth client base with the launch of *Goodman & Co. Partners Strategy* and *Goodman & Co. Core Equity Strategy*, which collectively raised a further \$8.0 million.

In May 2016, GCIC, in its capacity as the trustee and manager of *Goodman Gold Trust*, determined that it was in the best interest of unitholders to terminate the trust following a distribution of its underlying assets. The distribution of \$33.4 million was completed in June 2016, following which the trust itself was terminated.

Combined with market appreciation of \$24.2 million since January 1, 2016, and as a result of the preceding information, AUM increased by a net amount of \$87.4 million to \$175.7 million at June 30, 2016, compared with AUM of \$88.2 million at December 31, 2015.

	<i>For the three months ended</i> <i>June 30, 2016</i>	<i>For the six months ended</i> <i>June 30, 2016</i>
AUM at beginning of the period	\$ 186,893	\$ 88,227
Transactions for the period ended June 30, 2016		
Additions	6,776	28,725
Redemptions	(3,726)	(14,580)
Distributions paid	(33,350)	(36,737)
Change in market values	8,493	24,246
Change in private client assets	10,588	85,793
Net change in managed assets	(11,219)	87,447
AUM at end of the period	\$ 175,674	\$ 175,674
AUM Breakdown		
Private clients		\$ 85,793
Tax sheltered investment products		41,690
Mutual funds		29,277
Alternative investment products		18,914
		\$ 175,674

GCIC's management fee revenue is calculated and paid monthly, based on the fair value of AUM as determined on the last business day of each month. The average AUM for the first half of 2016 was \$158.1 million, compared with average AUM of \$110.7 million during the same period of the prior year. The increase has led to a corresponding increase in management fee revenues earned, which increased to \$1.3 million during the first half of 2016, from revenue levels of \$1.1 million earned in the same period of the prior year.

Management fee revenues are also impacted by the management fee rate charged on AUM. During the six months ended June 30, 2016, the average management fee rate earned on AUM was 1.5%, compared with an average management fee rate of 2.0% earned in the corresponding period of the prior year. The decrease in the average management fee rate reflects the mix of assets managed, with private client assets generally earning a lower management fee rate than tax sheltered investment products, mutual funds and closed-end investment products.

RESULTS OF OPERATIONS

As illustrated in the table below, GCIC incurred a net loss before income taxes attributable to owners of Dundee Corporation of \$1.5 million in the first half of 2016, a 24% increase over a pre-tax loss of \$1.2 million incurred in the same period of the prior year. Despite the increase in management fee revenues, GCIC's net operating performance has been impacted by higher levels of general and administrative expenses, which increased to \$2.9 million in the first half of 2016, compared with general and administrative expenses of \$2.3 million incurred during the same period of 2015, reflecting initiatives in the development of GCIC's business activities.

<i>For the six months ended June 30,</i>	2016	2015
Revenues		
Management fees	\$ 1,263	\$ 1,074
Financial services	1	-
Interest, dividends and other	165	1
	1,429	1,075
Other items in net loss before taxes		
General and administrative	(2,886)	(2,250)
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (1,457)	\$ (1,175)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (1,457)	\$ (1,175)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (1,457)	\$ (1,175)

DUNDEE SECURITIES LTD.

Dundee Securities Ltd. is a wholly-owned subsidiary of Dundee Corporation. A full service brokerage firm with operations across Canada, Dundee Securities is registered as an investment dealer in each of the jurisdictions of Canada and as a derivatives dealer in Quebec and as such, it is subject to the oversight of the provincial securities commissions and the Investment Industry Regulatory Organization of Canada (“IIROC”). Business activities are carried out directly, and through several sister companies including Dundee Securities Europe LLP, a company authorized by the Financial Conduct Authority in the United Kingdom for the purposes of security brokering and asset management; and Dundee Goodman Insurance Agency Ltd., licensed by the Financial Services Commission of Ontario to carry on business as a life insurance agency (collectively “Dundee Securities”). Additional information about the operations of Dundee Securities and its various business divisions may be accessed at either www.dundeecapitalmarkets.com or www.dundeesecurities.com.

RESULTS OF OPERATIONS

For the six months ended June 30,	Capital Markets		Retail & Other		TOTAL	
	2016	2015	2016	2015	2016	2015
Revenues						
Management fees	\$ -	\$ -	\$ 3,464	\$ 7,987	\$ 3,464	\$ 7,987
Financial services						
Investment banking	11,239	16,337	-	-	11,239	16,337
Commissions	9,408	10,441	6,824	12,700	16,232	23,141
Principal trading	(2,654)	(839)	2,021	2,216	(633)	1,377
Foreign exchange trading	-	-	150	324	150	324
Interest, dividends and other	534	670	2,469	4,507	3,003	5,177
	18,527	26,609	14,928	27,734	33,455	54,343
Cost of sales						
Variable compensation	(8,278)	(12,281)	(6,130)	(13,185)	(14,408)	(25,466)
Other items in net (loss) earnings						
Depreciation	(183)	(227)	(413)	(842)	(596)	(1,069)
General and administrative						
- direct	(9,278)	(12,247)	(3,628)	(11,927)	(12,906)	(24,174)
- allocated	(3,360)	(2,279)	(4,264)	(6,052)	(7,624)	(8,331)
Interest expense	(11)	(37)	(80)	(47)	(91)	(84)
Foreign exchange (loss) gain	202	63	(397)	279	(195)	342
Net (loss) earnings before taxes, Dundee Securities Ltd.	\$ (2,381)	\$ (399)	\$ 16	\$ (4,040)	\$ (2,365)	\$ (4,439)
Net (loss) earnings before taxes, Dundee Securities Ltd. attributable to:						
Owners of Dundee Corporation	\$ (2,381)	\$ (399)	\$ 16	\$ (4,040)	\$ (2,365)	\$ (4,439)
Non-controlling interest	-	-	-	-	-	-
Net (loss) earnings before taxes, Dundee Securities Ltd.	\$ (2,381)	\$ (399)	\$ 16	\$ (4,040)	\$ (2,365)	\$ (4,439)

The Capital Markets Division

The capital markets division of Dundee Securities provides a variety of financial services including investment banking, institutional equity sales and equity research. Branded as “Dundee Capital Markets”, this division provides strategic financing expertise to private clients and select companies within certain core sectors including mining, energy, technology, real estate, infrastructure and industrials.

The Corporation believes that central to the success of Dundee Capital Markets is an alignment of interest between management and key employees. Therefore, the Corporation has initiated a process that will result in key employees investing in the capital markets division. This process is expected to be completed in the second half of 2016.

Revenues from Activities in the Capital Markets Division

During the six months ended June 30, 2016, the capital markets division generated revenues of \$18.5 million, a 30% decrease from revenues of \$26.6 million earned during the first half of the prior year. The decrease results primarily from reduced investment banking revenues which fell 31% to \$11.2 million during the first half of 2016, compared with \$16.3 million earned in the same period of the prior year.

New issue revenue decreased to \$8.4 million during the first half of 2016, compared with \$14.5 million of new issue revenue earned in the same period of the prior year. During the first half of 2016, Dundee Capital Markets participated in 64 public and private new issue transactions, compared to 76 transactions in the same period of the prior year. Despite the relatively unchanged number of transactions, Dundee Capital Markets experienced both a decrease in the average size of financing transactions completed, as well as lower average percentage participation in those financings. In contrast, advisory fee revenue during the first half of 2016 was \$2.8 million, an increase of \$1.0 million compared with \$1.8 million of advisory fee revenue earned in the same period of the prior year. Advisory mandates are generally long-term in nature, and fees are earned only following the successful completion of a transaction, therefore, revenue from the provision of advisory services fees may be subject to significant volatility.

Also contributing to lower revenue levels is the impact of increased facilitation trading losses on institutional commission revenue, which fell to \$9.4 million in the current six-month period, compared with \$10.4 million earned in the same period of 2015.

Principal trading losses were \$2.7 million in the first half of 2016, and included facilitation trading losses of \$3.3 million, offset by appreciation of approximately \$0.6 million in the market value of certain securities held in this division. In comparison, during the first half of 2015, facilitation trading losses were \$2.2 million, offset by appreciation of \$1.3 million in the market value of securities held. The ratio of facilitation trading losses to associated institutional commission revenue increased to 35% in the first half of 2016, compared with 21% in the first half of the prior year.

Variable Compensation Expense

Variable compensation expense incurred by Dundee Capital Markets during the first half of 2016 was \$8.3 million (six months ended June 30, 2015 – \$12.3 million), and represented approximately 46% (six months ended June 30, 2015 – 47%) of related financial services revenue, resulting in contribution margins of 54% (six months ended June 30, 2015 – 53%).

General and Administrative Expenses

Dundee Capital Markets incurred general and administrative expenses of \$12.6 million in the first half of 2016, compared with general and administrative expenses of \$14.5 million in the same period of the prior year. The decrease reflects cost savings initiatives implemented during 2015 that have resulted in lower employment, promotional and travel expenses, partially offset by higher professional fees associated with the architecture and design of a plan to allow key employees to have effective ownership in Dundee Securities.

The Retail Division and Other Activities

In April 2016, Dundee Securities completed the sale of substantially all of the assets of Dundee Goodman Private Wealth to Echelon Wealth Partners Inc. (“Echelon”). The transaction with Echelon resulted in the transfer of approximately \$3.5 billion of investible client assets, reducing its AUA at June 30, 2016 to \$1.6 billion. In addition, and in order to accommodate the significant growth in its business, Dundee Goodman Private Wealth also transferred a significant part of its underlying operating infrastructure and staff resources associated with this division.

As is illustrated in the following table, Dundee Securities received cash consideration of \$9.3 million on the sale. In addition, Dundee Securities may receive up to another \$4.2 million in cash consideration, contingent on the retention of AUA by Echelon over a 12-month period from completion of the sale. At completion of the transaction with Echelon, the fair value of the contingent consideration was estimated at \$3.7 million, resulting in a gain of \$2.6 million. The gain has been included in these financial statements as a recovery of general and administrative expenses.

As at	April 25, 2016
Carrying value of net assets sold:	
Cash	\$ 206,790
Accounts receivable	569
Client accounts receivable	282,664
Brokerage securities owned	21,983
Capital and other assets	9,799
Client deposits and related liabilities	(506,375)
Brokerage securities sold short	(5,062)
	10,368
Proceeds received on disposition of net assets:	
Cash	9,305
Contingent consideration	3,660
Gain on sale of net assets	\$ 2,597

In addition to proceeds received at closing, the transaction unlocked regulatory capital, enabling Dundee Securities to pay a dividend of \$29.0 million to the Corporation as of today's date, including \$20.0 million paid before June 30, 2016.

As a result of the sale, revenue in the retail division decreased to \$14.9 million during the first half of 2016, compared with revenue of \$27.7 million generated in the same period of the prior year. Correspondingly, variable compensation expense incurred during the first half of 2016 was \$6.1 million (six months ended June 30, 2015 – \$13.2 million), representing approximately 49% (six months ended June 30, 2015 – 55%) of related financial services and management fee revenue, resulting in contribution margins of 51% (six months ended June 30, 2015 – 45%). Consistent with lower business activity, the retail division incurred general and administrative expenses of \$7.9 million in the first half of 2016 (net of the recognition of the \$2.6 million gain from the sale of assets to Echelon), a decrease of \$10.1 million from general and administrative expenses of \$18.0 million incurred in the same period of the prior year.

In connection with completion of the Echelon transaction, and in order to facilitate the transition of client accounts, Dundee Securities has agreed to provide Echelon with certain back-office activities through to December 31, 2016 on a cost-recovery basis.

CHANGES IN FINANCIAL CONDITION

Call Loan Facilities

From time to time, Dundee Securities may utilize call loan arrangements to facilitate the securities settlement process for both client and principal securities transactions, or to fund margin lending. At June 30, 2016, Dundee Securities had established an uncommitted call loan facility for up to \$125.0 million (December 31, 2015 – \$125.0 million). There were no amounts drawn pursuant to this facility at June 30, 2016.

DUNDEE ENERGY LIMITED

Dundee Energy Limited ("Dundee Energy") is a small-cap Canadian-based company focused on creating long-term value through the development and acquisition of high-impact energy projects. Dundee Energy's principal operating assets are located in and around Lake Erie in southern Ontario, Canada. In addition to its operations in southern Ontario, Dundee Energy, through its 74% owned subsidiary, Castor UGS Limited Partnership, owns a 33% interest in Escal UGS S.L., a company incorporated under Spanish jurisdiction. Escal UGS S.L. is the developer and former owner of a Spanish infrastructure undertaking that converted an abandoned oilfield offshore Spain to a natural gas storage facility (see "*Significant Investments Accounted for under the Equity Method – Significant Developments in Equity Accounted Investments*"). At June 30, 2016, the Corporation held a 58% interest in Dundee Energy. Common shares of Dundee Energy are traded on the TSX under the symbol "DEN". Additional information about Dundee Energy may be accessed at www.dundee-energy.com.

During the six months ended June 30, 2016, Dundee Energy incurred a net loss before taxes of \$9.6 million attributable to owners of Dundee Corporation. This compares to a pre-tax net loss attributable to owners of Dundee Corporation of \$2.6 million incurred during the same period of the prior year.

RESULTS OF OPERATIONS

<i>For the six months ended June 30,</i>	2016	2015
Revenues		
Oil and gas sales	\$ 8,928	\$ 13,712
Interest and dividends	(1,095)	933
	7,833	14,645
Cost of sales		
Production expenditures	(6,654)	(7,966)
Other items in net loss before taxes		
Depreciation and depletion	(9,539)	(6,065)
General and administrative	(2,692)	(2,233)
Loss on derivative financial instruments	(874)	-
Interest expense	(2,184)	(2,262)
Foreign exchange (loss) gain	(108)	11
Net loss before taxes, Dundee Energy Limited	\$ (14,218)	\$ (3,870)
Net loss before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	\$ (9,579)	\$ (2,574)
Non-controlling interest	(4,639)	(1,296)
Net loss before taxes, Dundee Energy Limited	\$ (14,218)	\$ (3,870)

Sales and Production Volumes

During the first half of 2016, sales of oil and natural gas, net of royalty interests, generated revenues of \$8.9 million, a decrease of \$4.8 million from revenues of \$13.7 million earned during the same period of the prior year. The decrease arose primarily from lower realized prices for the underlying commodities, which reduced revenues by \$3.2 million, as well as lower producing volumes that further reduced revenues by \$1.6 million.

During the first half of 2016, Dundee Energy realized an average price on sales of natural gas of \$3.11/Mcf, representing a 10% premium over the average benchmark price at the Dawn Hub, which Dundee Energy continues to benefit from because of the proximity of its assets to the greater Toronto market area. Despite the premium, the average realized price on sales of natural gas in the current period declined 29% from the average price of \$4.36/Mcf realized in the same period of the prior year.

Dundee Energy's average realized price for sales of oil during the first half of 2016 was \$48.70/bbl, a 23% decrease from the average price of \$63.66/bbl realized in the same period of the prior year. On a comparative basis, the US dollar-denominated West Texas Intermediate price for this commodity fell 26%, while the Edmonton Par average price for crude oil during the first half of 2016 fell by 23%.

<i>Average daily volume during the six months ended June 30,</i>	2016	2015
Natural gas (Mcf/d)	10,835	11,838
Oil (bbls/d)	488	591
Liquids (bbls/d)	4	3
Total (boe/d)	2,298	2,567

Average daily natural gas production volumes decreased to 10,835 Mcf/d during the first half of 2016, compared with 11,838 Mcf/d in the first half of the prior year, reflecting scheduled downtime for maintenance at two of Dundee Energy's compressor stations. Oil production volumes decreased to 488 bbls/d, compared with 591 bbls/d in the first half of the prior year, reflecting the natural decline in these assets.

Field Level Cash Flows and Field Netbacks

For the six months ended June 30,			2016	2015		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	\$ 6,138	\$ 4,336	\$ 10,474	\$ 9,349	\$ 6,826	\$ 16,175
Royalties	(905)	(641)	(1,546)	(1,416)	(1,047)	(2,463)
Production expenditures	(4,213)	(2,441)	(6,654)	(4,350)	(3,616)	(7,966)
	1,020	1,254	2,274	3,583	2,163	5,746
Realized gain on derivative financial instruments	548	-	548	-	341	341
Field level cash flows	\$ 1,568	\$ 1,254	\$ 2,822	\$ 3,583	\$ 2,504	\$ 6,087

For the six months ended June 30,			2016	2015		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	\$/Mcf	\$/bbl	\$/boe	\$/Mcf	\$/bbl	\$/boe
Total sales	\$ 3.11	\$ 48.47	\$ 25.05	\$ 4.36	\$ 63.47	\$ 34.81
Royalties	(0.46)	(7.16)	(3.70)	(0.66)	(9.74)	(5.30)
Production expenditures	(2.14)	(27.29)	(15.91)	(2.03)	(33.63)	(17.14)
	0.51	14.02	5.44	1.67	20.10	12.37
Realized gain on derivative financial instruments	0.28	-	1.31	-	3.17	0.73
Field netbacks	\$ 0.79	\$ 14.02	\$ 6.75	\$ 1.67	\$ 23.27	\$ 13.10

CHANGES IN FINANCIAL CONDITION

Commodity Price Risk Management Contracts

From time to time, Dundee Energy may mitigate its exposure to price volatility in commodities, including currency risk associated with commodity pricing by entering into fixed price commodity contracts in Canadian dollars. At June 30, 2016, Dundee Energy had entered into certain fixed price commodity contracts as illustrated in the table below.

For the six months ended June 30,			2016	2015		
	Realized	Unrealized	Total	Realized	Unrealized	Total
	Gain	Loss		Gain	Loss	
Oil swaps	\$ -	\$ -	\$ -	\$ 341	\$ (341)	\$ -
Gas swaps	548	(1,422)	(874)	-	-	-
	\$ 548	\$ (1,422)	\$ (874)	\$ 341	\$ (341)	\$ -

Contract	Volume	Pricing	Strike Price	Currency	Remaining Term
Fixed Price Swap		Point	(\$/unit)		
Natural Gas	2,000 mmbtu/day	NYMEX	\$3.41	CAD	Jul 01/16 to Dec 31/16
Natural Gas	1,000 mmbtu/day	NYMEX	\$3.48	CAD	Jul 01/16 to Dec 31/16
Natural Gas	1,000 mmbtu/day	NYMEX	\$3.64	CAD	Jul 01/16 to Dec 31/16
Natural Gas	5,000 mmbtu/day	NYMEX	\$2.70	USD	Jan 01/17 to Dec 31/17

Dundee Energy's derivative financial instruments at June 30, 2016 had a negative value of \$1.4 million.

Impairment of Natural Gas Properties

During the six months ended June 30, 2016, and in response to the continued decline in the outlook for long-term natural gas prices, Dundee Energy recognized an impairment loss of \$5.0 million on certain natural gas properties in southern Ontario, reducing their carried value to their recoverable amount of \$49.8 million. These amounts have been included in the June 2016 Interim Consolidated Financial Statements as depletion expense. The recoverable amount of these natural gas properties was measured based on their value-in-use, determined by the application of a discounted cash flow model, using reserves volumes and forecasted natural gas prices as provided by independent, third party oil and gas reserves evaluators. In computing the recoverable amount, expected future cash flows were adjusted for risks specific to the natural gas properties and discounted using a discount rate of 8% and based on the average forecasted prices for natural gas at June 30, 2016 as published by Deloitte LLP.

The following table outlines Deloitte's forecasted future prices for natural gas as at June 30, 2016.

Reserve Prices	Natural Gas
	Union Parkway CAD\$/ Mcf
2016	3.65
2017	3.90
2018	4.05
2019	4.20
2020	4.40
Average five year forecast	4.04

Capital Expenditures

In response to the considerable decline in the price of oil and natural gas, Dundee Energy's work plan for 2016 will focus only on the maintenance of Dundee Energy's oil and natural gas land portfolio, which it anticipates will require approximately \$0.8 million. During the first half of 2016, Dundee Energy incurred \$0.5 million related to its land portfolio and \$0.1 million related to completion of prior year projects. In addition, Dundee Energy sold certain redundant equipment for \$0.1 million, resulting in a loss of approximately \$1.5 million.

Demand Revolving Credit Facility

A subsidiary of Dundee Energy has a \$60.0 million facility with a Canadian Schedule I Chartered Bank, which it originally established to finance the acquisition of Dundee Energy's assets in southern Ontario. The facility is secured by the underlying assets, and Dundee Energy has also assigned a limited recourse guarantee of its interest in the subsidiary. The lenders to Dundee Energy do not have recourse to Dundee Corporation in respect of these arrangements.

On February 18, 2016, amounts available pursuant to the credit facility were reduced from \$70.0 million at December 31, 2015 to \$60.0 million, and amounts available will be further reduced to \$55.0 million before December 31, 2016. The credit facility is structured as a revolving demand loan, and is subject to a tiered interest rate structure based on the net debt to cash flow ratio, as defined in the credit facility. Draws on the credit facility currently bear interest at Dundee Energy's option, at either the bank's prime lending rate plus 3.5% for loans and letters of credit or, for bankers' acceptances, at the bankers' acceptance rate plus 4.5%. The credit facility is subject to a standby fee of 0.55% on undrawn amounts under the credit facility. The credit facility is subject to certain covenants, including maintenance of minimum levels of working capital. At June 30, 2016, Dundee Energy was in compliance with all such covenants.

At June 30, 2016, Dundee Energy had cash of \$0.1 million on deposit with a Canadian Scheduled I Chartered Bank and it had drawn \$59.0 million against its current credit facility.

Dundee Energy's ability to continue its operations in the normal course of business is dependent upon commodity prices. Prices for natural gas and crude oil remain low, and as a result, Dundee Energy's cash flows have been significantly reduced. In addition, as a reflection of lower commodity prices, reserve values have also declined. These conditions could, among other things, impede access to further borrowings, or increase the cost of borrowing, which would have an adverse effect on Dundee Energy's ability to access the financing necessary to fund its operations.

Subsequent to June 30, 2016, Dundee Energy and its lenders initiated discussions pursuant to which the lenders have requested that Dundee Energy further reduce its borrowing capacity to \$38.0 million by mid January 2017. Dundee Energy is currently working in cooperation with its lenders, and it is assessing further alternatives. However, Dundee Energy's access to alternative capital may not be available on terms acceptable to Dundee Energy or at all.

UNITED HYDROCARBON INTERNATIONAL CORP.

United Hydrocarbon International Corp. (“UHIC”) is a privately-held Canadian company engaged in the exploration, development and production of oil and gas in the Republic of Chad. In May 2012, UHIC was awarded an exploration permit pursuant to a Production Sharing Contract (“PSC”) with the government of the Republic of Chad through its wholly-owned subsidiary, United Hydrocarbon Chad Ltd. The PSC provides UHIC with the exclusive right to explore and develop oil and gas reserves in four distinct blocks: the DOC Block and the DOD Block (together the “Doba Basin”); Block H; and the Largeau Block.

UHIC has been impacted by downward commodity pricing pressures, which are currently being faced by many international oil and gas companies. The Brent oil price fell to a low of US\$36.11/bbl in 2015 and fell further to a low of US\$27.88/bbl in early 2016. The reduction of Brent oil prices generally increased the cost of both debt and equity capital to oil and gas companies, while also challenging the short term returns of prospective projects. These external factors are beyond the control of Dundee Corporation, and have impeded its ability to immediately raise the capital that is required for UHIC to access resources and further develop and advance its business strategy of converting resources to reserves, and establishing production. In response, UHIC temporarily suspended drilling operations in early 2015, releasing the drilling rig, and issuing contract suspension and termination notices to most of its service providers. On an ongoing basis, the Corporation anticipates that UHIC will require approximately US\$1.0 million per month to ensure the maintenance of its resource properties, meet its obligations under the PSC and develop its technical data, until such time as additional financing can be obtained, or a position can be farmed out.

As at June 30, 2016, the Corporation’s carrying value of its investment in UHIC was \$218.3 million. Additional information regarding UHIC may be accessed at www.unitedhydrocarbon.com.

CHANGES IN FINANCIAL CONDITION

Compliance with the Requirements of the Production Sharing Contract

Under the terms of the PSC, UHIC was awarded an exploration permit with an initial term of five years expiring in May 2017, and with a renewal option for a period of an additional three years. In addition to ongoing normal course annual costs such as land taxes and other miscellaneous administration fees associated with the PSC, the initial term of the PSC carried a minimum work commitment of US\$75.0 million, all of which has already been fulfilled by UHIC. During the renewal period, UHIC will have further work obligations of US\$5.0 million. Should there be a commercial discovery or discoveries, UHIC may apply for exploitation license(s) under the terms of the PSC. The exploitation license would have an initial term of 25 years, and may be renewed for an additional 10 years. A fee of US\$2.0 million would be payable to the government of the Republic of Chad upon the approval and issuance of each exploitation license.

Cash Resources

UHIC does not currently generate cash flows from its business activities, and it currently relies on its ability to raise funds through capital markets or through debt from the Corporation.

At June 30, 2016, the Corporation had advanced a total of \$323.8 million to UHIC, including (i) \$201.7 million principal amount of convertible debentures of UHIC which bear interest at 12% and which may be converted at any time by the Corporation into UHIC common shares at \$1.00 per share, subject to certain adjustments; (ii) \$118.9 million in promissory notes that are due on demand and which bear interest at prime plus 2%; (iii) \$1.0 million in convertible promissory notes that are due on demand and which bear interest at prime plus 2% and which may be converted at any time by the Corporation into UHIC common shares at the last issue price per common share of UHIC shares, or the final issue price per common share of UHIC shares of any indebtedness tendered into an offering; and (iv) \$2.2 million of other debt incurred in respect of inter-corporate shared costs. During the six months ended June 30, 2016, the Corporation advanced \$5.1 million to UHIC under these arrangements.

UHIC will require additional funds to continue its exploration program and if successful, to develop and produce commercially viable discoveries. There can be no assurance that UHIC will be successful in raising the necessary funds to support future operations.

RESULTS OF OPERATIONS

Following the suspension of drilling operations in early 2015, UHIC incurred contract cancellation costs and reduced its general and administrative costs to conserve cash, focus on the integration of all of the new scientific and technical data that had been collected into the development of UHIC's assets, and engage in a process to develop targeted plans for a multi-staged development strategy to establish production. As a result of the cost reduction initiatives, UHIC's net loss was reduced to \$3.6 million in the second quarter of 2016, compared with a \$9.2 million net loss in the same period of the prior year, and UHIC's net loss was reduced to \$7.5 million in the first six months of 2016, compared with a \$23.1 million net loss in the same period of the prior year.

	For the three months ended June 30,		For the six months ended June 30,	
	2016	2015	2016	2015
General and administrative costs:				
Directly attributable to exploration activities, gross	\$ 1,205	\$ 4,352	\$ 2,617	\$ 13,401
Amounts capitalized	-	(687)	-	(3,802)
Directly attributable to exploration activities, net	1,205	3,665	2,617	9,599
Head office and other ongoing expenses	2,007	3,015	3,809	6,204
Employee termination costs	-	2,254	132	2,254
Shut-down and contract termination costs	-	1,014	-	5,014
	3,212	9,948	6,558	23,071
Other net costs	416	(792)	953	(18)
	\$ 3,628	\$ 9,156	\$ 7,511	\$ 23,053

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

Dundee Sustainable Technologies Inc. ("Dundee Technologies") is engaged in the development of environment-friendly technologies for the treatment of complex materials in the mining industry. Through the development of patented, proprietary processes, Dundee Technologies extracts precious and base metals from ores, concentrates and tailings, while stabilizing contaminants such as arsenic, which could not otherwise be extracted or stabilized with conventional processes because of metallurgical issues or environmental considerations.

Cyanidation, a commonly used procedure for processing gold, typically produces large amounts of highly contaminated tailings. Several countries have restricted, or even banned the use of cyanide and, as a result, there are a significant number of ore bodies that are dormant for lack of an environmentally-acceptable process to extract the gold from the ore bodies. Dundee Technologies' most advanced proprietary process uses chlorination to provide a cyanide-free alternative for the exploitation of gold deposits. The primary benefits of this innovative technology are shorter processing times, an inert and stable cyanide-free tailings and a closed-loop operation, eliminating the need for costly tailing ponds and reducing the associated environmental footprint.

In late 2015, Dundee Technologies commissioned a demonstration plant, enabling it to proceed with the demonstration phase of the project. At June 30, 2016, Dundee Technologies had expended \$17.7 million towards the construction and operation of the demonstration plant, and it intends to incur a further \$1.0 million in processing costs during the remainder of 2016.

In order to establish the proof of concept for the chlorination process, Dundee Technologies has established an agreement with Dundee Precious Metals Inc. ("Dundee Precious") pursuant to which Dundee Precious agreed to supply refractory gold bearing pyrite concentrate from its Bulgarian mining operations for processing. Processing commenced at the demonstration plant in November 2015 and was completed in March 2016 with a total of 170 tonnes of the concentrate processed. The results of the testing were independently verified through the Canadian Environmental Technology Verification Program ("Canadian ETV"), an independent certification program that is designed to support Canada's environment industry by providing credible and independent verification of technology claims, and provides assurance that environmental performance claims are valid and supported by high quality, independent test data and information. The certification confirms that Dundee Technologies' cyanide-free gold extraction process achieved an average yield of at least 81%, while the average yield using cyanide extraction methodology was at least 71% on the same material.

This particular refractory concentrate was chosen due to the difficulty of extracting its gold using conventional processes, hence demonstrating the effectiveness of the Dundee Sustainable gold process. Processing of the concentrate also allowed Dundee Technologies to confirm the efficiencies of the components of the plant, which responded well and according to expectations. Finally, the process successfully demonstrated the closed circuit operation of the plant with the recycling and regeneration of the reagents, and all solid residues met environmental norms.

In addition to the processing of concentrate received from Dundee Precious, in September 2015, Dundee Technologies announced that it had entered into an agreement with a Chilean mining company for the processing of gold concentrate using the chlorination process. In September 2015, Dundee Technologies received two tonnes of concentrate from the Chilean company to be processed initially at the pilot plant. In March 2016, Dundee Technologies announced that through the chlorination process, it achieved a gold recovery of 98.8% from its piloting campaign. These results enable Dundee Technologies to move forward on the next stage of the arrangement with the Chilean company, which will involve the processing of a larger quantity of material at the demonstration plant starting in August 2016 and, if successful, contracting an independent technical-economic study, with the objective of building a processing facility in Chile.

In addition to its chlorination process, Dundee Technologies has constructed a pilot plant to demonstrate its arsenic stabilization process, which is designed for the sequestration of this contaminant into a stable glass form. This process is an attractive technique to permanently segregate arsenic and presents opportunities to process materials considered too toxic to be exploited or stabilized using conventional mining methods.

In February 2016, Dundee Technologies entered into an agreement with an international gold mining company to evaluate the feasibility of integrating the arsenic stabilization process to arsenical matter produced by that company's operations. The first stage of the agreement contemplates confirming, on a pilot plant scale, that the technology can be successfully implemented on the matter targeted for stabilization by the gold mining company. Upon successful completion of the first stage of the agreement, a study will be undertaken to evaluate the technical and economic implications of a full-scale arsenic vitrification plant, to be located at the site of the gold mining company's operations. Dundee Technologies expects to complete the initial piloting program during the third quarter of 2016.

In addition to the use of this process in extraction activities, the same technology presents an opportunity to copper smelting operations that are looking to stabilize the arsenic-bearing flue dusts, which are inherent in such operations. In September 2015, Dundee Technologies entered into an agreement with a major copper mining company for the treatment of arsenic-bearing flue dusts produced by that company's operations. The agreement contemplates a two-phased approach. The first phase consists of demonstrating Dundee Technologies' arsenic stabilization technology on a pilot plant scale and, if successful, the second phase would encompass defining the terms for the treatment of the flue dusts on a commercial basis. Dundee Technologies expects to complete the preliminary testing during the third quarter of 2016.

At June 30, 2016, the Corporation held 178.1 million subordinate voting shares and 50.0 million multiple voting shares of Dundee Technologies, representing a 66% equity interest and an 85% voting interest. Additional information regarding Dundee Technologies may be accessed at www.dundee technologies.com.

RESULTS OF OPERATIONS

During the six months ended June 30, 2016, Dundee Technologies incurred a pre-tax net loss of \$1.6 million attributable to owners of Dundee Corporation, consistent with a pre-tax net loss of \$1.8 million in the same period of the prior year.

<i>For the six months ended June 30,</i>	2016	2015
Revenues		
Technical services	\$ 554	\$ -
Interest and dividends	-	-
	554	-
Cost of sales	(294)	-
Other items in net loss before taxes		
Depreciation and depletion	(1)	(31)
General and administrative	(2,774)	(3,223)
Interest expense	(136)	(8)
Foreign exchange gain (loss)	14	(9)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (2,637)	\$ (3,271)
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:		
Owners of Dundee Corporation	\$ (1,566)	\$ (1,846)
Non-controlling interest	(1,071)	(1,425)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (2,637)	\$ (3,271)

During the six months ended June 30, 2016, Dundee Technologies sold technical services to customers in the mining industry to evaluate processing alternatives using its technologies.

General and administrative expenses include research and development expenses in respect of Dundee Technologies' chlorination and arsenic stabilization process. During the six months ended June 30, 2016, Dundee Technologies incurred \$2.2 million (six months ended June 30, 2015 – \$2.7 million) in research and development costs. These costs relate primarily to the operation of the chlorination process demonstration plant in this period, as compared to the construction of the plant in the comparative period of the prior year.

CHANGES IN FINANCIAL POSITION

At June 30, 2016, Dundee Technologies had cash of \$0.3 million, and it had obligations, other than obligations due to Dundee Corporation, of \$1.2 million. Dundee Technologies anticipates that it will require approximately \$3.0 million to \$5.0 million to complete the technical-economic studies for an industrial implementation of its technologies by the end of 2017. Dundee Technologies continues to pursue financing alternatives to fund its operations. Although there is no assurance that these efforts will be successful, Dundee Technologies believes that if its ongoing research and development activities provide favorable results, it will be able to secure the necessary financing through the issuance of debt or equity.

EUROGAS INTERNATIONAL INC.

Eurogas International Inc. ("Eurogas International") (www.eurogasinternational.com), is a publicly traded (CSE:EI) oil and natural gas exploration company. Eurogas International holds a 5.625% royalty-like working interest against future production derived from the Sfax offshore permit ("Sfax Permit"), located in the shallow Mediterranean waters in the Gulf of Gabes, offshore Tunisia and southeast of the city of Sfax. DNO Tunisia AS ("DNO"), a subsidiary of DNO International ASA, an Oslo-listed company with significant expertise in the oil and gas industry across the Middle East and Africa, is the current operator of the Sfax Permit.

In 2015, DNO sought an extension of the first renewal period of the Sfax Permit. In August 2015, DNO received the necessary regulatory approval from the Tunisian authorities for a two-year extension of the first renewal period related to the Sfax Permit, extending the first renewal period and the associated exploration well drilling obligation to December 8, 2017. In addition, the extension requires the acquisition of 700 km of 2-dimensional seismic. In November 2015, DNO announced plans for 3-dimensional activities at the Sfax Permit in preparation for drilling a well in 2017.

During the three and six months ended June 30, 2016, Eurogas International incurred a pre-tax loss of \$0.2 million and \$0.3 million, respectively, consistent with a pre-tax loss of \$0.2 million and \$0.4 million, respectively in the same period of the prior year.

CHANGES IN FINANCIAL POSITION

Eurogas International's ability to meet its ongoing obligations is conditional on the discovery of economically recoverable reserves, obtaining exploitation concessions for any such economically recoverable reserves, the ability to raise the necessary capital to finance development and settle its current obligations, and working capital from future profitable production or proceeds from the disposition of assets. There can be no assurance that Eurogas International will be successful in achieving these initiatives.

BLUE GOOSE CAPITAL CORP.

Blue Goose Capital Corp. ("Blue Goose") is a privately-held Canadian company focused on the production, distribution and sale of organic and natural protein products, including beef, chicken and fish. In order to continue to expand its operations and strengthen its control over its supply chain, during the first half of 2016, Blue Goose has been focused on completing a \$20.0 million financing. The proceeds of the financing will be used to finance the equity portion of one or more accretive acquisitions and for general business purposes. Completion of the financing will allow Blue Goose to advance its short-term business plans, including its plan for strategic acquisitions, following which Blue Goose will focus on realization of efficiencies from further vertical integration.

On June 22, 2016, and following the advancement of alternative financing arrangements by Blue Goose, Gulfstream Acquisition I Corp. determined that it would not proceed with its previously announced transaction pursuant to which Gulfstream and Blue Goose were to complete a business combination intended to constitute Gulfstream's Qualifying Transaction.

At June 30, 2016, the Corporation held an 88% interest in Blue Goose. Additional information about Blue Goose may be accessed at www.bluegoosepurefoods.com.

RESULTS OF OPERATIONS

During the first half of 2016, Blue Goose incurred a net loss attributable to the owners of Dundee Corporation of \$9.9 million, compared with a net loss of \$10.8 million incurred during the same period of the prior year. Included in the results of the prior period is a \$4.4 million loss related to Blue Goose's divestiture of certain non-core assets. The change in operating performance is driven primarily by changes in the fair value of livestock, which is subject to significant variability from period to period due to changes in physical growth and market prices. During the six months ended June 30, 2016, and reflective of both lower livestock biomass, compounded by reduced market prices for beef, the fair value gain was reduced to \$0.8 million, compared with a fair value gain of \$7.8 million in the first half of the prior year.

<i>For the six months ended June 30,</i>	2016	2015
Revenues		
Sales	\$ 32,506	\$ 30,347
Interest and dividends	(429)	79
	32,077	30,426
Cost of sales	(38,533)	(37,641)
Other items in net loss before taxes		
Depreciation and depletion	(1,424)	(1,873)
General and administrative		
Loss on sale of net assets	-	(4,392)
Other general and administrative	(3,455)	(3,682)
Fair value changes in livestock	832	7,776
Interest expense	(706)	(3,001)
Foreign exchange (loss) gain	(3)	3
Net loss before taxes, Blue Goose Capital Corp.	\$ (11,212)	\$ (12,384)
Net loss before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	\$ (9,933)	\$ (10,844)
Non-controlling interest	(1,279)	(1,540)
Net loss before taxes, Blue Goose Capital Corp.	\$ (11,212)	\$ (12,384)

Contribution Margins

During the six months ended June 30, 2016, Blue Goose incurred a negative contribution margin of \$5.2 million on total revenues of \$32.5 million, compared with a positive contribution margin of \$0.5 million on total revenues of \$30.3 million for the same period of the prior year. The gross margin before fair value adjustments was \$3.3 million during the first half of 2016, an improvement of \$5.5 million over the same period of the prior year.

<i>For the six months ended June 30,</i>							2016
	Beef	Fish	Chicken	Feed	Other	Total	
Sales	\$ 8,876	\$ 1,816	\$ 6,447	\$ 15,367	\$ -	\$ 32,506	
Cost of sales, period costs	(7,245)	(1,195)	(6,433)	(14,345)	-	(29,218)	
	1,631	621	14	1,022	-	3,288	
Fair value changes							
Fair value changes in livestock	225	607	-	-	-	832	
Cost of sales, fair value harvested	(7,437)	(1,878)	-	-	-	(9,315)	
	(7,212)	(1,271)	-	-	-	(8,483)	
Margin	\$ (5,581)	\$ (650)	\$ 14	\$ 1,022	\$ -	\$ (5,195)	
Margin %	(61.3%)	(26.8%)	0.2%	6.7%	-	(15.6%)	

<i>For the six months ended June 30,</i>							2015
	Beef	Fish	Chicken	Feed	Other	Total	
Sales	\$ 7,179	\$ 2,334	\$ 6,534	\$ 12,243	\$ 2,057	\$ 30,347	
Cost of sales, period costs	(9,959)	(2,186)	(6,946)	(11,863)	(1,564)	(32,518)	
	(2,780)	148	(412)	380	493	(2,171)	
Fair value changes							
Fair value changes in livestock	6,687	1,089	-	-	-	7,776	
Cost of sales, fair value harvested	(3,120)	(2,003)	-	-	-	(5,123)	
	3,567	(914)	-	-	-	2,653	
Margin	\$ 787	\$ (766)	\$ (412)	\$ 380	\$ 493	\$ 482	
Margin %	5.7%	(22.4%)	(6.3%)	3.1%	24.0%	1.3%	

Revenue from the sales of beef increased by \$1.7 million to \$8.9 million in the first half of 2016, compared with revenue of \$7.2 million in the same period of the prior year. The increase is attributable to higher volumes in both the sales of processed beef, as well as the sales of live animals. During the six months ended June 30, 2016, period costs associated with the beef division were \$7.2 million and includes costs of feeding, as well as other farm costs, including labour. This compares with period costs of \$10.0 million in the same period of the prior year.

Revenue from fish sales decreased to \$1.8 million in the first half of 2016, compared with revenue of \$2.3 million in the first six months of 2015, reflecting lower sales volumes. During the second quarter of 2016, Blue Goose revised its harvest plan based on available biomass. As a result, these lower volumes are expected to continue until the end of the third quarter before recovering to prior year volumes. Period costs associated with the fish division were \$1.2 million in the first half of 2016, compared with \$2.2 million in the same period of the prior year. Lower period costs in the current period reflect Blue Goose's higher margin sales strategy implemented in the third quarter of 2015 to sell whole fish, eliminating further processing costs.

Blue Goose chicken products are produced by third-party suppliers and are sold to major retailers and independent grocers. During the six months ended June 30, 2016, revenue from the sale of chicken products were \$6.4 million, a marginal decrease from revenues of \$6.5 million generated in the same period of the prior year, reflecting lower volumes sold due to supply constraints that prevented Blue Goose from fulfilling demand requirements. Blue Goose continues to work with its processors to address these supply issues. Despite these constraints, the launch of higher margin processed chicken products, including chicken chili and chicken stock, improved overall margins in this division by \$0.4 million.

Feed sales for the six months ended June 30, 2016 were \$15.4 million (six months ended June 30, 2015 – \$12.2 million), an increase of \$3.2 million over the prior period reflecting higher volumes sold.

CHANGES IN FINANCIAL CONDITION

Changes in Livestock Carrying Values

	Inventory and				TOTAL
	Cattle	Fish	Supplies		
Carrying value, beginning of the period	\$ 30,332	\$ 2,378	\$ 2,276	\$	34,986
Transactions during the six months ended June 30, 2016					
Net additions	989	292	14,483		15,764
Herd growth - physical changes	3,924	606	-		4,530
Herd growth - price changes	(3,699)	1	-		(3,698)
Net of product processed	(7,437)	(1,878)	(14,670)		(23,985)
Carrying value, end of the period	\$ 24,109	\$ 1,399	\$ 2,089	\$	27,597

Blue Goose saw an increase in the size of its organic cattle herd of 1,360 head, or 10% compared to its herd count as of December 31, 2015, despite an overall decrease in the total weight of its cattle inventory due to the average maturity of the herd. The increase in herd count is the result of births and purchases, net of sales. Blue Goose will continue to increase the size of its organic cattle herd to support future sales growth through accretive strategic acquisitions. In June 2016, Blue Goose purchased Cache Creek Farms for \$2.2 million, and further purchased 200 head of cattle for \$0.4 million. The purchase also included 337 acres of hay producing land and a sub-finishing lot, plus related buildings and equipment, in close proximity to Blue Goose's current operations.

(number of animals)	Cattle herd as at	
	June 30, 2016	December 31, 2015
Breeding cattle and bulls	6,356	5,934
Immature livestock and feeder cattle	8,032	7,094
	14,388	13,028

Corporate Debt

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose has borrowed an aggregate of \$42.5 million as at June 30, 2016. A detailed description of the nature of each of Blue Goose's borrowing facilities is provided in note 20 to the 2015 Audited Consolidated Financial Statements.

Certain credit facilities available to Blue Goose and its subsidiaries require the maintenance of financial covenants and reporting requirements customary to such loan arrangements. At June 30, 2016, Blue Goose was in compliance with all loan requirements.

The lending institutions to Blue Goose do not have recourse to Dundee Corporation in respect of any of the amounts borrowed under these arrangements. As described above, Blue Goose is expecting to complete a \$20 million financing to be used for working capital and to finance the equity portion of one or more acquisitions. There can be no assurance that Blue Goose will successfully complete this financing, in which case Blue Goose may be dependent on the Corporation to fund any working capital shortfall. During the six months ended June 30, 2016, the Corporation advanced \$2.4 million to Blue Goose to meet its working capital requirement, and to undertake the initiatives to improve efficiencies as outlined previously.

AGRIMARINE HOLDINGS INC.

AgriMarine Holdings Inc. ("AgriMarine") is a private company engaged in fish farming activities using both conventional netting systems and other proprietary aquaculture technologies. AgriMarine has three principal assets: a Steelhead salmon fish farm known as West Coast Fishculture, located in Powell River, British Columbia; a suite of patents pertaining to a closed-containment tank technology used to rear finfish; and an engineering company known as "AgriMarine Technologies" that supports internal needs and provides engineering services to third-party fish farm operators. As at June 30, 2016, the Corporation held a 100% interest in AgriMarine. Additional information about AgriMarine may be accessed at www.agrimarine.com.

RESULTS OF OPERATIONS

During the six months ended June 30, 2016, AgriMarine incurred a pre-tax net loss of \$4.1 million attributable to owners of Dundee Corporation, compared with a pre-tax net loss attributable to owners of Dundee Corporation of \$15.8 million in the same period of the prior year. The 2015 pre-tax loss includes a one-time charge of \$13.6 million against the carrying value of certain intangible assets.

<i>For the six months ended June 30,</i>	2016	2015
Revenues		
Sales	\$ 5,303	\$ 2,849
Interest, dividends and other	3	(3)
	5,306	2,846
Cost of sales	(6,313)	(3,274)
Other items in net loss before taxes		
Depreciation and depletion	-	(13,611)
General and administrative	(2,524)	(2,458)
Fair value changes in livestock	(566)	415
Interest expense	(36)	(4)
Foreign exchange (loss) gain	(2)	156
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,135)	\$ (15,930)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (4,135)	\$ (15,837)
Non-controlling interest	-	(93)
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,135)	\$ (15,930)

During the six months ended June 30, 2016, AgriMarine disposed of the Benxi subsidiary in China for proceeds of \$0.2 million, generating a loss of \$0.1 million. AgriMarine continues to rationalize its cost structure, focusing on achieving profitability for its West Coast Fishculture farming operation and sourcing third-party revenue for its AgriMarine Technologies division, while it continues to prove the scientific and commercial viability of its closed-containment tank technology.

Contribution Margins

<i>For the six months ended June 30,</i>	2016	2015
Revenues	\$ 5,303	\$ 2,849
Cost of sales	(6,868)	(3,165)
Contribution margin before fair value changes and writedowns	(1,565)	(316)
Fair value changes in livestock	(566)	415
Gain (writedowns)	555	(109)
	\$ (1,576)	\$ (10)

During the six months ended June 30, 2016, AgriMarine generated revenue of \$5.3 million and negative contribution margins of \$1.6 million before fair value changes. At West Coast Fishculture the volume of fish harvested during the first half of 2016 was 619,000 kilograms. Of this amount, approximately 494,000 kilograms were sold at an average selling price of \$7.98 per kilogram. The volume of fish sold and the resulting cost of sales, was negatively impacted by an issue of premature maturation in some of the cohorts of the biomass, which resulted in undersized, less-marketable fish that were not saleable. AgriMarine has taken steps to remedy this problem in the biomass and to control mortalities. In the first half of 2016, AgriMarine has successfully expanded its fish containment facilities, and has also increased its processing capabilities with the installation of new equipment to process a wider product range.

Included in revenues during the six months ended June 30, 2016, is the \$1.3 million sale by AgriMarine's engineering subsidiary, AgriMarine Technologies Inc. ("ATI"), of one of its closed-containment tanks resulting in a contribution margin of \$0.3 million. In addition to supporting West Coast Fishculture operations, ATI continues to grow its customer base of third-party engineering services clients.

CHANGES IN FINANCIAL CONDITION

	Biological Assets	Inventory and Supplies	TOTAL
Carrying value, beginning of the period	\$ 7,889	\$ 825	\$ 8,714
Transactions during the six months ended June 30, 2016			
Net additions	1,666	(287)	1,379
Growth - physical changes	(564)	-	(564)
Growth - price changes	(2)	-	(2)
Net of product processed	(2,552)	-	(2,552)
Carrying value, end of the period	\$ 6,437	\$ 538	\$ 6,975

At June 30, 2016, the carrying value of AgriMarine's biological assets was \$6.4 million, compared with a carrying value of \$7.9 million at December 31 2015. The decrease resulted primarily from the disposition of the Benxi subsidiary in China.

During the six months ended June 30, 2016, Dundee Corporation advanced \$0.9 million to AgriMarine in order to supplement working capital requirements and to fund certain capital expenditures. At June 30, 2016, AgriMarine had cash of \$0.6 million, and it had liabilities, other than liabilities due to Dundee Corporation, of \$2.9 million. There can be no assurance that AgriMarine will have access to the necessary cash to carry out its current business plan.

DUNDEE 360 REAL ESTATE CORPORATION

Dundee 360 Real Estate Corporation ("Dundee 360") is an integrated global real estate company with proven capabilities supporting mixed-use real estate projects from inception to monetization. In addition to large mixed-use real estate projects, Dundee 360 also holds the Canadian franchise license to operate Sotheby's International Realty Canada ("Sotheby's"), a leading real estate sales and marketing company for some of the country's most exceptional properties. The Corporation views real estate as an integral component of a well-defined wealth management strategy and continues to implement strategies to create greater alignment between the services provided by both Sotheby's and DGIM. As at June 30, 2016, Dundee 360 was a wholly-owned subsidiary of the Corporation. Additional information about Dundee 360 may be accessed at www.dundee360.com.

RESULTS OF OPERATIONS

During the six months ended June 30, 2016, Dundee 360 incurred a net loss attributable to the owners of Dundee Corporation of \$33.9 million. This compares to a net loss attributable to owners of Dundee Corporation of \$7.7 million in the same period of the prior year. As described in more detail below, the increase in the net operating loss is the result of one-time restructuring costs incurred during the second quarter of this year, aggregating \$23.4 million. The organizational restructuring of the hospitality asset management and real estate development divisions is the outcome of a renewed strategy to focus on luxury real estate projects within Canada in order to achieve greater alignment with the services provided by Sotheby's and DGIM.

<i>For the six months ended June 30, 2016</i>	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
Revenues					
Gross commission income	\$ 37,376	\$ -	\$ -	\$ -	37,376
Consulting and management fees	-	2,364	986	-	3,350
Sales and marketing fees	49	-	-	-	49
Other revenue	3,515	-	9	929	4,453
Interest, dividends and other	91	100	(3)	-	188
	41,031	2,464	992	929	45,416
Cost of sales	(33,544)	-	-	-	(33,544)
Other items in net loss before taxes					
Depreciation and depletion	(507)	(15,459)	(9,175)	(75)	(25,216)
General and administrative	(8,361)	(5,233)	(5,257)	(1,733)	(20,584)
Share of loss from real estate joint ventures	-	-	(11)	-	(11)
Finance expense	(44)	-	(25)	(15)	(84)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$ (1,425)	\$ (18,228)	\$ (13,476)	\$ (894)	\$ (34,023)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ (1,425)	\$ (18,228)	\$ (13,386)	\$ (894)	(33,933)
Non-controlling interest	-	-	(90)	-	(90)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$ (1,425)	\$ (18,228)	\$ (13,476)	\$ (894)	\$ (34,023)

<i>For the six months ended June 30, 2015</i>	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
Revenues					
Gross commission income	\$ 30,859	\$ -	\$ -	\$ -	30,859
Consulting and management fees	-	6,805	2,541	-	9,346
Sales and marketing fees	431	-	-	-	431
Other revenue	2,919	62	75	27	3,083
Interest, dividends and other	6	74	155	36	271
	34,215	6,941	2,771	63	43,990
Cost of sales	(28,074)	-	-	-	(28,074)
Other items in net (loss) earnings before taxes					
Depreciation and depletion	(590)	(2,399)	(3,930)	(145)	(7,064)
General and administrative	(6,763)	(1,690)	(3,488)	(4,578)	(16,519)
Share of loss from real estate joint ventures	-	-	(18)	-	(18)
Finance expense	(32)	-	-	-	(32)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ (1,244)	\$ 2,852	\$ (4,665)	\$ (4,660)	\$ (7,117)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ (1,244)	\$ 2,852	\$ (4,682)	\$ (4,660)	(7,734)
Non-controlling interest	-	-	17	-	17
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ (1,244)	\$ 2,852	\$ (4,665)	\$ (4,660)	\$ (7,117)

Real Estate Brokerage and Sales and Marketing Activities

Dundee 360 currently holds the exclusive right to the use of the "Sotheby's International Realty" name and related trademarks across Canada for a period of 25 years ending in 2029, with a unilateral right to extend the franchise agreement for an additional 25-year term. Franchise fees pursuant to this arrangement are 6% of gross commission revenues, with minimum annual payments of US\$1.0 million. As part of its growth plan, Sotheby's remains focused on recruiting realtors with strong ethical and professional backgrounds who understand the benefit of the Sotheby's International Realty brand. These initiatives have resulted in a realtor base that averages between four to five times the sales volume of other realtors in Canada.

During the first half of 2016, Sotheby's sold over \$2.0 billion worth of residential real estate. Gross commission revenues for the listing, marketing and selling of real estate assets during the first half of 2016 were \$37.4 million. Commissions paid to associated brokers and agents in respect of this revenue stream were \$33.5 million, providing Dundee 360 with a contribution margin of \$3.9 million or 10%. This compares to a contribution margin of \$2.8 million or 9% in the same period of the prior

year. In addition to commission revenues, this division also earned \$3.5 million from its network of brokers and agents for the provision of marketing, administrative and support services.

Hospitality and Asset Management Activities

Hospitality and asset management activities have encompassed the management and operations of international hotel, resort, residential and commercial properties. During the six months ended June 30, 2016, Dundee 360 generated total revenues of \$2.5 million from hospitality and asset management activities. This compares to \$6.9 million of revenues generated in the same period of the prior year, which included a \$4.0 million termination payment received from Ivanhoé Cambridge for the termination of an asset management agreement.

Dundee 360 had entered into a series of agreements with members of the Enchantment Group, a resort company based in the United States. In connection with these arrangements, Dundee 360 entered into a pre-development agreement to prepare a plan to redevelop the Tides Inn in Virginia, in exchange for an option to acquire an interest in the underlying project. The option carried a penalty of US\$1.0 million if the option was not exercised. Under the terms of the arrangements with the Enchantment Group, and regardless of whether the option was exercised, Dundee 360 was also committed to assume 50% of any operating losses incurred by the Tides Inn for a period of up to three years commencing November 13, 2015. Included in the operating results of the hospitality and asset management division are operating losses of \$2.5 million associated with these obligations.

As part of its restructuring initiatives, on June 30, 2016, Dundee 360 executed a series of definitive agreements with the Enchantment Group, pursuant to which, among other things, Dundee 360 sold the shares of its subsidiary that provided hospitality services. Under the terms of the sale, Dundee 360 agreed to transfer and assign the trademark rights it owned for the “Enchantment” and “Mii amo” brand and, in exchange, the Enchantment Group agreed to release Dundee 360 from all obligations due under the pre-development and license agreements, including the US\$1.0 million penalty payment and the obligation to fund any future operating losses of the Tides Inn. As part of the Corporation’s acquisition of Dundee 360 in July 2014, the Corporation had attributed value to the exclusive license to use the trademarks “Enchantment” and “Mii amo” and to the value of hospitality management agreements. During the six months ended June 30, 2016, the restructuring of these activities resulted in charges of \$5.8 million, including accelerated depreciation charges of \$4.4 million and general and administrative charges of \$1.4 million, reducing the carrying value of these intangible assets to \$nil.

In connection with the extension of the construction schedule for the Parq Resort (see “*Significant Investments Accounted for Under the Equity Method – Significant Developments in Equity Accounted Investments*”), Dundee 360 reassigned its participation in the asset management agreement pursuant to which Dundee 360 was to provide management services when the Parq Resort commenced operations. As a result of this amendment, the Corporation incurred impairment charges of \$10.4 million associated with goodwill acquired as part of the acquisition of Dundee 360.

Real Estate Development Activities

During the six months ended June 30, 2016, Dundee 360 earned revenues of \$1.0 million from its real estate development activities. This compares to \$2.8 million of revenues generated in the same period of the prior year, which included development fees earned for the construction of the Parq Resort. A comprehensive description of each of Dundee 360’s real estate development projects is provided on pages 47 and 48 of the MD&A accompanying the 2015 Audited Consolidated Financial Statements.

Consistent with depreciation charges incurred in the hospitality and asset management division, Dundee 360 incurred non-recurring depreciation charges of \$3.5 million on the reassignment of its participation in the development management agreement associated with the Parq Resort and \$3.7 million of associated goodwill. Furthermore, included in general and administrative expenses of the real estate development division is \$1.2 million of accrued development fees that Dundee 360 surrendered as part of the extension of the construction contract.

CHANGES IN FINANCIAL CONDITION

Real Estate Debt

During the six months ended June 30, 2016, the Corporation advanced \$2.9 million to Dundee 360 in order to supplement working capital requirements and to advance the development of its real estate projects. At June 30, 2016, Dundee 360 had cash and receivables of \$9.3 million and its current liabilities, other than amounts due to Dundee Corporation, were \$10.5 million. Dundee 360 is currently exploring strategies to monetize various international real estate development interests and to create potential financing vehicles to allow Dundee 360 to continue growing its business. Without the financial support of the Corporation, there can be no assurance that Dundee 360 will have access to the necessary funding to carry out its current business plan.

SIGNIFICANT INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

The Corporation holds investments that are accounted for using the equity method, and these investments are separately disclosed in the Corporation's consolidated statement of financial position as "Equity accounted investments". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost of each investment is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee.

At June 30, 2016, the Corporation accounted for nine of its investments using the equity method, including eight investments in private companies and one minor investment in a publicly listed company. These investments had an aggregate carrying value at June 30, 2016 of \$169.3 million (December 31, 2015 – \$172.7 million).

A full description of the nature of business activities of each of the Corporation's equity accounted investments is provided on pages 7 through 10 of the MD&A accompanying the 2015 Audited Consolidated Financial Statements.

Equity Accounted Investments

As at		June 30, 2016			December 31, 2015		
Trade Symbol	Investment	Ownership	Carrying Value	Market Value (i)	Ownership	Carrying Value	Market Value (i)
Publicly Listed Equity Accounted Investment							
ODX	Odyssey Resources Limited	31%	\$ 66	\$ 114	31%	\$ 163	\$ 227
			66	114		163	227
Privately Held Equity Accounted Investments							
	Union Group International Holdings Limited	40%	64,396	64,396	40%	68,007	68,007
	Paragon Holdings (Smithe Street) ULC (ii)	50%	58,889	58,889	50%	54,174	54,174
	Android Industries, LLC	20%	24,606	24,606	20%	28,265	28,265
	Cambridge Medical Funding Group II, LLC	50%	11,257	11,257	50%	11,507	11,507
	Dundee Sarea Acquisition I Limited Partnership	33%	10,864	10,864	33%	9,756	9,756
	Dundee Sarea Limited Partnership	25%	344	344	34%	356	356
	Dundee Acquisition Ltd.	98%	(1,168)	(1,168)	98%	444	444
	Escal UGS S.L. (iii)	14%	-	-	14%	-	-
			169,188	169,188		172,509	172,509
			\$ 169,254	\$ 169,302		\$ 172,672	\$ 172,736

- (i) The amount designated as the "market value" of privately held equity accounted investees is equal to their carrying value in the June 2016 Interim Consolidated Financial Statements. The Corporation has not otherwise provided a valuation estimate of the market value of these investments.
- (ii) The Corporation holds a 50% interest in Paragon Holdings (Smithe Street) ULC which holds a 74% interest in the Edgewater Casino Limited Partnership and the Parq resort real estate development project in Vancouver, giving the Corporation an effective 37% interest in these underlying projects.
- (iii) Dundee Energy Limited's 74% owned subsidiary, Castor UGS Limited Partnership, holds a 33% interest in Escal giving Dundee Energy Limited an effective 25% interest and Dundee Corporation an effective 14% interest in Escal and its underlying projects.

Continuity in the Corporation's Portfolio of Equity Accounted Investments

	<i>For the three months ended</i> June 30, 2016	<i>For the six months ended</i> June 30, 2016
Carrying value of equity accounted investments, beginning of period	\$ 167,956	\$ 172,672
Transactions during the period ended June 30, 2016		
Cash invested in equity accounted investments	900	2,075
Share of earnings from equity accounted investments	1,326	1,140
Share of other comprehensive loss from equity accounted investments	(885)	(6,403)
Other	(43)	(230)
Carrying value of equity accounted investments, end of period	\$ 169,254	\$ 169,254

Significant Developments in Equity Accounted Investments

Union Group International Holdings Limited ("Union Group")

Union Group (www.uniongrp.com) is a holding company with strategic investments in the power generation, oil and gas, infrastructure and logistics, agriculture, minerals, and real estate sectors, in Latin American countries such as Uruguay, Peru and Paraguay.

Union Group is currently developing approximately 700 megawatts ("MW") of new hydropower capacity in Peru, distributed across a portfolio of more than 15 run-of-river projects at various stages of development. During the second quarter of 2016, Union Group brought its first hydropower plant, Canchayllo, into operation at approximately 5.3 MW. Two further hydropower plants, El Carmen and 8 de Agosto, are in their final stages of development, and are expected to add a further 27 MW of power when operations commence, which is currently anticipated for the first quarter of 2017.

In April 2016, Union Group acquired a 50% interest in International Cannabis Corp. ("ICC") (www.intcannabiscorp.com), one of the two licensed producers and sellers of cannabis and its derivative products in Uruguay. In December 2013, Uruguay became the first country to regulate cannabis for recreational, medicinal and industrial uses. The selling of recreational cannabis by ICC through the pharmacy channel is expected to commence in the third quarter of 2016.

The Corporation and Union Group have a renewed focus on developing a strategy that will allow third party investors to participate in the continued growth of Latin America's most compelling economies. These initiatives may include undertaking a number of public listings of Union Group's subsidiaries, including the agriculture and oil and gas divisions, as well as ICC itself. In the interim, Union Group has completed an in-depth assessment of operations across all divisions in its effort to reduce costs and improve efficiencies. These measures will allow for enhanced navigation through the commodity down-cycle, while retaining capacity to take advantage of distressed asset acquisition opportunities and to continue growing the various business platforms.

During the first half of 2016, Union Group incurred losses of approximately US\$1.5 million (six months ended June 30, 2015 – US\$1.9 million). The Corporation's share of these losses was \$0.8 million (six months ended June 30, 2015 – \$0.8 million). During the first half of the prior year, the Corporation recognized a dilution gain of \$10.9 million related to a US\$25.0 million equity investment by a European bank into Union Group's power segment.

Paragon Holdings (Smithe Street) ULC ("Paragon Holdings")

Paragon Holdings is a joint venture established between the Corporation and affiliates of Paragon Gaming Inc., a Las Vegas-based casino resort developer and operator. Paragon Holdings holds an indirect 73.46% interest in Parq Holdings Limited Partnership ("Parq") (of which the Corporation's share is 36.73%), a partnership established for the purpose of developing a Vancouver-based urban entertainment and leisure resort to be constructed adjacent to the B.C. Place stadium, and which will house the relocated Edgewater Casino (the "Parq Resort"). The remaining 26.54% of the Parq Resort is held directly by PBC VUR Limited Partnership Inc. ("PBC"), an affiliate of the PBC Group of Companies.

Parq has arranged a US\$415 million project financing for the development of the Parq Resort from third parties. The release of funds pursuant to the project financing was conditional on certain criteria, including a certification from Parq and the general contractor of the project with respect to the project being, among other things, on schedule.

In late March 2016, Parq entered into discussions with its general contractor regarding the construction schedule for the Parq Resort under the general contract. These discussions culminated in an extension to the construction schedule and an updated scheduled opening date of fall 2017.

As a result of this schedule extension, Parq entered into an amendment with its lenders to allow for the schedule extension, which closed on June 2, 2016. In order to fund cost increases primarily related to the schedule extension, the existing ownership group invested an additional \$75.3 million to the Parq Resort, in the form of a convertible preferred security designated as “Class C Preferred Units”. The terms of the Class C Preferred Units entitle the holders thereof to a preferential return of up to 17%, and provide terms for redemption and/or conversion at the holders’ option. Dundee Corporation invested \$40.7 million to acquire 37.8 million units under these arrangements. The Class C Preferred Units have been designated for accounting purposes as financial instruments at FVTPL (see “Other Portfolio Investments”).

Affiliates of Dundee 360 had previously entered into both development and asset management agreements with affiliates of Paragon Gaming Inc. to jointly develop and operate the Parq Resort. In connection with the schedule extension, Dundee 360 reassigned its role in each of these arrangements. The development of the Parq Resort will now be jointly managed by affiliates of Paragon Gaming Inc. and PBC. Once construction of the Parq Resort is completed and operations commence, ongoing asset management will be provided jointly by affiliates of Paragon Gaming Inc., PBC and Dundee Corporation.

Paragon Holdings reported net income of \$9.4 million during the six months ended June 30, 2016 (six months ended June 30, 2015 – loss of \$12.2 million), of which \$4.7 million is attributed to the Corporation (six months ended June 30, 2015 – loss of \$6.1 million). Changes in net income reflect the effect of foreign currency volatility related to Parq’s foreign denominated debt, as well as changes to the fair value of derivative assets and liabilities.

Android Industries, LLC (“Android”)

The Corporation holds a 20% interest in Android (www.android-ind.com), a private company and leading high technology-enabled assembler and sequencer of complex assemblies for the automotive industry operating out of Michigan, United States. Android continues to expand its business internationally with facilities in the U.S., Canada, Mexico, Spain, Brazil, and Turkey.

In the first half of 2016, Android reported net earnings of US\$1.4 million (six months ended June 30, 2015 – US\$9.8 million) and earnings before interest, taxes, depreciation and amortization of US\$20.3 million (six months ended June 30, 2015 – US\$24.5 million). The Corporation’s share of losses from its investment in Android was \$0.2 million (six months ended June 30, 2015 – \$1.6 million of earnings).

Cambridge Medical Funding Group II, LLC (“Cambridge Medical”)

Cambridge Medical is a private, U.S. based consortium with a focus on funding and acquiring the rights to the proceeds of specialty medical receivables and processing those receivables using proprietary software that will significantly improve the volume and velocity of collections. The Corporation invested US\$10.0 million to acquire a 50% interest in Cambridge Medical. The Corporation also advanced a further US\$1.0 million to Cambridge Medical to assist with short-term working capital requirements as Cambridge Medical expands its funded base of medical claims.

In the latter part of 2015 and early 2016, Cambridge Medical made significant advancements in its proprietary software, as a result of which Cambridge Medical believes that it is poised to significantly increase its funding and collection activities through the acquisition of new clients and portfolios.

During the six months ended June 30, 2016, Cambridge Medical incurred operating losses of \$0.8 million. The Corporation recognized earnings of \$0.1 million during the six months ended June 30, 2016 (six months ended June 30, 2015 – \$0.2 million) reflecting the effect of foreign exchange items.

Dundee Sarea Limited Partnership (“Dundee Sarea LP”)

Dundee Sarea LP (www.dundeesarea.com) is a private equity firm investing in special situations companies. During the six months ended June 30, 2016, the Corporation recognized earnings of \$0.1 million from its 25% interest in Dundee Sarea LP.

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

Dundee Sarea Fund is a private equity fund with committed capital of \$112.5 million by its limited partners. Its purpose is to invest in companies requiring turn-around expertise in North America and Europe, with a focus on manufacturing, distribution, industrial products, agriculture, oil & gas and forestry-related industries.

At June 30, 2016, Dundee Sarea Fund’s sole investment consisted of a 100% ownership in Redecam Group S.p.A. (“Redecam”). Based in Milan, Italy, Redecam offers highly engineered air pollution control solutions helping customers all over the globe meet their air emission reduction targets rapidly and cost-effectively. With increased global prominence on the ecological footprint of business processes, Redecam’s turn-around strategy has shown substantial progress, with new orders in 2016 almost exceeding annual levels from the prior year.

The Corporation advanced a further \$2.1 million to this investment during the first half of 2016, bringing its total investment in this venture to \$13.4 million, or approximately 36% of its committed amount.

During the six months ended June 30, 2016, Dundee Sarea Fund reported a net loss of \$1.8 million, primarily related to unrealized foreign exchange losses. In the same period, the Corporation recognized losses of \$1.0 million (six months ended June 30, 2015 – earnings of \$0.9 million) in respect of its investment in the Dundee Sarea Fund.

Dundee Acquisition Ltd. (“Dundee Acquisition”)

On March 5, 2015, the Corporation created Dundee Acquisition (www.dundeeacquisition.com), a special purpose acquisition corporation (“SPAC”). During the six months ended June 30, 2016, the Corporation recognized a loss of \$1.6 million (six months ended June 30, 2015 – \$6.1 million) from its effective 98% interest in Dundee Acquisition.

Escal UGS S.L. (“Escal”)

Escal was the original developer of a Spanish infrastructure undertaking that converted an abandoned oilfield to a natural gas storage facility (the “Castor Project”). Escal is incorporated under Spanish jurisdiction. ACS Servicios Comunicaciones y Energia S.L. (“ACS”), a construction group in Spain, is a 67% shareholder of Escal. Dundee Energy, through its 74% interest in Castor UGS Limited Partnership (“CLP”) holds the remaining 33% interest in Escal, providing the Corporation with an effective 14% interest in the Castor Project.

In 2015, CLP commenced binding arbitration proceedings to resolve certain contractual disputes with ACS. As required pursuant to the terms of the memorandum of understanding between the parties, the arbitration will be in accordance with the rules of the International Chamber of Commerce in Paris, and will be heard by an arbitral tribunal consisting of three arbitrators. Evidentiary hearings commenced in late July 2016, and the Corporation anticipates that the arbitral tribunal will reach its decision in late 2016 or early 2017.

Earnings and Losses from Equity Accounted Investments

<i>For the six months ended</i>	June 30, 2016			June 30, 2015		
	Equity Earnings (Losses)	Dilution (Loss) Gains	Total	Equity Earnings (Losses)	Dilution Gains	Total
Paragon Holdings (Smithe Street) ULC	\$ 4,715	\$ -	\$ 4,715	\$ (6,077)	\$ -	\$ (6,077)
Union Group International Holdings Limited	(798)	(198)	(996)	(806)	10,888	10,082
Android Industries, LLC	(228)	229	1	1,626	-	1,626
Cambridge Medical Funding Group II, LLC	108	-	108	197	92	289
Dundee Sarea Acquisition I Limited Partnership	(967)	-	(967)	(97)	970	873
Dundee Sarea Limited Partnership	80	(92)	(12)	21	-	21
Dundee Acquisition Ltd.	(1,612)	-	(1,612)	(6,082)	870	(5,212)
Others	(97)	-	(97)	(92)	232	140
	1,201	(61)	1,140	(11,310)	13,052	1,742
Real estate joint venture investments	(11)	-	(11)	(18)	-	(18)
	\$ 1,190	\$ (61)	\$ 1,129	\$ (11,328)	\$ 13,052	\$ 1,724

For the three months ended	June 30, 2016			June 30, 2015		
	Equity Earnings	Dilution	Total	Equity Earnings	Dilution	Total
	(Losses)	Gains		(Losses)	Gains	
Paragon Holdings (Smithe Street) ULC	\$ 1,956	\$ -	\$ 1,956	\$ 2,689	\$ -	\$ 2,689
Union Group International Holdings Limited	(206)	-	(206)	(378)	-	(378)
Android Industries, LLC	829	42	871	1,416	-	1,416
Cambridge Medical Funding Group II, LLC	(259)	-	(259)	459	92	551
Dundee Sarea Acquisition I Limited Partnership	(428)	-	(428)	288	-	288
Dundee Sarea Limited Partnership	(112)	-	(112)	70	-	70
Dundee Acquisition Ltd.	(449)	-	(449)	(6,082)	870	(5,212)
Others	(47)	-	(47)	(21)	11	(10)
	1,284	42	1,326	(1,559)	973	(586)
Real estate joint venture investments	(83)	-	(83)	73	-	73
	\$ 1,201	\$ 42	\$ 1,243	\$ (1,486)	\$ 973	\$ (513)

In addition to its share of earnings of its equity accounted investments, in the first half of 2016, the Corporation recognized \$6.4 million in comprehensive losses relating to these investments (six months ended June 30, 2015 – \$23.0 million of comprehensive income).

OTHER PORTFOLIO INVESTMENTS

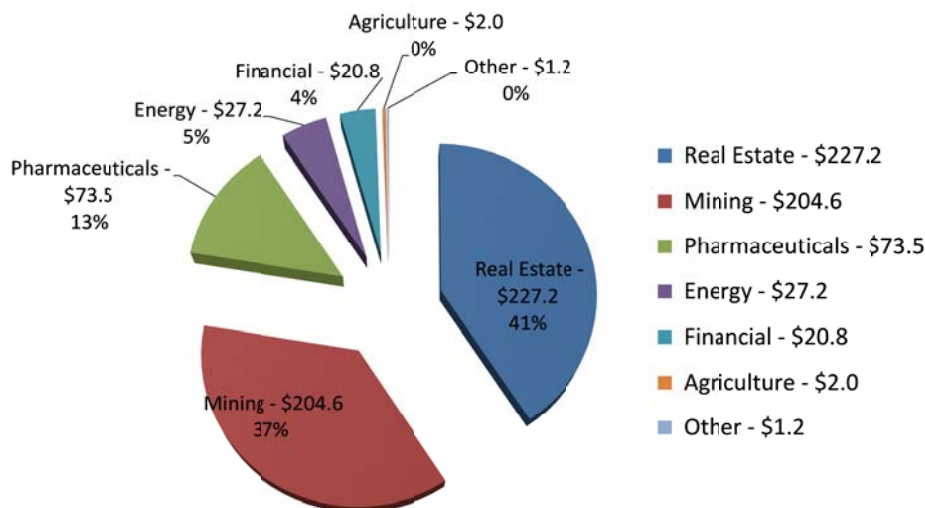
Portfolio of Investments at June 30, 2016

	Ownership	Ticker Symbol	(000's)	Per	Market Value
			# of Shares Held	Share Price	as at June 30, 2016
Publicly Traded Securities					
DREAM Unlimited Corp.	29%	DRM	21,636.3	\$7.96	\$ 172,225
Dundee Precious Metals Inc.	25%	DPM	35,541.6	\$3.08	109,468
Osisko Mining Inc.	6%	OSK	7,694.3	\$2.25	17,313
Skyline International Development Inc.	5%	SKLN	800.0	\$9.46	7,567
Others					49,840
					356,413
Private Investments (note 1)					
TauRx Pharmaceuticals Ltd.	4%				73,350
Paragon Holdings Inc. - Class C Preferred units	n/a				40,683
Red Leaf Resources Inc.	2%				11,170
Pan African Minerals Limited	11%				4,579
Others					33,988
					163,770
Mutual Funds and Other Short Term Investments					
DMP Resource Class			8.6	\$10.42	89
					89
Debt Securities					
Publicly Traded Debt Securities					9,997
Debt Securities Owing from Public Enterprises (note 1)					4,875
Debt Securities Owing from Private Enterprises (note 1)					21,078
					35,950
Warrants and Options (note 1)					
Warrants or options on shares of publicly listed enterprises					241
					241
TOTAL – PORTFOLIO INVESTMENTS				\$	556,463

1. These investments are not traded on a prescribed exchange, therefore, market values of these investments were determined by application of valuation methodologies appropriate for such investments (see note 32 to the 2015 Audited Consolidated Financial Statements for further information on valuation methodologies applied for such investments).

At June 30, 2016, the Corporation's portfolio of investments continued to include several public and private investments, as well as certain debt securities across a variety of industry sectors.

**Investments by Industry Sector at Market Value (\$ Millions)
as at June 30, 2016**



At June 30, 2016, the estimated market value of the Corporation's portfolio of investments designated as financial instruments at FVTPL was \$556.5 million, an increase of \$117.9 million from an estimated market value of these investments of \$438.6 million at December 31, 2015.

	<i>For the three months ended June 30, 2016</i>	<i>For the six months ended June 30, 2016</i>
Market value of portfolio investments, beginning of period	\$ 485,080	\$ 438,628
Transactions during the period ended June 30, 2016		
New investments	42,933	43,057
Proceeds from sales of investments	(25,402)	(26,409)
Changes in market values		
Dundee Precious Metals Inc.	35,165	63,896
DREAM Unlimited Corp.	(5,193)	14,929
Others	22,244	24,503
Other transactions	1,636	(2,141)
Market value of portfolio investments, end of period	\$ 556,463	\$ 556,463

During the first half of 2016, the Corporation invested \$43.1 million into its portfolio of investments at FVTPL, including \$40.7 million invested in Class C Preferred Units associated with the Corporation's Parq Resort (see "*Significant Investments Accounted for Under the Equity Method*"). These acquisitions were partially funded through proceeds generated from the sale of certain other investments, including \$12.0 million received on the sale of the Corporation's interest in Newfoundland Capital Corporation and \$8.6 million of distributions received on the wind-up and termination of Goodman Gold Trust.

Changes in market values during the first half of 2016 increased the value of the Corporation's portfolio of investments at FVTPL by \$103.3 million. This increase included appreciation of \$63.9 million relating to the Corporation's investment in Dundee Precious Metals Inc. and \$14.9 million of appreciation relating to the Corporation's investment in DREAM Unlimited Corp.

Investment in DREAM Unlimited Corp. ("DREAM")

DREAM (TSX: DRM) is one of Canada's leading real estate companies with approximately \$15 billion of assets under management in North America and Europe. The scope of DREAM's business includes residential land development, housing and condominium development, asset management, investments in and management of Canadian renewable infrastructure, and commercial property ownership.

Dundee Corporation currently holds a 29% interest in DREAM, with a market value at June 30, 2016 of \$172.2 million. Additional information regarding DREAM is available at www.dream.ca.

Dundee Precious Metals Inc.

Dundee Precious (www.dundeeprecious.com) is a Canadian-based international mining company engaged in the acquisition, exploration, development, mining and processing of precious and base metals in Bulgaria, Namibia, Armenia and Serbia. Dundee Precious seeks to operate, acquire, finance and develop low-cost, long-life mining properties.

At June 30, 2016, Dundee Corporation held a 25% interest in Dundee Precious, with a market value of \$109.5 million. On July 11, 2016, Dundee Precious announced that it had closed a \$54.65 million financing at a price of \$3.00 per share. Concurrently, Dundee Precious issued 840,000 of its common shares at a price of \$3.00 per share, or \$2.5 million in aggregate, to the Corporation in a non-brokered private placement. Dundee Precious will use the proceeds from the financing and the non-brokered private placement to support its growth initiatives. Following the completion of these transactions, the Corporation's interest in Dundee Precious was diluted to 23%.

Osisko Mining Inc. (formerly Oban Mining Corporation) ("Osisko")

Osisko is a mineral exploration company focused on the acquisition, exploration, and development of precious metal resource properties in Canada. Osisko's flagship project is the high-grade Windfall Lake gold deposit located between Val-d'Or and Chibougamau in Quebec. Osisko holds a 100% undivided interest in a large area of claims in the Urban Barry area of Quebec, a 100% interest in the Garrison project east of Matheson, Ontario, as well as additional projects in Timmins, Ontario and it recently acquired the Marban block properties from the Niogold acquisition which is located 15 kilometres west of the town of Val-d'Or in the Abitibi region of Quebec, Canada. At June 30, 2016, the Corporation held a 6% interest in Osisko, with a market value of \$17.3 million.

On July 27, 2016, Osisko announced that it completed a private placement financing for 7.6 million flow-through common shares for gross proceeds of \$25.0 million. The Corporation did not participate in this private placement but it still holds a 6% interest in Osisko post financing.

Osisko shares are traded on the TSX under the symbol OSK. Additional information regarding Osisko is available at www.osiskomining.com.

Skyline International Development Inc. ("Skyline")

Skyline is a leading Toronto-based developer of hospitality properties and destination communities. At June 30, 2016, the Corporation held a 5% interest in Skyline with a market value of \$7.6 million. Skyline's shares are traded on the Tel Aviv Stock Exchange under the symbol SKLN. Additional information regarding Skyline is available at www.skylineinvestments.com.

Investment in TauRx Pharmaceuticals Ltd. ("TauRx")

TauRx is a private neuroscience company focused on the discovery, development and commercialization of products for the diagnosis and treatment of neuro-degenerative diseases caused through protein aggregation. The business was established in 2002 with the aim of discovering novel approaches to the treatment and diagnosis of Alzheimer's Disease ("AD") as well as other neurological diseases characterized by abnormal aggregation of the Tau protein within the brain.

TauRx is currently undertaking a substantial Phase 3 clinical trial program using LTMX™, a drug targeted at treatment of mild to moderate AD and behavioral variant Frontotemporal Dementia ("BvFTD"). During the first half of 2016, TauRx moved into the final stages of its Phase 3 clinical trial program. Phase 3 trials are broken down into three groups: TRx 005, TRx 007 and TRx 015. The TRx 005 represents an 18-month study working with approximately 800 mild AD patients; TRx 007 represents a 12-month study working with approximately 220 BvFTD patients; and TRx 015 represents a 15-month study working with approximately 890 mild to moderate AD patients. Subsequent to June 30, 2016, TauRx announced the results from Study 015, the first of three studies expected this year. LTMX™ as monotherapy demonstrated significant reductions in disease progression in mild to moderate Alzheimer's disease, however it failed to show marked improvements in combination with other standard AD treatments. Results from studies TRx 007 and TRx 005 are expected in early September and mid October respectively.

At June 30, 2016, the Corporation held a 4% interest in TauRx with a fair value of \$73.4 million. In determining the fair value of its interest, the Corporation applied a value per share of US\$55.50, the equivalent of the average price of shares issued from treasury during 2015. Additional information regarding TauRx may be accessed at www.taurx.com.

Investment in Red Leaf Resources Inc. (“Red Leaf”)

Red Leaf is a privately held oil and gas technology company. Red Leaf’s patented technology, EcoShale, is a next generation oil and gas recovery technology focused on unlocking oil reserves in oil shale deposits. EcoShale extracts oil with relatively low energy consumption, low emissions and low water utilization when compared with other oil shale technologies currently deployed in the world. In March 2015, Red Leaf announced the suspension of the ramped-up construction of the Early Production System (“EPS”), the first commercial demonstration project of the EcoShale technology, for up to two years. In part, this decision was a result of the low oil price environment, but it will also provide Red Leaf time to improve the technology with a view to increase product yield and reduce costs, both leading to an improvement in commerciality. At the time of the announcement, ramped-up construction was expected to restart in the second half of 2017 with first oil expected in late 2018. As part of the suspension in development of the first EPS, Red Leaf negotiated an agreement with its joint venture partner, Total E&P USA Oil Shale, LLC, who will fund operations of Red Leaf for two years through to the second half of 2017, at which time the development schedule will be re-addressed.

Dundee Corporation holds a 2% interest in Red Leaf with a market value of \$11.2 million at June 30, 2016. Additional information regarding Red Leaf may be accessed at www.redleafinc.com.

Investment in Pan African Minerals (“Pan African”)

Pan African is a privately held, mineral exploration and development company focused on the acquisition, exploration and development of mineral assets in western Africa. Pan African’s principal assets currently comprise the 90%-owned Tambao manganese project in Burkina Faso and the 70%-owned Mount Klahoyo magnetite iron ore project in Ivory Coast. Pan African also has uranium exploration licenses in Niger.

Dundee Corporation currently owns an 11% interest in Pan African with a market value of \$4.6 million at June 30, 2016. Additional information regarding Pan African may be accessed at www.panafricanminerals.com.

OTHER CONSOLIDATED BALANCES AND CAPITAL STRUCTURE

General and Administrative Expenses

Generally, head office costs, including costs associated with corporate governance and related public company costs, are accumulated and reported as head office costs and are not allocated to other operating segments. During the six months ended June 30, 2016, the Corporation reported head office general and administrative expenses of \$17.3 million, compared with \$16.6 million of head office general and administrative costs incurred during the same period of the prior year.

<i>For the six months ended June 30,</i>	2016	2015
Direct compensation	\$ 8,575	\$ 9,643
Stock based compensation arrangements	1,931	(197)
	10,506	9,446
Corporate and professional fees	2,522	3,538
Other	4,242	3,587
	\$ 17,270	\$ 16,571

Salary and salary related expenses represented \$10.5 million or 61% of total head office general and administrative expenses during the first half of 2016, compared with \$9.4 million or 57% of total head office general and administrative expenses incurred during the same period of the prior year. In connection with a transaction completed in 2013, the Corporation has determined that certain stock based compensation arrangements constitute a liability to the Corporation, the amount of which will vary in correlation to the market price of a class A subordinate voting share of DREAM, with changes in the market price reported in net earnings or loss. These arrangements are more fully described in note 27 to the 2015 Audited Consolidated Financial Statements.

During the first half of 2016, changes in the market value of these liabilities resulted in the recognition of stock based compensation expense of \$0.9 million, compared to a recovery amount of \$0.6 million in the same period of the prior year.

Corporate Interest Expense

Corporate interest expense was \$6.4 million during the first half of 2016, a \$1.1 million increase from the \$5.3 million of interest expense incurred during the same period of the prior year. Included in interest expense is \$1.7 million relating to the Corporation's credit facilities (six months ended June 30, 2015 – \$2.2 million) and dividends of \$4.7 million paid on the Corporation's preference shares that are classified as debt (six months ended June 30, 2015 – \$2.6 million). Lower interest amounts paid on credit facilities reflect lower average amounts borrowed during the respective periods, offset by a higher dividend rate paid on the Corporation's preference shares classified as debt following a reorganization of the Corporation's preference shares outstanding in early 2016 (see "Share Capital – Preference Shares" below).

Income Tax Recovery

The Corporation's effective income tax rate during the six months ended June 30, 2016 is significantly different from the statutory combined federal and provincial tax rate of 26.5%, primarily due to operating losses incurred by certain subsidiaries, the benefit of which was not recognized and because of certain non-tax deductible items, including both the depreciation of goodwill and interest expense incurred on certain of the Corporation's preference shares, which are classified as debt for accounting purposes.

Net Deferred Income Tax Liabilities

The Corporation's net deferred income tax assets at June 30, 2016 were \$12.2 million, and represented deferred income tax assets of \$88.7 million, offset by deferred income tax liabilities of \$76.5 million. This compares to net deferred income tax assets of \$22.1 million at December 31, 2015. Net deferred income tax assets decreased as a result of changes in the fair value of the Corporation's investments. Components of the Corporation's net deferred income tax assets are detailed in note 27 to the June 2016 Interim Consolidated Financial Statements.

The Corporation's aggregate income tax loss carry forwards at June 30, 2016 were \$580.3 million (December 31, 2015 – \$588.1 million). Included in the Corporation's net deferred income tax balances is a tax benefit of \$63.2 million (December 31, 2015 – \$77.0 million) in respect of these tax losses.

Corporate Debt

	Revolving Term Credit Facilities				TOTAL
	\$250 million Corporate*	Dundee Energy Debt	Blue Goose Debt	Dundee 360 Debt	
Balance, December 31, 2015	\$ 73,639	\$ 58,802	\$ 41,936	\$ 746	\$ 175,123
Draws (Repayments)	19,211	(234)	545	(21)	19,501
Balance, June 30, 2016	\$ 92,850	\$ 58,568	\$ 42,481	\$ 725	\$ 194,624

* In addition, the Corporation has issued letters of credit in the amount of \$3.4 million that may be drawn under certain circumstances.

On April 30, 2015, the Corporation established a \$250.0 million revolving term credit facility with a syndicate of Canadian Schedule I Chartered Banks. The facility matures on November 11, 2016. Borrowings under the facility bear interest at a rate per annum equal to the prime lending rate for loans plus 0.60% or, at the Corporation's option, at the prevailing bankers' acceptance rate or London Interbank Offered Rate plus 1.60%, provided amounts borrowed are less than \$140.0 million. If amounts borrowed exceed \$140.0 million, amounts drawn against the facility will bear interest at a rate per annum equal to the prime lending rate for loans plus 0.75% or, at the Corporation's option, at the prevailing bankers' acceptance rate or London Interbank Offered Rate plus 1.75%. Unused amounts available under the facility are subject to an annual standby fee ranging from 0.36% to 0.39375%. The Corporation has granted a first ranking security over all of its assets as security against amounts borrowed under these arrangements.

In addition to restrictions customary to these types of arrangements, including restrictions on the existence of other secured indebtedness, the Corporation's \$250.0 million credit facility requires the maintenance of certain financial ratios between the fair value of certain of the Corporation's investments relative to amounts borrowed. Therefore, the Corporation's borrowing

availability will increase or decrease, reflecting corresponding increases or decreases in the Corporation's investments. At June 30, 2016, the Corporation was in compliance with all debt covenants under the terms of the credit facility.

At June 30, 2016, the Corporation had drawn \$92.9 million against the facility and it had issued letters of credit to support certain of its investments for an additional €2.4 million (CAD\$3.4 million). At June 30, 2016, the Corporation had cash and bank debt availability of \$76.7 million in its corporate and other portfolio holdings segment.

The Corporation's lending arrangements have historically been structured with a term of one year, and require renewal at or before the maturity date. Consistent with past practice, the Corporation expects that its revolving term credit facility will be renewed in November 2016, or earlier, for an additional one-year period.

Debt of Subsidiaries

A more detailed discussion of corporate debt in each of the Corporation's business segments is presented under "*Segmented Results of Operations*".

Share Capital

Preference Shares

At June 30, 2016, the Corporation's outstanding preference share arrangements were as follows:

Trade Symbol	Series	# of Shares Outstanding	Face Value per Share	Total Face Value	Coupon Rate	Carrying Value
DC.PR.B	Series 2	3,479,385	\$25.00	\$86,985	5.688% - 5-year fixed rate	\$84,053 equity instrument
DC.PR.D	Series 3	1,720,615	\$25.00	\$43,015	4.55% - quarterly floating rate	\$43,015 equity instrument
DC.PR.E	Series 5	3,598,203	\$25.00	\$89,955	7.50% - fixed rate	\$86,810 debt instrument

On January 28, 2016, with the approval of the holders of the Preference Shares, series 4, the Corporation's Preference Shares, series 4 were exchanged for (i) 0.7136 of a new series of first preference shares of the Corporation, designated as First Preference Shares, series 5 ("Preference Shares, series 5"); and (ii) 0.25 of a warrant, each whole warrant entitling the holder thereof to purchase one Subordinate Share of the Corporation at \$6.00 per Subordinate Share at any time prior to or on June 30, 2019 ("Subordinate Share Warrants"). The plan of arrangement was completed on February 12, 2016, subsequent to which the Corporation issued 4,057,172 Preference Shares, series 5 with a face value of \$25.00 per share and 1,421,374 Subordinate Share Warrants. An aggregate of 314,501 Preference Shares, series 4 were submitted pursuant to dissent rights under the plan of arrangement. The Preference Shares, series 5 have a redemption date of June 30, 2019, subject to certain amounts that may be redeemed earlier in accordance with the terms of the Preference Shares, series 5.

A full description of the terms of the Corporation's preference shares is provided in note 22 to the 2015 Audited Consolidated Financial Statements, and is updated in note 20 to the June 2016 Interim Consolidated Financial Statements.

On June 30, 2016, the Corporation completed the redemption of 458,969 Preference Shares, series 5, being all such shares tendered for redemption in accordance with the redemption provisions of the Preference Shares, series 5. The Preference Shares, series 5 were redeemed at a price of \$25.00 per share, or \$11.5 million in aggregate. Following the redemption, the Corporation's dividend obligations in respect of its preference share arrangements is expected to be approximately \$3.4 million per quarter and \$13.7 million on an annual basis.

Common Shares

As at June 30, 2016 and August 9, 2016, there were 55,535,423 Class A subordinate voting shares and 3,115,134 Class B common shares outstanding. In addition, the Corporation has 1,421,124 outstanding warrants, each warrant may be exercised to acquire one Class A subordinate voting share at an exercise price of \$6.00 per share.

At June 30, 2016, the Corporation had awarded 1,363,024 deferred share units under its deferred share unit plan, each deferred share unit of which tracks the value of the Corporation's Class A subordinate voting shares and 1,285,079 deferred share units

that track the value of a Class A subordinate voting share of DREAM. In addition, and under the terms of the Corporation's share incentive arrangements, the Corporation has awarded an aggregate of 1,186,797 Class A subordinate voting shares under its share bonus plan, each of which is subject to certain vesting criteria. The terms of the Corporation's share based compensation arrangements are summarized in note 27 to the Corporation's 2015 Audited Consolidated Financial Statements and is updated in note 25 to the June 2016 Interim Consolidated Financial Statements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, the Corporation reported cash of \$91.8 million at June 30, 2016, compared with cash of \$233.7 million at December 31, 2015. The following tables illustrate the Corporation's consolidated cash flow on a segmented basis, including net cash flow movements between Dundee Corporation and each of its operating segments.

							2016
	Opening	Operating	Investing	Financing			Closing
<i>For the six months ended June 30, 2016</i>	Cash	Activities	Activities	Activities	Intersegment		Cash
<i>Corporate and other portfolio holdings</i>	\$ 49,190	\$ (26,115)	\$ (16,927)	\$ 1,859	\$ 8,093		\$ 16,100
<i>Asset management and capital markets</i>							
Goodman & Company, Investment Counsel Inc.	1,273	(1,798)	(1,000)	-	1,547		22
Dundee Securities Ltd.	171,519	118,557	(198,434)	-	(21,704)		69,938
<i>Resource industry</i>							
Dundee Energy Limited	86	258	(489)	(234)	484		105
United Hydrocarbon International Corp.	2,716	(6,891)	(235)	-	5,122		712
Dundee Sustainable Technologies Inc.	1,679	(1,530)	-	-	120		269
Eurogas International Inc.	26	(225)	-	-	204		5
<i>Agriculture industry</i>							
Blue Goose Capital Corp.	992	15,665	(18,694)	545	2,355		863
AgriMarine Holdings Inc.	731	(554)	(401)	-	865		641
<i>Real Estate industry</i>							
Dundee 360 Real Estate Corporation	5,475	(8,231)	2,947	(2)	2,914		3,103
	233,687	89,136	(233,233)	2,168	-		91,758
Less: Assets held for sale	(21,786)	-	-	-	-		-
	\$ 211,901	\$ 89,136	\$ (233,233)	\$ 2,168	\$ -		\$ 91,758

Included in the Corporation's consolidated cash balance is \$70.0 million of cash used in the operating businesses of the Corporation's wealth management and brokerage subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets, in accordance with such regulatory requirements. The amount of capital that exists within these regulated entities may dictate the level of business operations, including margin lending, securities trading and corporate finance commitments. Furthermore, the ability to transfer cash resources out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements. At June 30, 2016 and December 31, 2015, the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

A more detailed discussion of significant transactions affecting cash flows in the six months ended June 30, 2016 and June 30, 2015 is provided below.

Significant Cash Flows – Operating Activities

For the six months ended June 30,	Dundee							Total 2016	2015
	Corporate	Securities	UHIC	Blue Goose	Dundee 360	Other			
Operating activities:									
Adjusted net loss*	\$ (21,306)	\$ (4,169)	\$ (6,707)	\$ (229)	\$ (8,589)	\$ (8,918)	\$ (49,918)	\$ (51,557)	
Changes in client account balances	-	95,202	-	-	-	-	95,202	(99,283)	
Changes in agricultural inventory	-	-	-	14,658	-	161	14,819	21,600	
Changes in other working capital amounts	(123)	27,722	(184)	1,205	349	4,868	33,837	19,950	
Changes in income taxes	(4,686)	(198)	-	31	9	40	(4,804)	(12,727)	
Cash provided from (used in) operating activities	\$ (26,115)	\$ 118,557	\$ (6,891)	\$ 15,665	\$ (8,231)	\$ (3,849)	\$ 89,136	\$ (122,017)	

* Adjusted net loss is equal to the net loss adjusted for items designated on the Corporation's consolidated statements of cash flow as "Items not affecting cash and other adjustments".

- Changes in cash related to the Corporation's brokerage activities, including changes in client account balances and brokerage securities owned and sold short will vary significantly on a day-to-day basis to reflect the underlying business activities undertaken in that period and do not necessarily reflect any meaningful change in the subsidiaries' financial position. Changes in these balances in the first half of 2016 resulted in net cash inflows of \$95.2 million (six months ended June 30, 2015 – net cash outflows of \$99.3 million).
- During the six months ended June 30, 2016, changes in the balances of agricultural inventory resulted in net cash inflows of \$14.8 million (six months ended June 30, 2015 – \$21.6 million).

Significant Cash Flows – Investing Activities

For the six months ended June 30,	Dundee							Total 2016	2015
	Corporate	Securities	UHIC	Blue Goose	Dundee 360	Other			
Investing activities:									
Net proceeds from (acquisitions) dispositions of portfolio investments	\$ (17,723)	\$ -	\$ -	\$ -	\$ 1,567	\$ (1,000)	\$ (17,156)	\$ 136,161	
Net investment in resource properties	-	-	121	-	-	(489)	(368)	(13,046)	
Net investment in livestock and other agricultural assets	-	-	-	(15,587)	-	-	(15,587)	(26,856)	
Net investment in real estate	-	-	-	-	-	-	-	(126)	
Cash (used in) generated from business combinations/dispositions	-	(197,485)	-	-	-	(819)	(198,304)	23,997	
Other investment activities	796	(949)	(356)	(3,107)	1,380	418	(1,818)	(14,052)	
Cash (used in) provided from investing activities	\$ (16,927)	\$ (198,434)	\$ (235)	\$ (18,694)	\$ 2,947	\$ (1,890)	\$ (233,233)	\$ 106,078	

- Cash required or derived from trading in the Corporation's investment portfolio, including equity accounted investments, will vary from period to period and is dependent on trading activity and strategies that may evolve in response to global market conditions or otherwise. During the first half of 2016, the Corporation incurred net cash outflows of \$17.2 million from trading in its investment portfolio, including its \$40.7 investment in the Parq casino and resort development project (six months ended June 30, 2015 – net cash inflows of \$136.2 million).
- During the six months ended June 30, 2016, the Corporation invested \$0.4 million into its resource properties including properties owned by UHIC, compared with \$13.0 million invested in the same period of the prior year. The reduction reflects the curtailment of expenditures in response to current economic conditions and volatility in the price of oil and natural gas.
- In an effort to expand its inventory of livestock and meet demand, Blue Goose invested \$15.6 million in agricultural assets during the first half of 2016, compared with \$26.9 million in the same period of the prior year.
- Dundee Securities transferred net cash of \$197.5 million, largely representing client cash balances, to Echelon as part of the sale of its retail division in April of the current year. In the comparative six-month period of the prior year, the Corporation's agriculture subsidiaries generated cash of \$24.0 million from the sale of certain non-core assets.

Significant Cash Flows – Financing Activities

For the six months ended June 30,	Dundee							Total 2016	2015
	Corporate	Securities	UHIC	Blue Goose	Dundee 360	Other			
Financing activities:									
Change in corporate debt	\$ 19,211	\$ -	\$ -	\$ 545	\$ (2)	\$ (234)	\$ 19,520	\$ (8,986)	
Issuance of Class A subordinate shares, net of issue costs	(20)	-	-	-	-	-	(20)	11,587	
Issue costs, Preference Shares, series 5	(2,400)	-	-	-	-	-	(2,400)	-	
Redemption of Preference Shares, series 5	(11,474)	-	-	-	-	-	(11,474)	-	
Dividends paid on Preference Shares, series 2 and series 3	(3,458)	-	-	-	-	-	(3,458)	(3,503)	
Net cash from transactions with non-controlling interests	-	-	-	-	-	-	-	1,079	
Cash provided from (used in) financing activities	\$ 1,859	\$ -	\$ -	\$ 545	\$ (2)	\$ (234)	\$ 2,168	\$ 177	

- Net amounts drawn against credit facilities available to the Corporation and to its subsidiaries during the first half of 2016 were \$19.5 million (six months ended June 30, 2015 – \$9.0 million repaid).
- Proceeds from the exercise of options in the first half of the prior year were \$11.6 million.
- Cash outflows in the first half of 2016 include issue costs of \$2.4 million associated with the Corporation's issuance of its Preference Shares, series 5.
- On June 30, 2016, the Corporation redeemed 458,969 Preference Shares, series 5, at a cost of \$25.00 per share or a total of \$11.5 million in aggregate.
- Cash outflows during the first half of 2016 include dividends of \$3.5 million (six months ended June 30, 2015 – \$3.5 million) paid by the Corporation on its outstanding Preference Shares, series 2 and Preference Shares, series 3. The Corporation has not paid dividends on its Class A subordinate voting shares or on its common shares.

Cash Requirements

The Corporation's capital management and funding objectives include ensuring that the Corporation is compliant with all of its ongoing obligations, including compliance with all applicable debt covenants, and ensuring that the Corporation is able to meet its financial obligations as they become due. In determining its capital allocation, the Corporation considers relevant regulatory capital requirements in order to effectively manage its capital markets business, and resources required for the development of resource, agricultural and real estate opportunities. The Corporation's capital management objectives also include ensuring that it has sufficient capital available to benefit from acquisitions and other opportunities, should they arise, and ensuring adequate returns for shareholders. The Corporation regularly assesses the allocation of its capital resources in response to changing economic conditions.

The Corporation's intention is to meet short-term liquidity requirements through funds from operations, working capital reserves and operating debt facilities. Capital may also be generated through dispositions of investments.

The Corporation believes that its operating cash flow, combined with available lines of credit and its portfolio of investments provide sufficient resources for the Corporation to conduct its operations for the foreseeable future, including the development of its wealth management strategy, supporting the capital requirements of its regulated subsidiaries, funding the payment of dividends and interest payments on preference shares and debt obligations, and supporting growth initiatives of its subsidiaries, if the need arises. On an ongoing basis, the Corporation may require cash to develop its energy, resource, agricultural and real estate initiatives or to invest in other opportunities, including growth opportunities related to its portfolio of investments. If required, the Corporation may consider alternative financing options for certain investment initiatives, including possible debt or equity issuances.

RESULTS OF OPERATIONS

Three months ended June 30, 2016 compared with the three months ended June 30, 2015

Consolidated Net Earnings

During the second quarter of 2016, the Corporation incurred a net loss attributable to owners of Dundee Corporation of \$12.7 million, or a loss of \$0.25 per share. This compares with a loss of \$141.3 million or \$2.44 per share incurred during the same quarter of the prior year.

<i>For the three months ended June 30,</i>	2016	2015
Net (loss) earnings before income taxes from:		
Goodman & Company, Investment Counsel Inc.	\$ (613)	\$ (418)
Dundee Securities Ltd.	1,199	2
Dundee Energy Limited	(10,036)	(2,197)
United Hydrocarbon International Corp.	(3,628)	(9,156)
Dundee Sustainable Technologies Inc.	(1,121)	(1,665)
Eurogas International Inc.	(156)	(190)
Blue Goose Capital Corp.	(5,913)	(8,493)
AgriMarine Holdings Inc.	(1,860)	(14,433)
Dundee 360 Real Estate Corporation	(29,431)	(7,334)
	(51,559)	(43,884)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments:		
Dundee Precious Metals Inc.	35,165	(121,443)
DREAM Unlimited Corp.	(5,193)	11,034
Other portfolio investments	22,244	(25,211)
Share of earnings (loss) from equity accounted investments	1,326	(586)
Other items in the corporate and other portfolio holdings segment	(12,059)	(17,345)
Income tax (expense) recovery	(7,209)	47,532
Net loss for the period	\$ (17,285)	\$ (149,903)
Net loss attributable to:		
Owners of the parent	\$ (12,662)	\$ (141,266)
Non-controlling interest	(4,623)	(8,637)
	\$ (17,285)	\$ (149,903)

Income related to the market performance of the Corporation's portfolio of investments at FVTPL was \$52.2 million in the second quarter of 2016, compared with a loss of \$135.6 million in the second quarter of the prior year. A more detailed discussion of operating results of each of the Corporation's business segments during the second quarter of 2016 is provided below.

Segmented Results of Operations

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

During the three months ended June 30, 2016, GCIC incurred a net loss of \$0.6 million (three months ended June 30, 2015 – \$0.4 million) attributable to owners of Dundee Corporation. Consistent with year-to-date results, and despite increases in management fee revenues, current quarter operating performance reflects higher general and administrative expenses, indicative of GCIC's initiatives as it continues to execute on its strategy of expanding its wealth management business.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	2016	2015
Revenues		
Management fees	\$ 661	\$ 553
Financial services	1	-
Interest, dividends and other	109	-
	771	553
Other items in net loss before taxes		
General and administrative	(1,384)	(971)
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (613)	\$ (418)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (613)	\$ (418)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (613)	\$ (418)

DUNDEE SECURITIES LTD.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	Capital Markets		Retail & Other		TOTAL	
	2016	2015	2016	2015	2016	2015
Revenues						
Management fees	\$ -	\$ -	\$ 777	\$ 4,077	\$ 777	\$ 4,077
Financial services						
Investment banking	5,320	10,505	-	-	5,320	10,505
Commissions	4,485	4,754	2,246	6,304	6,731	11,058
Principal trading	(1,646)	179	875	398	(771)	577
Foreign exchange trading	-	-	(36)	172	(36)	172
Interest, dividends and other	281	321	1,041	2,284	1,322	2,605
	8,440	15,759	4,903	13,235	13,343	28,994
Cost of sales						
Variable compensation	(3,888)	(7,043)	(1,594)	(6,450)	(5,482)	(13,493)
Other items in net earnings (loss)						
Depreciation	(92)	(106)	(126)	(457)	(218)	(563)
General and administrative						
- direct	(3,874)	(5,500)	780	(5,710)	(3,094)	(11,210)
- allocated	(1,893)	(992)	(1,307)	(2,776)	(3,200)	(3,768)
Interest expense	11	(16)	(54)	(21)	(43)	(37)
Foreign exchange (loss) gain	(19)	(38)	(88)	117	(107)	79
Net earnings (loss) before taxes, Dundee Securities Ltd.	\$ (1,315)	\$ 2,064	\$ 2,514	\$ (2,062)	\$ 1,199	\$ 2
Net earnings (loss) before taxes, Dundee Securities Ltd. attributable to:						
Owners of Dundee Corporation	\$ (1,315)	\$ 2,064	\$ 2,514	\$ (2,062)	\$ 1,199	\$ 2
Non-controlling interest	-	-	-	-	-	-
Net earnings (loss) before taxes, Dundee Securities Ltd.	\$ (1,315)	\$ 2,064	\$ 2,514	\$ (2,062)	\$ 1,199	\$ 2

The Capital Markets Division

Revenues from Activities in the Capital Markets Division

During the three months ended June 30, 2016, the capital markets division generated revenues of \$8.4 million, a 46% decrease from revenues of \$15.8 million earned during the same quarter of the prior year. The decrease results primarily from reduced investment banking activities. Revenue from new issues and advisory services fees was \$5.3 million during the second quarter of 2016, down 49% compared with \$10.5 million earned in the same period of the prior year. Institutional commission revenue fell to \$4.5 million in the three months ended June 30, 2016, compared with \$4.8 million earned in the same period of 2015.

Principal trading losses were \$1.6 million in the second quarter of 2016 and include facilitation trading losses of \$1.7 million. In comparison, during the second quarter of 2015, facilitation trading losses were \$1.0 million, offset by appreciation of \$1.2 million in the market value of securities held.

Variable Compensation Expense

During the three months ended June 30, 2016, variable compensation expense was \$3.9 million (three months ended June 30, 2015 – \$7.0 million), representing approximately 48% (three months ended June 30, 2015 – 46%) of related financial services revenue, resulting in contribution margins of 52% (three months ended June 30, 2015 – 54%).

General and Administrative Expenses

Dundee Capital Markets incurred general and administrative expenses of \$5.8 million in the second quarter of 2016, compared with general and administrative expenses of \$6.5 million in the same period of the prior year. The decrease reflects cost savings initiatives implemented during 2015 that have resulted in lower employment, promotional and travel expenses, partially offset by higher professional fees.

The Retail Division and Other Activities

Reflective of the sale of substantially all of the retail division of Dundee Securities to Echelon in April of the current year, revenues in this division fell to \$4.9 million in the second quarter of 2016, compared with \$13.2 million earned in the same period of the prior year. Correspondingly, variable compensation expense in the current period decreased to \$1.6 million (three months ended June 30, 2015 – \$6.5 million), representing approximately 41% (three months ended June 30, 2015 – 57%) of related financial services and management fee revenue, resulting in contribution margins of 59% (three months ended June 30, 2015 – 43%).

Reflective of reduced business activity, general and administrative expenses were \$0.5 million in the second quarter of this year, compared with \$8.5 million incurred in the same period of the prior year. Included in general and administrative expenses during the three months ended June 30, 2016 is the \$2.6 million gain on the sale relating to the Echelon transaction, offset by a mark-to-market loss of \$0.8 million relating to the contingent payment due from Echelon.

DUNDEE ENERGY LIMITED

During the three months ended June 30, 2016, Dundee Energy incurred a net loss of \$6.8 million (three months ended June 30, 2015 – \$1.5 million) attributable to owners of Dundee Corporation. The net loss during the second quarter of 2016 includes the previously discussed \$5.0 million of additional depletion relating to Dundee Energy's natural gas properties.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	2016	2015
Revenues		
Oil and gas sales	\$ 4,698	\$ 6,886
Interest and dividends	365	890
	5,063	7,776
Cost of sales		
Production expenditures	(3,947)	(4,484)
Other items in net loss before taxes		
Depreciation and depletion	(7,268)	(3,172)
General and administrative	(1,154)	(1,102)
Loss on derivative financial instruments	(1,580)	-
Interest expense	(1,143)	(1,110)
Foreign exchange loss	(7)	(105)
Net loss before taxes, Dundee Energy Limited	\$ (10,036)	\$ (2,197)
Net loss before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	\$ (6,817)	\$ (1,462)
Non-controlling interest	(3,219)	(735)
Net loss before taxes, Dundee Energy Limited	\$ (10,036)	\$ (2,197)

During the second quarter of 2016, sales of oil and natural gas, net of royalty interests were \$4.7 million, a decrease of \$2.2 million from the \$6.9 million earned in the same period of the prior year. Decreases in production volumes accounted for approximately \$1.2 million of the decrease in revenues, with the remaining \$1.0 million decrease resulting from lower realized

commodity prices. Production volumes decreased in the second quarter of 2016 to an average of 2,293 boe/d, compared with an average of 2,663 boe/d produced in the same period of 2015. Lower production volumes in the second quarter of 2016 reflect overhaul work completed on two compressor stations, while production volumes in the same period of the prior year benefited from extensive workover activity.

Field Level Cash Flows and Field Netbacks

<i>For the three months ended June 30,</i>				2016	2015			
	Natural Gas	Oil and Liquids	Total		Natural Gas	Oil and Liquids	Total	
Total sales	\$ 3,028	\$ 2,471	\$ 5,499	\$	4,128	\$ 4,004	\$ 8,132	
Royalties	(437)	(364)	(801)		(628)	(618)	(1,246)	
Production expenditures	(2,545)	(1,402)	(3,947)		(2,593)	(1,891)	(4,484)	
	46	705	751		907	1,495	2,402	
Realized gain on derivative financial instruments	349	-	349		-	-	-	
Field level cash flows	\$ 395	\$ 705	\$ 1,100	\$	907	\$ 1,495	\$ 2,402	

<i>For the three months ended June 30,</i>				2016	2015			
	Natural Gas	Oil and Liquids	Total		Natural Gas	Oil and Liquids	Total	
	\$/Mcf	\$/bbl	\$/boe		\$/Mcf	\$/bbl	\$/boe	
Total sales	\$ 3.08	\$ 55.00	\$ 26.34	\$	3.76	\$ 67.23	\$ 33.55	
Royalties	(0.44)	(8.11)	(3.84)		(0.57)	(10.39)	(5.15)	
Production expenditures	(2.59)	(31.20)	(18.91)		(2.36)	(31.76)	(18.50)	
	0.05	15.69	3.59		0.83	25.08	9.90	
Realized gain on derivative financial instruments	0.36	-	1.67		-	-	-	
Field netbacks	\$ 0.41	\$ 15.69	\$ 5.26	\$	0.83	\$ 25.08	\$ 9.90	

Field level cash flows in the second quarter of 2016 were \$0.8 million, a 69% decrease from field level cash flows of \$2.4 million generated in the second quarter of the prior year, before adjustments in the prior year related to risk management contracts. The decrease resulted primarily from lower revenue levels stemming from lower prices realized for the underlying commodities as well as costs associated with the necessary overhaul maintenance at Dundee Energy's offshore gas manufacturing facilities. As a result, field netbacks in the second quarter of 2016 decreased to \$3.59/boe, compared with \$9.90/boe in the second quarter of the prior year.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

During the three months ended June 30, 2016, Dundee Technologies incurred a net loss of \$0.7 million (three months ended June 30, 2015 – \$0.9 million) attributable to owners of Dundee Corporation. The net loss during the second quarter of 2016 was partially offset by revenues of \$0.6 million, representing the sale of technical services to customers in the mining industry to evaluate processing alternatives, including those provided by Dundee Technologies.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	2016	2015
Revenues		
Technical services	\$ 554	\$ -
Interest and dividends	-	-
	554	-
Cost of sales	(294)	-
Other items in net loss before taxes		
Depreciation and depletion	-	(16)
General and administrative	(1,313)	(1,644)
Interest expense	(83)	(8)
Foreign exchange gain	15	3
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (1,121)	\$ (1,665)
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:		
Owners of Dundee Corporation	\$ (653)	\$ (902)
Non-controlling interest	(468)	(763)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (1,121)	\$ (1,665)

General and administrative expenses include research and development expenses in respect of Dundee Technologies' chlorination and arsenic stabilization process. During the three months ended June 30, 2016, Dundee Technologies incurred \$1.1 million (three months ended June 30, 2015 – \$1.3 million) in research and development costs. These costs relate primarily to the operation of the chlorination process demonstration plant in this period, as compared to the construction of the plant in the comparative period of the prior year.

BLUE GOOSE CAPITAL CORP.

During the second quarter of 2016, Blue Goose incurred a net loss attributable to owners of Dundee Corporation of \$5.2 million, compared with a net loss of \$7.4 million incurred in the same period of the prior year. Included in the second quarter results for 2015 is a \$4.4 million loss related to the divestiture of certain non-core assets.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	2016	2015
Revenues		
Sales	\$ 16,890	\$ 15,088
Interest and dividends	(503)	(19)
Total Revenue	16,387	15,069
Cost of sales	(19,564)	(17,740)
Other items in net loss before taxes		
Depreciation and depletion	(621)	(817)
General and administrative		
Loss on sale of net assets	-	(4,392)
Other general and administrative	(1,993)	(1,832)
Fair value changes in livestock	239	3,730
Interest expense	(359)	(2,512)
Foreign exchange (loss) gain	(2)	1
Net loss before taxes, Blue Goose Capital Corp.	\$ (5,913)	\$ (8,493)
Net loss before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	\$ (5,183)	\$ (7,420)
Non-controlling interest	(730)	(1,073)
Net loss before taxes, Blue Goose Capital Corp.	\$ (5,913)	\$ (8,493)

Revenues in the second quarter of 2016 were \$16.9 million, a \$1.8 million or 12% increase from revenues of \$15.1 million in the same quarter of the prior year.

Contribution Margins

<i>For the three months ended June 30,</i>						2016
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 4,560	\$ 873	\$ 3,401	\$ 8,056	\$ -	\$ 16,890
Cost of sales, period costs	(3,203)	(787)	(3,248)	(7,543)	-	(14,781)
	1,357	86	153	513	-	2,109
Fair value changes						
Fair value changes in livestock	(310)	549	-	-	-	239
Cost of sales, fair value harvested	(3,901)	(882)	-	-	-	(4,783)
	(4,211)	(333)	-	-	-	(4,544)
Margin	\$ (2,854)	\$ (247)	\$ 153	\$ 513	\$ -	\$ (2,435)
Margin %	(67.2%)	(17.4%)	4.5%	6.4%	-	(14.2%)

<i>For the three months ended June 30,</i>						2015
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 3,635	\$ 1,181	\$ 3,331	\$ 5,692	\$ 1,249	\$ 15,088
Cost of sales, period costs	(3,286)	(1,034)	(3,436)	(5,607)	(569)	(13,932)
	349	147	(105)	85	680	1,156
Fair value changes						
Fair value changes in livestock	2,965	765	-	-	-	3,730
Cost of sales, fair value harvested	(2,448)	(1,360)	-	-	-	(3,808)
	517	(595)	-	-	-	(78)
Margin	\$ 866	\$ (448)	\$ (105)	\$ 85	\$ 680	\$ 1,078
Margin %	13.1%	(23.0%)	(3.2%)	1.5%	54.4%	5.7%

Revenue from sales of beef increased to \$4.6 million in the second quarter of 2016, compared with \$3.6 million of revenue generated in the same period of the prior year. Consistent with year-to-date results, the increase is attributable to higher volumes in both the sales of processed beef, as well as the sales of live animals. During the three months ended June 30, 2016, period costs associated with the beef division were \$3.2 million, compared with period costs of \$3.3 million in the same period of the prior year.

Revenue from fish sales decreased to \$0.9 million during the second quarter of 2016, compared with revenue of \$1.2 million in the second quarter of the prior year, reflecting Blue Goose's revised harvest plan based on available biomass. Period costs associated with the fish division were \$0.8 million in the three months ended June 30, 2016, compared with \$1.0 million in the same period of the prior year as a result of the elimination of further processing costs.

During the three months ended June 30, 2016, revenue from the sale of chicken products was \$3.4 million, a marginal increase from revenues of \$3.3 million generated in the same period of the prior year. These sales generated positive margins in the current period, reflecting improved operating efficiencies.

AGRIMARINE HOLDINGS INC.

During the three months ended June 30, 2016, AgriMarine incurred a net loss of \$1.9 million attributable to owners of Dundee Corporation, compared with a net loss of \$14.4 million attributable to owners of Dundee Corporation incurred during the three months ended June 30, 2015. Operating performance in the second quarter of the prior year included a \$13.6 million one-time charge against the carrying value of certain intangible assets.

RESULTS OF OPERATIONS

<i>For the three months ended June 30,</i>	2016	2015
Revenues		
Sales	\$ 3,494	\$ 1,344
Interest, dividends and other	230	(130)
	3,724	1,214
Cost of sales	(3,961)	(1,448)
Other items in net loss before taxes		
Depreciation and depletion	-	(13,611)
General and administrative	(1,623)	(936)
Fair value changes in livestock	-	366
Interest expense	-	(1)
Foreign exchange loss	-	(17)
Net loss before taxes, AgriMarine Holdings Inc.	\$ (1,860)	\$ (14,433)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (1,860)	\$ (14,433)
Non-controlling interest	-	-
Net loss before taxes, AgriMarine Holdings Inc.	\$ (1,860)	\$ (14,433)

AgriMarine generated revenue of \$3.5 million during the second quarter of 2016 and negative contribution margin of \$1.2 million. During the current quarter, AgriMarine harvested approximately 331,000 kilograms of fish, of which approximately 276,000 kilograms were sold at a net average selling price of \$7.72 per kilogram. Consistent with year-to-date results, the volume of fish sold was negatively impacted by an issue of premature maturation in some of the cohorts of the biomass, which resulted in undersized, less-marketable fish.

CONTRIBUTED MARGINS

<i>For the three months ended June 30,</i>	2016	2015
Revenues	\$ 3,494	\$ 1,344
Cost of sales	(4,692)	(1,448)
Contribution margin before fair value changes and writedowns	(1,198)	(104)
Fair value changes in livestock	-	366
Gain	731	-
	\$ (467)	\$ 262

DUNDEE 360 REAL ESTATE CORPORATION

During the three months ended June 30, 2016, Dundee 360 incurred a net loss attributable to the owners of Dundee Corporation of \$29.4 million (three months ended June 30, 2015 – \$7.3 million), including one-time restructuring costs aggregating \$23.4 million.

RESULTS OF OPERATIONS

	Sales and Marketing		Hospitality and Asset Management		Real Estate Developments		Other	Total		
<i>For the three months ended June 30, 2016</i>										
Revenues										
Gross commission income	\$	22,207	\$	-	\$	-	\$	22,207		
Consulting and management fees		-		1,532		(222)		1,310		
Sales and marketing fees		(40)		-		-		(40)		
Other revenue		2,132		-		4		2,139		
Interest, dividends and other		(2)		55		(16)		41		
		24,297		1,587		(234)		25,657		
Cost of sales		(19,926)		-		-		(19,926)		
Other items in net loss before taxes										
Depreciation and depletion		(252)		(15,326)		(7,427)		(23,043)		
General and administrative		(4,312)		(4,015)		(2,903)		(12,004)		
Share of loss from real estate joint ventures		-		-		(83)		(83)		
Finance expense		(21)		-		(3)		(32)		
Net loss before taxes, Dundee 360 Real Estate Corporation	\$	(214)	\$	(17,754)	\$	(10,650)	\$	(813)	\$	(29,431)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:										
Owners of Dundee Corporation	\$	(214)	\$	(17,754)	\$	(10,636)	\$	(813)	\$	(29,417)
Non-controlling interest		-		-		(14)		-		(14)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$	(214)	\$	(17,754)	\$	(10,650)	\$	(813)	\$	(29,431)
<i>For the three months ended June 30, 2015</i>										
Revenues										
Gross commission income	\$	19,186	\$	-	\$	-	\$	-	\$	19,186
Consulting and management fees		-		1,266		1,281		-		2,547
Sales and marketing fees		250		-		-		-		250
Other revenue		1,780		62		72		5		1,919
Interest, dividends and other		(22)		36		121		-		135
		21,194		1,364		1,474		5		24,037
Cost of sales		(17,484)		-		-		-		(17,484)
Other items in net loss before taxes										
Depreciation and depletion		(297)		(2,005)		(1,963)		(71)		(4,336)
General and administrative		(3,563)		(992)		(1,714)		(3,340)		(9,609)
Share of loss from real estate joint ventures		-		-		73		-		73
Finance expense		(15)		-		-		-		(15)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$	(165)	\$	(1,633)	\$	(2,130)	\$	(3,406)	\$	(7,334)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:										
Owners of Dundee Corporation	\$	(165)	\$	(1,633)	\$	(2,144)	\$	(3,406)	\$	(7,348)
Non-controlling interest		-		-		14		-		14
Net loss before taxes, Dundee 360 Real Estate Corporation	\$	(165)	\$	(1,633)	\$	(2,130)	\$	(3,406)	\$	(7,334)

Gross commission revenues for the second quarter of 2016 were \$22.2 million (three months ended June 30, 2015 – \$19.2 million). Commissions paid to associated brokers and agents were \$19.9 million (three months ended June 30, 2015 – \$17.5 million), resulting in a net contribution margin of \$2.3 million or 10%, compared with \$1.7 million or 9% in the same period of the prior year.

Revenues from hospitality and asset management activities increased to \$1.6 million in the second quarter of 2016, compared to \$1.4 million earned in the same period of the prior year. Current year fees include \$0.8 million in ongoing management activities and an incentive fee earned of \$0.8 million in respect of these activities. In the second quarter of the prior year, revenues from ongoing management activities were \$1.4 million, and included \$0.6 million related to the management contract with Ivanhoe Cambridge, which was terminated in May 2015.

As previously discussed in the year-to-date results, during the second quarter of 2016, Dundee 360 surrendered \$1.2 million of real estate development fees that it had previously accrued in respect of the construction of the Parq Resort. As a consequence, Dundee 360 is reporting negative revenues in its real estate development division of \$0.2 million in the second quarter of 2016, compared with revenues of \$1.5 million in the same period of 2015.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

For the three months ended	2016		2015				2014	
	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept
Net gain (loss) from investments	\$ 52,216	\$ 51,112	\$ (37,765)	\$ (90,665)	\$ (135,620)	\$ (15,525)	\$ (178,264)	\$ (81,246)
Share of earnings (loss) from equity accounted investments	1,243	(114)	41,399	(7,358)	(513)	2,237	15,130	1,933
Other items in net loss attributable to owners of the parent	(66,121)	(57,066)	(58,562)	(137,875)	(5,133)	(13,738)	(15,090)	658
Net loss attributable to owners of the parent	\$ (12,662)	\$ (6,068)	\$ (54,928)	\$ (235,898)	\$ (141,266)	\$ (27,026)	\$ (178,224)	\$ (78,655)
Loss per share								
Basic and diluted	\$ (0.25)	\$ (0.13)	\$ (0.97)	\$ (4.05)	\$ (2.44)	\$ (0.50)	\$ (3.20)	\$ (1.44)

- Operating results during the second quarter of 2016 include accelerated depreciation charges of \$23.8 million relating to Dundee 360, including depreciation of goodwill and other assets associated with the Parq casino and resort development project, as well as the depreciation following the sale of certain hospitality services arrangements. In the same quarter, Dundee Energy recognized an impairment of \$5.0 million against certain natural gas properties in southern Ontario.
- Operating results during the third quarter of 2015 include an impairment charge of \$215.2 million against resource properties associated with the Corporation's investment in UHIC. The impairment charge is partially offset by a \$56.5 million adjustment charge relating to amounts otherwise receivable from non-controlling shareholders of UHIC.
- Included in net earnings or loss are amounts reflecting changes in the fair value of the Corporation's direct investments in public and private securities. As previously noted, changes in the fair value of investments are determined by equity and credit markets and are expected to result in significant fluctuations in net earnings or loss. The Corporation believes that equity and credit markets do not necessarily correctly reflect the underlying value of certain assets. As a consequence, management of the Corporation believes that the amount of unrealized gains or losses that will be included in net earnings or loss in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information.
- The Corporation's share of earnings or losses from equity accounted investments is included in the Corporation's net earnings or loss for each quarter. As with changes in the fair value of the Corporation's investment portfolio, earnings or losses from each equity accounted investee and dilution gains and losses from these investments will fluctuate from period to period and may depend on market forces or other operating conditions that are not necessarily under the Corporation's direct control.

OFF-BALANCE SHEET ARRANGEMENTS, COMMITMENTS AND CONTINGENCIES

Other than as disclosed elsewhere in this MD&A or in note 32 to the June 2016 Interim Consolidated Financial Statements, there have been no significant changes in the nature of commitments, contingencies and off-balance sheet arrangements, from those described in note 34 to the 2015 Audited Consolidated Financial Statements and under "Off-Balance Sheet Arrangements" and "Commitments and Contingencies" on pages 63 through 64 in the Corporation's MD&A as at and for the year ended December 31, 2015.

RELATED PARTY TRANSACTIONS

Other than as described in note 33 to the June 2016 Interim Consolidated Financial Statements, there have been no significant changes in the nature and scope of related party transactions to those described in note 35 to the 2015 Audited Consolidated Financial Statements and the accompanying MD&A.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The preparation of the Corporation's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and other items in net earnings or loss and the related disclosure of contingent assets and liabilities. Critical accounting estimates represent estimates made by management that are, by their very nature, uncertain. 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 amount of revenues and other items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. A summary of the more significant judgments and estimates made by management in the preparation of its financial information is provided in note 4 to the 2015 Audited Consolidated Financial Statements. Other than as described in note 2 to the June 2016 Interim Consolidated Financial Statements, there have been no changes in the accounting policies adopted by the Corporation from those detailed in note 3 to the Corporation's 2015 Audited Consolidated Financial Statements.

CONTROLS AND PROCEDURES

In accordance with the Canadian Securities Administrators' National Instrument 52-109, the Corporation has filed certificates signed by its Chief Executive Officer and the Chief Financial Officer certifying that, among other things, the design of disclosure controls and procedures and the design of internal control over financial reporting are adequate as at June 30, 2016.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the Corporation's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow required disclosures to be made in a timely fashion. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as at June 30, 2016, the Corporation's disclosure controls and procedures were effective.

The Chief Executive Officer and the Chief Financial Officer of the Corporation have also assessed whether there were any changes to the Corporation's internal control over financial reporting during the six months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect the Corporation's internal control over financial reporting. There were no changes identified during their assessment.

MANAGING RISK

Except as otherwise disclosed in this MD&A, there have been no significant changes to the nature and scope of the risks faced by the Corporation as described in the Corporation's 2015 Annual Information Form under "Risk Factors" which is available on SEDAR at www.sedar.com. These business risks should be considered by interested parties when evaluating the Corporation's performance and its outlook.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Dundee Corporation's public communications may include written or oral forward looking statements. Statements of this type are included in this MD&A, and may be included in other filings with the Canadian regulators, stock exchanges or in other communications. All such statements constitute forward looking information within the meaning of securities law and are made pursuant to the "safe harbour" provisions of applicable securities laws. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to the Corporation's objectives and priorities for 2016 and beyond, and strategies or further actions with respect to the Corporation, its products and services, business operations, financial performance and condition. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions concerning matters that are not historical facts. Such statements are based on current expectations of the Corporation's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services, energy, resources, agriculture and real estate industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting

shareholders in understanding business and strategic priorities and objectives as at the periods indicated and may not be appropriate for other purposes.

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors, those referenced in the section entitled “Risk Factors” in the Corporation’s Annual Information Form, which include, but are not limited to, general economic and market conditions; the Corporation’s ability to execute strategic plans including the ability to complete acquisitions and dispositions effectively; the Corporation’s ability to meet financial obligations; the performance of the Corporation’s principal subsidiaries; the Corporation’s ability and the ability of its investee companies to raise additional capital; the availability of equity and debt financing and/or refinancing on acceptable terms; risks relating to trading activities and investments; competition faced by the Corporation; regulation of the Corporation’s businesses; successful integration of the Corporation with acquired businesses and the realization of any anticipated synergies; risks associated with the Corporation’s operating businesses and the Corporation’s investment holdings in general, including risks associated with oil and gas and mining exploration, risks of operating in foreign jurisdictions, development and production activities, environmental risks, inflation, changes in interest rates, commodity prices and other financial exposures; the availability and adequacy of insurance coverage for the Corporation and its subsidiaries; maintenance of minimum regulatory capital requirements for certain of the Corporation’s subsidiaries; potential liability of the Corporation and its subsidiaries under securities laws and for violations of investor suitability requirements; and the ability of the Corporation and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as at August 9, 2016.

Forward looking statements contained in this MD&A are based upon assumptions about the future performance of the Canadian, European and United States economies, which were material factors considered by management when setting Dundee Corporation’s strategic priorities and objectives. In determining expectations for economic growth in the financial services, energy, resource, agriculture and real estate sectors, the Corporation considered historical economic data provided by the Canadian government and its agencies, and market and general economic conditions, which factors are unpredictable and may impact the Corporation’s performance.

Forward looking statements contained in this MD&A are not guarantees of future performance and, while forward looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward looking statements, whether as a result of new information, future events or otherwise.

INFORMATION CONCERNING DUNDEE CORPORATION

Additional information relating to Dundee Corporation, including a copy of the Corporation’s Annual Information Form, may be found on SEDAR at www.sedar.com and the Corporation’s website at www.dundeecorp.com.

Toronto, Ontario
August 9, 2016

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

(expressed in thousands of Canadian dollars)

	<i>Note</i>	As at	
		June 30, 2016	December 31, 2015
ASSETS			
Cash		\$ 91,758	\$ 211,901
Accounts receivable		41,773	38,484
Client accounts receivable	6	288,485	284,002
Brokerage securities owned	8	49,707	14,999
Income taxes receivable		7,233	2,376
Investments	9	556,463	438,628
Equity accounted investments	10	169,254	172,672
Real estate joint venture investments	11	8,482	10,611
Real estate assets	12	13,989	14,803
Resource properties	13	380,670	403,314
Livestock	14	34,572	43,700
Capital and other assets	15	148,434	164,291
Goodwill	16	-	14,117
Deferred income tax assets	27	12,172	22,097
Assets held for sale	4	-	405,039
TOTAL ASSETS		\$ 1,802,992	\$ 2,241,034
LIABILITIES			
Accounts payable and accrued liabilities		\$ 115,143	\$ 75,047
Client deposits and related liabilities	17	294,239	344,915
Brokerage securities sold short	8	65	-
Corporate debt	18	194,624	175,123
Derivative financial liabilities	7	1,443	21
Decommissioning liabilities	19	65,720	61,627
Preference Shares, series 4	20	-	106,915
Preference Shares, series 5	20	86,810	-
Liabilities held for sale	4	-	396,239
		758,044	1,159,887
SHAREHOLDERS' EQUITY			
Share capital			
Common shares	21	281,699	281,629
Preference Shares, series 2	20	84,053	84,053
Preference Shares, series 3	20	43,015	43,015
Contributed surplus		24,809	20,457
Warrants	21	1,516	-
Retained earnings		561,596	583,784
Accumulated other comprehensive income	21	29,400	42,095
		1,026,088	1,055,033
NON-CONTROLLING INTEREST			
	22	18,860	26,114
		1,044,948	1,081,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,802,992	\$ 2,241,034

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

Commitments, contingencies and off-balance sheet arrangements (note 32)

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

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

	Note	For the three months ended		For the six months ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
REVENUES	23	\$ 66,618	\$ 78,778	\$ 127,620	\$ 152,867
OTHER ITEMS IN NET LOSS					
Cost of sales	24	(53,174)	(54,649)	(99,746)	(102,421)
Depreciation and depletion	13, 15	(32,227)	(28,430)	(39,164)	(36,652)
General and administrative expenses	26	(38,433)	(56,349)	(79,400)	(107,110)
Net gain (loss) from investments	9	52,216	(135,620)	103,328	(151,145)
Share of earnings (loss) from equity accounted investments	10, 11	1,243	(513)	1,129	1,724
Fair value changes in livestock	14	239	4,096	266	8,191
Loss on derivative financial instruments	7	(1,580)	-	(874)	-
Interest expense	18, 19	(4,956)	(3,966)	(9,645)	(8,891)
Foreign exchange (loss) gain		(22)	(782)	(5,455)	4,315
NET LOSS BEFORE INCOME TAXES		(10,076)	(197,435)	(1,941)	(239,122)
Income tax (expense) recovery	27	(7,209)	47,532	(11,956)	51,219
NET LOSS FOR THE PERIOD		\$ (17,285)	\$ (149,903)	\$ (13,897)	\$ (187,903)
NET LOSS ATTRIBUTABLE TO:					
Owners of the parent		\$ (12,662)	\$ (141,266)	\$ (18,730)	\$ (168,292)
Non-controlling interest		(4,623)	(8,637)	4,833	(19,611)
		\$ (17,285)	\$ (149,903)	\$ (13,897)	\$ (187,903)
NET LOSS PER SHARE	28				
Basic and diluted		\$ (0.25)	\$ (2.44)	\$ (0.38)	\$ (2.96)

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

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

(expressed in thousands of Canadian dollars)

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
NET LOSS FOR THE PERIOD	\$ (17,285)	\$ (149,903)	\$ (13,897)	\$ (187,903)
Other comprehensive (loss) income:				
Items that may be reclassified to net loss				
Unrealized (loss) gain from foreign currency translation	(66)	(13,421)	(16,623)	26,481
Transfer of realized gain from foreign currency translation to net loss	(307)	-	(307)	-
Share of other comprehensive (loss) income from equity accounted investments, net of associated taxes	(885) 234	(41) 365	(6,403) 1,696	24,332 (6,093)
Total other comprehensive (loss) income for the period	(1,024)	(13,097)	(21,637)	44,720
COMPREHENSIVE LOSS FOR THE PERIOD	\$ (18,309)	\$ (163,000)	\$ (35,534)	\$ (143,183)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the parent	\$ (13,738)	\$ (145,942)	\$ (31,425)	\$ (139,719)
Non-controlling interest	(4,571)	(17,058)	(4,109)	(3,464)
	\$ (18,309)	\$ (163,000)	\$ (35,534)	\$ (143,183)

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

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

(expressed in thousands of Canadian dollars)

	Note	Attributable to Owners of the Parent									
		Number of Common Shares	Common Shares	Preference Shares, Series 2	Preference Shares, Series 3	Contributed Surplus	Warrants	Retained Earnings	Accumulated Other Comprehensive Income	Non-controlling Interest	Total
Balance, December 31, 2014		56,311,493	\$ 252,128	\$ 84,053	\$ 43,015	\$ 24,390	\$ -	\$ 1,050,141	\$ 23,454	\$ 97,684	\$ 1,574,865
For the six months ended June 30, 2015											
Net loss		-	-	-	-	-	-	(168,292)	-	(19,611)	(187,903)
Other comprehensive income		-	-	-	-	-	-	-	28,573	16,147	44,720
Dividends on Preference Shares, series 2		-	-	-	-	-	-	(2,474)	-	-	(2,474)
Dividends on Preference Shares, series 3		-	-	-	-	-	-	(1,029)	-	-	(1,029)
Stock based compensation		256,420	3,000	-	-	430	-	-	-	-	3,430
Exercise of options	21	2,089,107	26,250	-	-	(3,655)	-	-	-	-	22,595
Changes of ownership interest in subsidiaries	5	-	-	-	-	1,321	-	-	-	(631)	690
Balance, June 30, 2015		58,657,020	281,378	84,053	43,015	22,486	-	878,346	52,027	93,589	1,454,894
From July 1, 2015 to December 31, 2015											
Net loss		-	-	-	-	-	-	(290,826)	-	(98,488)	(389,314)
Other comprehensive income		-	-	-	-	-	-	-	(9,932)	28,425	18,493
Acquisition of Class A subordinate shares for cancellation	21	(57,000)	(285)	-	-	-	-	(267)	-	-	(552)
Dividends on Preference Shares, series 2		-	-	-	-	-	-	(2,474)	-	-	(2,474)
Dividends on Preference Shares, series 3		-	-	-	-	-	-	(995)	-	-	(995)
Stock based compensation		45,013	536	-	-	186	-	-	-	-	722
Changes of ownership interest in subsidiaries		-	-	-	-	(2,215)	-	-	-	2,588	373
Balance, December 31, 2015		58,645,033	281,629	84,053	43,015	20,457	-	583,784	42,095	26,114	1,081,147
For the six months ended June 30, 2016											
Net loss		-	-	-	-	-	-	(18,730)	-	4,833	(13,897)
Other comprehensive loss		-	-	-	-	-	-	-	(12,695)	(8,942)	(21,637)
Dividends on Preference Shares, series 2		-	-	-	-	-	-	(2,474)	-	-	(2,474)
Dividends on Preference Shares, series 3		-	-	-	-	-	-	(984)	-	-	(984)
Issuance of warrants	21	-	-	-	-	-	1,516	-	-	-	1,516
Exercise of warrants	21	250	2	-	-	-	-	-	-	-	2
Stock based compensation	21	5,274	68	-	-	954	-	-	-	-	1,022
Changes of ownership interest in subsidiaries	5	-	-	-	-	3,398	-	-	-	(3,145)	253
Balance, June 30, 2016		58,650,557	\$ 281,699	\$ 84,053	\$ 43,015	\$ 24,809	\$ 1,516	\$ 561,596	\$ 29,400	\$ 18,860	\$ 1,044,948

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

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

(expressed in thousands of Canadian dollars)

	<i>Note</i>	For the six months ended	
		June 30, 2016	June 30, 2015
OPERATING ACTIVITIES:			
Net loss for the period		\$ (13,897)	\$ (187,903)
Adjusted for:			
Items not affecting cash and other adjustments	29	(36,021)	136,346
Changes in non-cash working capital items	29	139,054	(70,460)
CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES		89,136	(122,017)
INVESTING ACTIVITIES:			
Net investment in resource properties		(368)	(13,046)
Net investment in livestock and other agricultural assets		(15,587)	(26,856)
Net investment in real estate		-	(126)
(Disbursement of) proceeds from cash in business combinations and other significant acquisitions (dispositions)	4	(198,304)	23,997
Acquisitions of portfolio investments		(43,565)	(12,841)
Proceeds from dispositions of portfolio investments		26,409	149,002
Net investment in capital and other assets		(1,818)	(14,052)
CASH (USED IN) PROVIDED FROM INVESTING ACTIVITIES		(233,233)	106,078
FINANCING ACTIVITIES:			
Change in corporate debt		19,520	(8,986)
Issuance of Class A subordinate shares and warrants, net of issue costs		(20)	11,587
Net cash from transactions with non-controlling interests		-	1,079
Issue costs, Preference Shares, series 5		(2,400)	-
Redemption of Preference Shares, series 5	20	(11,474)	-
Dividends paid on Preference Shares, series 2		(2,474)	(2,474)
Dividends paid on Preference Shares, series 3		(984)	(1,029)
CASH PROVIDED FROM FINANCING ACTIVITIES		2,168	177
NET DECREASE IN CASH DURING THE PERIOD		(141,929)	(15,762)
Cash, beginning of period		233,687	245,803
CASH, END OF PERIOD		\$ 91,758	\$ 230,041
Cash flows include the following amounts:			
Interest paid		\$ 9,174	\$ 8,364
Taxes paid		\$ 5,183	\$ 12,118

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

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

For the three and six months ended June 30, 2016 and 2015
 Tabular dollar amounts in thousands of Canadian dollars, except per share amounts

1. NATURE OF OPERATIONS

Dundee Corporation (the “Corporation” or “Dundee Corporation”) is a public Canadian independent holding company, listed on the Toronto Stock Exchange (“TSX”) under the symbol “DC.A”. Through its operating subsidiaries, the Corporation is engaged in diverse business activities in the areas of investment advisory, corporate finance, energy, resources, agriculture, real estate and infrastructure. The Corporation also holds, directly and indirectly, a portfolio of investments mostly in these key areas, as well as other select investments in both publicly listed and private enterprises.

The Corporation is incorporated under the *Business Corporations Act* (Ontario) and is domiciled in Canada. The Corporation’s head office is located at 1 Adelaide Street East, 21st Floor, Toronto, Ontario, Canada, M5C 2V9. At June 30, 2016 and December 31, 2015, the Corporation’s major operating subsidiaries included:

	As at and for the six months ended June 30, 2016		As at and for the year ended December 31, 2015	
	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
(in alphabetical order)				
AgriMarine Holdings Inc.	100%	100%	95%	100%
Blue Goose Capital Corp.	88%	88%	87%	88%
Dundee 360 Real Estate Corporation	100%	100%	100%	100%
Dundee Energy Limited	58%	58%	58%	58%
Dundee Securities Ltd.	100%	100%	100%	100%
Dundee Sustainable Technologies Inc.	66%	66%	63%	66%
Goodman & Company, Investment Counsel Inc.	100%	100%	100%	100%
United Hydrocarbon International Corp.	35%	33%	35%	35%

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and six months ended June 30, 2016 (“June 2016 Interim Consolidated Financial Statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and with interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook – Accounting, as applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*”. The June 2016 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, 2015 (“2015 Audited Consolidated Financial Statements”) which were prepared in accordance with IFRS as applicable for annual financial statements. The June 2016 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on August 9, 2016.

Changes in Accounting Policies Implemented During the Six Months Ended June 30, 2016

The June 2016 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in note 3 to the 2015 Audited Consolidated Financial Statements, except as described below.

IAS 1, "Presentation of Financial Statements" ("IAS 1")

On January 1, 2016, the Corporation implemented certain amendments to IAS 1, which clarify guidance on the concepts of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of operations and the statement of comprehensive income or loss, and which provide additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The implementation of amendments to IAS 1 had no impact to the Corporation's June 2016 Interim Consolidated Financial Statements.

IFRS 10, "Consolidated Financial Statements" ("IFRS 10") and IAS 28, "Investments in Associates and Joint Ventures (2011)" ("IAS 28")

The Corporation implemented certain amendments to IFRS 10 and IAS 28 on January 1, 2016. These amendments relate to the sale or contribution of assets between an investor and its associate or joint venture and require the recognition of a full gain or loss when a transaction involves a business, whereas a partial gain or loss is recognized when a transaction involves assets that do not constitute a business. The implementation of amendments to IFRS 10 and IAS 28 had no impact to the Corporation's June 2016 Interim Consolidated Financial Statements.

IFRS 11, "Joint Arrangements" ("IFRS 11")

Amendments to IFRS 11 address how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business and requires that such transactions be accounted for using the principles related to business combinations accounting as outlined in IFRS 3, "Business Combinations". The Corporation implemented the amendments to IFRS 11 effective January 1, 2016. The implementation of amendments to IFRS 11 had no impact to the Corporation's June 2016 Interim Consolidated Financial Statements.

IAS 16, "Property, Plant and Equipment" ("IAS 16") and IAS 38, "Intangible Assets" ("IAS 38")

On January 1, 2016, the Corporation implemented amendments to IAS 16 and IAS 38, which eliminated the use of a revenue-based depreciation method for items of property, plant and equipment and eliminated the use of a revenue-based amortization model for intangible assets except in certain specific circumstances. The implementation of amendments to IAS 16 and IAS 38 had no impact to the Corporation's June 2016 Interim Consolidated Financial Statements.

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

IFRS accounting standards, interpretations and amendments to existing IFRS accounting standards that were not yet effective as at December 31, 2015, are described in note 3 to the 2015 Audited Consolidated Financial Statements. Other than as described below, there have been no other changes to existing IFRS accounting standards and interpretations since December 31, 2015 that are expected to have a material effect on the Corporation's consolidated financial statements.

IAS 7, "Statement of Cash Flows" ("IAS 7")

In January 2016, the IASB issued amendments to IAS 7 pursuant to which entities will be required to provide enhanced information about changes in their financial liabilities, including changes from cash flows and non-cash changes. The IAS 7 amendments are effective for annual periods beginning on or after January 1, 2017. The Corporation is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

IAS 12, "Income Taxes" ("IAS 12")

In January 2016, the IASB issued amendments to IAS 12, which clarify guidance on the recognition of deferred tax assets related to unrealized losses resulting from debt instruments that are measured at their fair value. The IAS 12 amendments are effective for annual periods beginning on or after January 1, 2017. The Corporation is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

IFRS 15, "Revenues from Contracts with Customers" ("IFRS 15")

In April 2016, the IASB issued amendments to IFRS 15, clarifying the application of certain of its underlying principles, including the identification of a performance obligation, and the determination of whether a company is a principal or is acting as an agent in the provision of a good or service. The amendments will become effective concurrent with the effective date of IFRS 15 on January 1, 2018. The Corporation is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

IFRS 2, "Share-based Payment" ("IFRS 2")

In June 2016, the IASB issued amendments to IFRS 2, clarifying how to account for certain types of share-based payment transactions, including the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and accounting for modifications to the terms and conditions of a share-based payment that changes the classification of the share-based payment transaction from cash-settled to equity-settled. The IFRS 2 amendments are effective for annual periods beginning on or after January 1, 2018. The Corporation is in the process of evaluating the impact of adopting these amendments to its consolidated financial statements.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the June 2016 Interim Consolidated Financial Statements in accordance with IFRS requires the Corporation to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates and assumptions affect the Corporation's reported amounts of assets, liabilities, revenues and other items in net earnings, and the related disclosure of contingent assets and liabilities, if any. 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 amount of revenues and other items in net earnings that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in accounting judgments, estimates and assumptions made by the Corporation in the preparation of the June 2016 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 4 to the 2015 Audited Consolidated Financial Statements.

4. SIGNIFICANT ACQUISITIONS OR DISPOSITIONS

Divestiture of the Retail Division of Dundee Securities Ltd.

On April 25, 2016, Dundee Securities Ltd. ("Dundee Securities"), a wholly owned subsidiary of the Corporation, completed a process whereby it sold essentially all of the assets and liabilities related to its retail division. At closing of the transaction, Dundee Securities received \$9,305,000 in cash consideration, and it may receive up to a further \$4,200,000 of additional consideration, which amount is contingent upon the retention of assets under administration by the acquiring company.

The assets and liabilities of the retail division of Dundee Securities which were sold as part of the transaction, and the resulting gain on the sale of such net assets are illustrated in the following table.

As at	April 25, 2016	
Carrying value of net assets sold:		
Cash	\$	206,790
Accounts receivable		569
Client accounts receivable		282,664
Brokerage securities owned		21,983
Capital and other assets		9,799
Client deposits and related liabilities		(506,375)
Brokerage securities sold short		(5,062)
		10,368
Proceeds received on disposition of net assets:		
Cash		9,305
Contingent consideration		3,660
Gain on sale of net assets	\$	2,597

The potential undiscounted amount of all future amounts that Dundee Securities may receive under the contingent consideration arrangement is between \$nil and \$4,200,000. The fair value of the contingent consideration arrangement of \$3,660,000 was estimated on April 25, 2016 by applying future expected performance returns on assets under administration, offset by assumptions relating to the possible departure of financial advisors from the acquiring company. These key inputs to the determination of fair value of the contingent consideration are not observable in the market and therefore, the Corporation has classified the measurement of the asset at level 3 of the fair value hierarchy. At June 30, 2016, the fair value of the contingent consideration had decreased by \$799,000, reflecting an increase in the estimated departure from the acquiring company of certain financial advisors.

In connection with the transaction, Dundee Securities entered into a transitional service agreement whereby Dundee Securities is providing certain operational support to the acquiring company to December 31, 2016.

Other Transactions

On April 1, 2016, AgriMarine Holdings Inc. sold its wholly owned fish farming subsidiary, Benxi AgriMarine Industries Inc., for gross proceeds of \$200,000 resulting in a loss of \$117,000. The Corporation did not complete any other significant acquisitions or dispositions during the six months ended June 30, 2016.

Significant acquisitions or dispositions completed by the Corporation during the year ended December 31, 2015 are described in note 5 to the 2015 Audited Consolidated Financial Statements.

5. ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

Change of Ownership Interests in Subsidiaries

	Interest Owned as at				Effect on Contributed Surplus during the six months ended	
	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14	30-Jun-16	30-Jun-15
AgriMarine Holdings Inc.	100%	100%	100%	95%	\$ -	\$ 653
Blue Goose Capital Corp.	88%	88%	88%	87%	242	(88)
Dundee Energy Limited	58%	58%	58%	58%	-	12
Dundee Sustainable Technologies Inc.	66%	66%	60%	63%	-	721
United Hydrocarbon International Corp.	33%	35%	35%	35%	3,156	23
Total					\$ 3,398	\$ 1,321

6. CLIENT ACCOUNTS RECEIVABLE

As at	June 30, 2016	December 31, 2015
Client accounts	\$ 143,251	\$ 403,514
Brokers' and dealers' balances	9,737	3,076
Funds deposited into trust	113,868	217,692
Amounts receivable from carrying broker	21,629	20,165
	288,485	644,447
Less: Client account assets held for sale	-	(360,445)
	\$ 288,485	\$ 284,002

“Funds deposited into trust” include \$86,957,000 (December 31, 2015 – \$199,727,000) of client funds deposited and held by Dundee Securities in registered accounts. These funds have been deposited with a Canadian trust company. “Funds deposited into trust” also include \$26,911,000 (December 31, 2015 – \$17,965,000) of funds placed in escrow by an acquirer in a real estate property transaction from which applicable fees are distributed to the relevant parties associated with the real estate transaction. Included in “Client deposits and related liabilities” (note 17) is a corresponding liability related to these deposits.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Commodity Risk Management

At June 30, 2016, Dundee Energy Limited (“Dundee Energy”) had entered into certain commodity swap derivative contracts to manage its exposure to volatility in the prices received for the sale of the underlying commodities. These derivative instruments were not designated as hedging instruments and accordingly, were classified as financial instruments at fair value through profit or loss. Therefore, changes in the fair value of these derivative financial instruments are recorded in the consolidated statement of operations.

Dundee Energy has determined that the fair value of the commodity swap derivative contracts at June 30, 2016, resulted in a liability balance of \$1,443,000 (December 31, 2015 – \$21,000). During the three and six months ended June 30, 2016, Dundee Energy recognized a loss of \$1,580,000 and \$874,000 respectively (three and six months ended June 30, 2015 – \$nil) from these commodity swap derivative contracts.

Warrants and Options Associated with Investments

Included in the Corporation’s portfolio of investments are warrants and/or options, which were acquired directly by the Corporation, or which were received by the Corporation as consideration for the Corporation’s investment in the underlying investee. These warrants and/or options are derivative financial assets and are carried in the Corporation’s consolidated statements of financial position at their estimated fair value, determined using a modified Black Scholes option pricing model.

8. BROKERAGE SECURITIES OWNED AND BROKERAGE SECURITIES SOLD SHORT

As at	June 30, 2016		December 31, 2015	
	Securities Owned	Securities Sold Short	Securities Owned	Securities Sold Short
Bonds	\$ -	\$ -	\$ 10,349	\$ 5,619
Equities	47,136	65	16,087	3,307
Other	2,571	-	2,571	-
	49,707	65	29,007	8,926
Less: Securities held for sale	-	-	(14,008)	(8,926)
	\$ 49,707	\$ 65	\$ 14,999	\$ -

At December 31, 2015, bonds had maturities ranging from 2016 to 2106 and annual interest yields ranging from 1.25% to 12.00%.

9. INVESTMENTS

Fair Value of Investments

As at	June 30, 2016		December 31, 2015	
	Cost	Fair Value	Cost	Fair Value
Publicly traded securities	\$ 690,071	\$ 356,413	\$ 710,096	\$ 274,249
Private investments	223,950	163,770	182,267	124,108
Mutual funds and other short-term investments	86	89	86	50
Debt securities	71,901	35,950	74,647	40,130
Warrants and options	698	241	787	91
	\$ 986,706	\$ 556,463	\$ 967,883	\$ 438,628

During the six months ended June 30, 2016, the Corporation invested \$43,057,000 (six months ended June 30, 2015 – \$5,932,000) to acquire new positions, or to increase its interest in existing positions within its portfolio. During the same period, the Corporation generated proceeds of \$26,409,000 (six months ended June 30, 2015 – \$149,002,000) from the sale of certain other investments.

Investments completed during the six months ended June 30, 2016 include the purchase of \$40,683,000 Class C, June 30, 2022 17% convertible preferred units of Parq Equity Limited Partnership, the limited partnership structure that ultimately owns the Corporation's interest in the casino and resort development project in Vancouver, British Columbia (note 10).

Net Gain (Loss) from Investments

For the six months ended	June 30, 2016		June 30, 2015	
	Realized	Unrealized	Realized	Unrealized
Publicly traded securities	\$ 3,270	\$ 102,189	\$ (2,909)	\$ (128,807)
Private investments	716	(2,021)	11,808	(29,522)
Mutual funds and other short-term investments	-	39	-	5
Debt securities	419	(1,434)	(3,162)	1,956
Warrants and options	(89)	239	(62)	(452)
	\$ 4,316	\$ 99,012	\$ 5,675	\$ (156,820)

For the three months ended	June 30, 2016		June 30, 2015	
	Realized	Unrealized	Realized	Unrealized
Publicly traded securities	\$ 4,064	\$ 49,941	\$ (2,008)	\$ (114,625)
Private investments	716	1,988	8,096	(27,596)
Mutual funds and other short-term investments	-	22	-	-
Debt securities	306	(5,019)	(1,288)	1,785
Warrants and options	-	198	(3)	19
	\$ 5,086	\$ 47,130	\$ 4,797	\$ (140,417)

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, 2015 are included in the Corporation's net earnings or loss. During the three and six months ended June 30, 2016, the Corporation recognized a gain from changes in the fair value of its investments designated as FVTPL of \$52,216,000 and \$103,328,000 respectively (three and six months ended June 30, 2015 – loss of \$135,620,000 and \$151,145,000 respectively).

The gain recognized during the six months ended June 30, 2016 includes \$14,929,000 relating to the Corporation's investment in 21,636,288 class A subordinate voting shares of Dream Unlimited Corp. and \$63,896,000 relating to the Corporation's investment in 35,541,552 common shares of Dundee Precious Metals Inc. During the same period of the prior year, the Corporation recognized a gain of \$2,596,000 from its investment in Dream Unlimited Corp. and a loss of \$121,443,000 from its investment in Dundee Precious Metals Inc.

10. EQUITY ACCOUNTED INVESTMENTS

As at		June 30, 2016			December 31, 2015		
Trade Symbol	Investment	Ownership	Carrying Value	Fair Value	Ownership	Carrying Value	Fair Value
n/a	Paragon Holdings (Smithe Street) ULC (i)	50%	\$ 58,889	private	50%	\$ 54,174	private
n/a	Union Group International Holdings Limited	40%	64,396	private	40%	68,007	private
n/a	Android Industries, LLC	20%	24,606	private	20%	28,265	private
n/a	Cambridge Medical Funding Group II, LLC	50%	11,257	private	50%	11,507	private
n/a	Dundee Sarea Acquisition I Limited Partnership	33%	10,864	private	33%	9,756	private
n/a	Dundee Sarea Limited Partnership	25%	344	private	34%	356	private
ODX	Odyssey Resources Limited	31%	66	114	31%	163	227
n/a	Dundee Acquisition Ltd.	98%	(1,168)	private	98%	444	private
n/a	Escal UGS S.L.(ii)	14%	-	private	14%	-	private
				\$ 169,254	\$ 172,672		

- (i) Dundee Corporation owns a 50% interest in Paragon Holdings (Smithe Street) ULC, which, in turn owns an indirect 74% interest in a resort development project, giving Dundee Corporation an effective 37% interest in the underlying project.
- (ii) Dundee Energy Limited's 74% owned subsidiary, Castor UGS Limited Partnership, holds a 33% interest in Escal UGS S.L., giving Dundee Energy Limited an effective 23% interest and Dundee Corporation an effective 14% interest in Escal UGS S.L. and its underlying project.

A detailed description of significant transactions that affected the carrying value of equity accounted investments as at December 31, 2015 is provided in note 12 to the 2015 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, 2015.

Paragon Holdings (Smithe Street) ULC ("Paragon Holdings")

In April 2016, Parq Holdings Limited Partnership ("Parq"), the developer of the casino and resort development project in Vancouver, British Columbia, entered into an amending agreement with EllisDon Tishman Inc., the general contractor of the project. The amending agreement culminated in an extension to the construction schedule, updating the scheduled opening

of the project to the fall of 2017. The schedule extension required the concurrence of the project's first and second lien lenders. On June 2, 2016, amendments to the general contract and the first and second lien term loan credit agreements were completed. Concurrently, the existing ownership group invested an additional \$75,300,000 in the form of a convertible preferred security, primarily to fund cost increases related to the schedule extension, including \$40,683,000 invested directly by the Corporation. The Corporation's investment in the convertible preferred security has been classified as an investment at FVTPL as it represents a preferential equity interest in the project (note 9).

Share of Earnings (Loss) from Equity Accounted Investments

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Paragon Holdings (Smithe Street) ULC	\$ 1,956	\$ 2,689	\$ 4,715	\$ (6,077)
Union Group International Holdings Limited	(206)	(378)	(996)	10,082
Android Industries, LLC	871	1,416	1	1,626
Cambridge Medical Funding Group II, LLC	(259)	551	108	289
Dundee Sarea Acquisition I Limited Partnership	(428)	288	(967)	873
Dundee Sarea Limited Partnership	(112)	70	(12)	21
Dundee Acquisition Ltd.	(449)	(5,212)	(1,612)	(5,212)
Others	(47)	(10)	(97)	140
	1,326	(586)	1,140	1,742
Real estate joint venture investments	(83)	73	(11)	(18)
	\$ 1,243	\$ (513)	\$ 1,129	\$ 1,724

11. REAL ESTATE JOINT VENTURE INVESTMENTS

As at	June 30, 2016		December 31, 2015	
Investment	Ownership	Carrying Value	Ownership	Carrying Value
Bellavista Resorts S.A.	31%	\$ 5,939	30%	\$ 6,324
Vancuba Holdings S.A.	61%	307	61%	305
Gran Leon Resorts S.A.	3%	50	3%	55
Sotarbat 360 S.A.S.	45%	2,143	45%	2,196
Receivable from real estate joint venture investees	n/a	43	n/a	1,731
		\$ 8,482		\$ 10,611

During the three and six months ended June 30, 2016, Dundee 360 Real Estate Corporation recognized a loss of \$83,000 and \$11,000 respectively (three and six months ended June 30, 2015 – gain of \$73,000 and loss of \$18,000 respectively) from its investments in real estate joint ventures.

12. REAL ESTATE ASSETS

	For the six months ended June 30, 2016			For the year ended December 31, 2015		
	Clearpoint Resort Limited (Malta)	Tides Inn	Total	Clearpoint Resort Limited (Malta)	Tides Inn	Total
Balance, beginning of period	\$ 14,385	\$ 418	\$ 14,803	\$ 13,209	\$ -	\$ 13,209
Net additions	-	-	-	134	387	521
Capitalization of interest expense	-	-	-	52	-	52
Depreciation	-	(416)	(416)	-	-	-
Currency translation adjustment	(396)	(2)	(398)	990	31	1,021
Balance, end of period	\$ 13,989	\$ -	\$ 13,989	\$ 14,385	\$ 418	\$ 14,803

13. RESOURCE PROPERTIES

	Property, Plant and Equipment					Exploration and Evaluation		Total
	Oil and Gas Development Costs	Pipeline Infrastructure	Machinery and Equipment	Land and Buildings	Other	Undeveloped Properties		
At December 31, 2014								
Cost	\$ 159,139	\$ 27,751	\$ 29,428	\$ 16,221	\$ 3,547	\$ 440,245	\$ 676,331	
Accumulated depreciation and depletion	(64,671)	(7,276)	(7,023)	(1,317)	(1,209)	(37,518)	(119,014)	
Net carrying value, December 31, 2014	94,468	20,475	22,405	14,904	2,338	402,727	557,317	
For the six months ended June 30, 2015								
Carrying value December 31, 2014	94,468	20,475	22,405	14,904	2,338	402,727	557,317	
Disposition	-	-	-	(9,955)	-	-	(9,955)	
Net additions *	7	-	5	(176)	53	35,177	35,066	
Remeasure decommissioning liabilities (note 19)	(1,319)	-	-	-	-	34	(1,285)	
Depreciation and depletion	(4,666)	(664)	(702)	(70)	(17)	-	(6,119)	
Net carrying value, June 30, 2015	88,490	19,811	21,708	4,703	2,374	437,938	575,024	
At June 30, 2015								
Cost	157,827	27,751	29,433	4,826	3,592	475,456	698,885	
Accumulated depreciation and depletion	(69,337)	(7,940)	(7,725)	(123)	(1,218)	(37,518)	(123,861)	
Net carrying value, June 30, 2015	88,490	19,811	21,708	4,703	2,374	437,938	575,024	
From July 1, 2015 to December 31, 2015								
Carrying value June 30, 2015	88,490	19,811	21,708	4,703	2,374	437,938	575,024	
Net additions *	1	-	111	(110)	(775)	47,843	47,070	
Remeasure decommissioning liabilities (note 19)	2,737	-	-	-	-	382	3,119	
Depreciation and depletion								
Impairment	(900)	-	-	-	-	(215,159)	(216,059)	
Other	(4,351)	(630)	(828)	(17)	(14)	-	(5,840)	
Net carrying value, December 31, 2015	85,977	19,181	20,991	4,576	1,585	271,004	403,314	
At December 31, 2015								
Cost	160,565	27,751	29,544	4,715	2,819	523,681	749,075	
Accumulated depreciation and depletion	(74,588)	(8,570)	(8,553)	(139)	(1,234)	(252,677)	(345,761)	
Net carrying value, December 31, 2015	85,977	19,181	20,991	4,576	1,585	271,004	403,314	
For the six months ended June 30, 2016								
Carrying value December 31, 2015	85,977	19,181	20,991	4,576	1,585	271,004	403,314	
Net additions *	-	-	(1,427)	-	(11)	(15,845)	(17,283)	
Remeasure decommissioning liabilities (note 19)	4,537	-	-	-	-	(359)	4,178	
Depreciation and depletion								
Impairment	(5,000)	-	-	-	-	-	(5,000)	
Other	(3,361)	(476)	(676)	(15)	(11)	-	(4,539)	
Net carrying value, June 30, 2016	82,153	18,705	18,888	4,561	1,563	254,800	380,670	
At June 30, 2016								
Cost	165,102	27,751	27,758	4,715	2,808	507,477	735,611	
Accumulated depreciation and depletion	(82,949)	(9,046)	(8,870)	(154)	(1,245)	(252,677)	(354,941)	
Net carrying value, June 30, 2016	\$ 82,153	\$ 18,705	\$ 18,888	\$ 4,561	\$ 1,563	\$ 254,800	\$ 380,670	

* Includes a \$16,455,000 foreign currency translation loss (six months ended June 30, 2015 – \$25,436,000 foreign currency translation gains; six months ended December 31, 2015 – \$44,571,000 foreign currency translation gains) associated with resource properties in foreign jurisdictions.

Impairment of Natural Gas Properties

During the six months ended June 30, 2016, and in response to the continued decline in the outlook for long-term natural gas prices, Dundee Energy recognized an impairment loss of \$5,000,000 on certain natural gas properties in southern Ontario, reducing their carried value to their recoverable amount of \$49,753,000. The recoverable amount of these natural gas properties was measured based on their value-in-use, determined by the application of a discounted cash flow model, using reserves volumes and forecasted natural gas prices as provided by independent, third party oil and gas reserves evaluators. In computing the recoverable amount, expected future cash flows were adjusted for risks specific to the natural gas properties and discounted using a discount rate of 8%.

14. LIVESTOCK

	For the six months ended June 30, 2016			For the year ended December 31, 2015		
	Inventory	Biological Assets	Total	Inventory	Biological Assets	Total
Balance, beginning of period	\$ 3,101	\$ 40,599	\$ 43,700	\$ 6,212	\$ 33,499	\$ 39,711
Business dispositions	-	(457)	(457)	(3,371)	(3,580)	(6,951)
Net additions (dispositions)	(474)	(8,463)	(8,937)	260	(7,458)	(7,198)
Fair value changes	-	266	266	-	18,138	18,138
Balance, end of period	\$ 2,627	\$ 31,945	\$ 34,572	\$ 3,101	\$ 40,599	\$ 43,700

15. CAPITAL AND OTHER ASSETS

Impairment of Other Intangible Assets

In May 2013, Dundee 360 Real Estate Corporation (“Dundee 360”), a wholly owned subsidiary of the Corporation, was awarded an option to acquire an interest in a joint venture that would be established for the purpose of purchasing and developing the Tides Inn, a resort and spa destination located in the state of Virginia. Dundee 360 also provided hospitality services to the Tides Inn pursuant to these arrangements. If the option was exercised, Dundee 360 would have been named developer of the project and, in addition to its entitlement pursuant to the joint venture, it would have been entitled to earn development fees on normal commercial terms. If the option was not exercised, Dundee 360 would have been subject to a penalty of US\$1,000,000. In addition, effective as of November 23, 2015, Dundee 360 was committed to assume 50% of operating losses related to the property during a three-year period. On June 30, 2016, Dundee 360 executed a series of agreements pursuant to which Dundee 360 surrendered certain of its hospitality services arrangements, including hospitality services arrangements provided to the Tides Inn, and it surrendered certain associated trademarks in exchange for a full release of these obligations. Upon settlement of these transactions on June 30, 2016, Dundee 360 accelerated the depreciation of the value attributed to the hospitality services agreements and the associated trademarks by \$5,775,000, reducing the carrying value of these intangible assets to \$nil.

In connection with the extension of the construction schedule for the Parq casino and resort development project and the concurrent changes to the terms of its credit agreements (note 10), the development management contract previously awarded to Dundee 360 was cancelled. Accordingly, during the six months ended June 30, 2016, Dundee 360 accelerated the depreciation of the value attributed to the development management contract by \$3,545,000, reducing the carrying value of this intangible asset to \$nil.

	<i>Capital Assets</i>				<i>Intangible Assets</i>		Total
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Other	Trademarks	Other Intangible Assets	
At December 31, 2014							
Cost	\$ 8,453	\$ 10,720	\$ 85,719	\$ 58,894	\$ 29,681	\$ 101,035	\$ 294,502
Accumulated depreciation	(5,796)	(7,909)	(1,808)	(10,728)	(7,496)	(12,499)	(46,236)
Net carrying value, December 31, 2014	2,657	2,811	83,911	48,166	22,185	88,536	248,266
For the six months ended June 30, 2015							
Carrying value December 31, 2014	2,657	2,811	83,911	48,166	22,185	88,536	248,266
Dispositions	(25)	(19)	(24,996)	(3,908)	-	(569)	(29,517)
Net additions	845	426	6,799	8,094	143	(637)	15,670
Depreciation	(605)	(683)	(629)	(3,108)	(14,149)	(13,465)	(32,639)
Net carrying value, June 30, 2015	2,872	2,535	65,085	49,244	8,179	73,865	201,780
At June 30, 2015							
Cost	9,268	11,124	67,347	61,419	29,824	99,829	278,811
Accumulated depreciation	(6,396)	(8,589)	(2,262)	(12,175)	(21,645)	(25,964)	(77,031)
Net carrying value, June 30, 2015	2,872	2,535	65,085	49,244	8,179	73,865	201,780
From July 1, 2015 to December 31, 2015							
Carrying value June 30, 2015	2,872	2,535	65,085	49,244	8,179	73,865	201,780
Net additions	241	515	346	923	126	(5,030)	(2,879)
Depreciation							
Impairment	-	-	(1,419)	(3,683)	(13,611)	(4,403)	(23,116)
Other	(719)	(987)	(700)	(4,151)	13,068	(9,205)	(2,694)
Net carrying value, December 31, 2015	2,394	2,063	63,312	42,333	7,762	55,227	173,091
At December 31, 2015							
Cost	9,412	11,488	66,200	58,308	29,950	92,652	268,010
Accumulated depreciation	(7,018)	(9,425)	(2,888)	(15,975)	(22,188)	(37,425)	(94,919)
Net carrying value, December 31, 2015	2,394	2,063	63,312	42,333	7,762	55,227	173,091
For the six months ended June 30, 2016							
Carrying value December 31, 2015	2,394	2,063	63,312	42,333	7,762	55,227	173,091
Net additions	42	(77)	2,046	(935)	90	(703)	463
Dispositions (note 4)	(489)	(38)	-	(1,058)	-	(8,217)	(9,802)
Depreciation							
Impairment	-	-	-	-	-	(9,320)	(9,320)
Other	(325)	(560)	(723)	(2,827)	(531)	(1,032)	(5,998)
Net carrying value, June 30, 2016	1,622	1,388	64,635	37,513	7,321	35,955	148,434
At June 30, 2016							
Cost	7,261	10,589	68,246	54,361	30,040	65,919	236,416
Accumulated depreciation	(5,639)	(9,201)	(3,611)	(16,848)	(22,719)	(29,964)	(87,982)
Net carrying value, June 30, 2016	\$ 1,622	\$ 1,388	\$ 64,635	\$ 37,513	\$ 7,321	\$ 35,955	\$ 148,434
Net carrying value of capital and other assets held for sale							
At December 31, 2015	\$ 557	\$ 80	\$ -	\$ 1,238	\$ -	\$ 6,925	\$ 8,800

16. GOODWILL

As part of the arrangements with the Parq casino and resort project (note 10), Dundee 360 had entered into certain agreements to provide management services to the project upon commencement of commercial operations. The value of the management services contract supported the carrying value of the Corporation's goodwill related to its acquisition of Dundee 360 in July 2014. Following the extension of the associated construction schedule for the Parq casino and resort project, and the concurrent changes to the terms of its credit agreements, the management services contract between Dundee 360 and the Parq casino and resort project was terminated. During the six months ended June 30, 2016, and in response to the termination of the management services contract, the Corporation recognized an impairment loss of \$14,117,000 against the goodwill associated with its investment in Dundee 360, reducing its carried value to its estimated recoverable amount of \$nil.

17. CLIENT DEPOSITS AND RELATED LIABILITIES

As at	June 30, 2016	December 31, 2015
Client accounts	\$ 228,179	\$ 714,026
Brokers' and dealers' balances	39,149	237
Funds in escrow	26,911	17,965
	294,239	732,228
Less: Client account liabilities held for sale	-	(387,313)
	\$ 294,239	\$ 344,915

Included in “*Client accounts*” is \$86,957,000 (December 31, 2015 – \$199,727,000) of funds deposited and held by Dundee Securities in registered accounts (note 6).

“*Funds in escrow*” of \$26,911,000 (December 31, 2015 – \$17,965,000) represent funds deposited in escrow by an acquirer in a real estate property transaction from which applicable fees are distributed to the relevant parties associated with the real estate transaction. Funds received pursuant to these arrangements are included in “*Client accounts receivable*” (note 6).

18. CORPORATE DEBT

The Corporation and its subsidiaries have established credit facilities and other debt arrangements, the terms of which are outlined in note 20 to the 2015 Audited Consolidated Financial Statements. There have been no significant changes to the terms of credit facilities and other debt instruments available to the Corporation and its subsidiaries since December 31, 2015.

As at	June 30, 2016	December 31, 2015
Corporate		
\$250 million revolving term credit facility	\$ 92,850	\$ 73,639
Subsidiaries		
Demand revolving credit facility, Dundee Energy Limited	58,568	58,802
Loan facilities, Blue Goose Capital Corp.	42,481	41,936
Loan facilities, Dundee 360 Real Estate Corporation	725	746
	\$ 194,624	\$ 175,123

\$250 Million Corporate Debt Facility

At June 30, 2016, the Corporation had drawn \$92,850,000 against its \$250 million revolving term credit facility, and it had issued letters of credit to support certain of its investments for additional amounts of €2,400,000 (\$3,445,000 Canadian dollars).

In addition to certain customary restrictions, including restrictions on the existence of other secured indebtedness, the Corporation’s revolving term credit facility requires the maintenance of certain financial ratios relating to the fair value of certain of the Corporation’s investments. Therefore, the Corporation’s borrowing availability will increase or decrease, reflecting corresponding increases or decreases in the fair value of the Corporation’s investments. At June 30, 2016, the Corporation had cash and bank debt availability in its corporate and other portfolio holdings segment (note 34) of \$76,736,000, and it was in compliance with all debt covenants under the terms of its revolving term credit facility.

Consistent with past practice, the Corporation expects that its revolving term credit facility will be renewed in November 2016, or earlier, for an additional one-year period.

\$60 Million Demand Revolving Credit Facility, Dundee Energy Limited

A subsidiary of Dundee Energy has arranged for a demand revolving credit facility. On February 18, 2016, amounts available pursuant to the demand revolving credit facility were reduced from \$70,000,000 at December 31, 2015 to \$60,000,000, and amounts available will be further reduced to \$55,000,000 before December 31, 2016. At June 30, 2016, Dundee Energy's subsidiary had drawn \$59,000,000 pursuant to these arrangements. The demand revolving term credit facility is subject to certain covenants, including maintenance of minimum levels of working capital. At June 30, 2016, Dundee Energy and its subsidiary were in compliance with all such covenants.

Subsequent to June 30, 2016, Dundee Energy and its lenders initiated discussions pursuant to which its lenders have requested that Dundee Energy further reduce its borrowing capacity to \$38,000,000 by mid January 2017. Dundee Energy is currently working in cooperation with its lenders, and it is assessing further alternatives. However, Dundee Energy's access to alternative capital may not be available on terms acceptable to Dundee Energy or at all.

The lender to Dundee Energy's subsidiary does not have recourse to Dundee Corporation in respect of this lending arrangement.

Loan Facilities, Blue Goose Capital Corp.

Blue Goose Capital Corp. and certain of its subsidiaries have entered into several borrowing arrangements pursuant to which they had borrowed an aggregate of \$42,481,000 at June 30, 2016 from several lending institutions. These lending institutions do not have recourse to Dundee Corporation in respect of any of the amounts borrowed under these arrangements. At June 30, 2016, Blue Goose Capital Corp. and its subsidiaries were in compliance with all covenants associated with their various debt arrangements.

Interest Expense Incurred on Corporate Debt

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Corporate	\$ 874	\$ 1,327	\$ 1,721	\$ 2,205
Dundee Energy Limited	919	872	1,721	1,748
Blue Goose Capital Corp.	357	541	703	1,026
	\$ 2,150	\$ 2,740	\$ 4,145	\$ 4,979

19. DECOMMISSIONING LIABILITIES

	As at and for the six months ended	As at and for the year ended
	June 30, 2016	December 31, 2015
<i>Discount rates applied to future obligations</i>	<i>0.54% - 1.67%</i>	<i>0.48% - 2.04%</i>
<i>Inflation rate</i>	<i>2.00%</i>	<i>2.00%</i>
Discounted future obligations, beginning of period	\$ 61,627	\$ 59,233
Effect of changes in estimates and remeasurement of discount and foreign exchange rates	4,178	1,834
Liabilities settled (reclamation expenditures)	(556)	(502)
Accretion (interest expense)	471	1,062
Discounted future obligations, end of period	\$ 65,720	\$ 61,627

20. PREFERENCE SHARES

Other than as amended pursuant to transactions as described below, the terms of the Corporation's preference shares are summarized in note 22 to the Corporation's 2015 Audited Consolidated Financial Statements.

Reorganization of the Corporation's First Preference Shares, Series 4 ("Preference Shares, series 4") and Issuance of First Preference Shares, Series 5 ("Preference Shares, series 5")

On January 28, 2016, the holders of the Corporation's Preference Shares, series 4 approved a statutory plan of arrangement pursuant to which each Preference Share, series 4, other than those in respect of which dissent rights were validly exercised, was exchanged for (i) 0.7136 of a Preference Share, series 5; and (ii) 0.25 of a warrant, each whole warrant entitling the holder thereof to purchase one Subordinate Share of the Corporation at \$6.00 per Subordinate Share at any time prior to or on June 30, 2019 ("Subordinate Share Warrants") (note 21). The plan of arrangement was completed on February 12, 2016, subsequent to which the Corporation issued 4,057,172 Preference Shares, series 5 with a face value of \$25.00 per share and 1,421,374 Subordinate Share Warrants. An aggregate of 314,501 Preference Shares, series 4 were submitted pursuant to dissent rights under the plan of arrangement. Should it be determined that these shares were validly submitted, holders thereof will be entitled to receive a cash amount equal to the fair value of the Preference Shares, series 4 immediately prior to the shareholder resolution approving the plan of arrangement.

First Preference Shares, series 5

The Preference Shares, series 5 rank on a parity with the Preference Shares, series 2 and series 3 and in priority to the Subordinate Shares and the Class B Shares of the Corporation as to the payment of dividends and distribution of assets on dissolution, liquidation or winding-up of the Corporation. The Preference Shares, series 5 entitle the holder to a fixed preferential cumulative dividend at a dividend rate of 7.5% per annum, payable quarterly. The Preference Shares, series 5 are generally non-voting, except in limited circumstances.

Up to 17% of the outstanding Preference Shares, series 5 of each holder will be subject to redemption at the holder's option at \$25.00 per share on January 31, 2018. The Preference Shares, series 5 are retractable by the holder at any time after June 30, 2019 for cash of \$25.00 per share, together with any accrued and unpaid dividends up to, but excluding, the redemption date.

The Preference Shares, series 5 will be redeemable at the option of the Corporation for a cash price of (i) \$25.75 per share if redeemed prior to June 30, 2017; (ii) \$25.50 per share if redeemed on or after June 30, 2017 and prior to June 30, 2018; (iii) \$25.25 per share if redeemed on or after June 30, 2018 and prior to June 30, 2019; and (iv) \$25.00 per share if redeemed on or after June 30, 2019, together, in each case, with any accrued and unpaid dividends thereon.

The Preference Shares, series 5 are convertible, at the option of the Corporation, into Subordinate Shares at any time prior to June 30, 2019. The Preference Shares, series 5 would be converted on the basis of one Preference Share, series 5 for that number of Subordinate Shares that is equal to the redemption price at the time of the conversion as outlined above, divided by the current market price of the Subordinate Shares, determined in accordance with a formula.

The Corporation may, at any time, purchase the Preference Shares, series 5 for cancellation in the open market, by private agreement, or otherwise.

Issued and Outstanding

In accordance with the terms of the Corporation's Preference Shares, series 5, holders thereof had the option to redeem up to 15% of their holdings on June 30, 2016 at a price of \$25.00 per share. The Corporation paid cash of \$11,474,000 to redeem 458,969 Preference Shares, series 5 pursuant to these arrangements.

	Number of Shares	Par Value	Carrying Value
Issuance of Preference Shares, series 5	4,057,172	\$ 101,429	\$ 101,333
Transaction costs	-	-	(2,400)
Allocation of par value to Subordinate Share Warrants	-	-	(1,516)
Amortization of discount	-	-	867
Redemption	(458,969)	(11,474)	(11,474)
Balance as at June 30, 2016 *	3,598,203	\$ 89,955	\$ 86,810

* The fair value of outstanding Preference Shares, series 5 as at June 30, 2016 was \$88,156,000.

21. 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, 2015, are summarized in note 23 to the Corporation's 2015 Audited Consolidated Financial Statements.

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2014	53,196,258	\$ 243,973	3,115,235	\$ 8,155	56,311,493	\$ 252,128
For the six months ended June 30, 2015						
Issuance of shares under						
share incentive arrangements	256,420	3,000	-	-	256,420	3,000
Options exercised	2,089,107	26,250	-	-	2,089,107	26,250
Conversion from Class B Shares						
to Subordinate Shares	3	-	(3)	-	-	-
Outstanding June 30, 2015	55,541,788	273,223	3,115,232	8,155	58,657,020	281,378
From July 1, 2015 to December 31, 2015						
Shares redeemed pursuant to						
normal course issuer bid	(57,000)	(285)	-	-	(57,000)	(285)
Issuance of shares under						
share incentive arrangements	45,013	536	-	-	45,013	536
Outstanding December 31, 2015	55,529,801	273,474	3,115,232	8,155	58,645,033	281,629
For the six months ended June 30, 2016						
Issuance of shares under						
share incentive arrangements	5,274	68	-	-	5,274	68
Warrants exercised	250	2	-	-	250	2
Conversion from Class B Shares						
to Subordinate Shares	98	-	(98)	-	-	-
Outstanding June 30, 2016	55,535,423	\$ 273,544	3,115,134	\$ 8,155	58,650,557	\$ 281,699

Normal Course Issuer Bid

On June 13, 2016, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from June 15, 2016 to June 14, 2017. Subject to certain conditions, the Corporation may purchase up to a maximum of 4,324,560 Subordinate Shares pursuant to these arrangements, representing approximately 10% of its public float at the time approval for the normal course issuer bid was granted.

During the year ended December 31, 2015, the Corporation purchased for cancellation a total of 57,000 Subordinate Shares pursuant to its normal course issuer bid. There were no further shares purchased for cancellation pursuant to these arrangements subsequent to December 31, 2015.

Subordinate Share Warrants

On February 12, 2016, and in connection with the reorganization of the Corporation's Preference Shares, series 4 (note 20), 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 June 30, 2019, after which time the Subordinate Share Warrant will expire and be of no further force and effect. The fair value of the Subordinate Share Warrants issued was estimated using a Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	1.13%
Expected life	3.33 years
Expected volatility	41.83%
Dividends per share	0.00%

During the six months ended June 30, 2016, holders of the Corporation's Subordinate Share Warrants exercised 250 Subordinate Share Warrants for \$1,500. At June 30, 2016, there were 1,421,124 Subordinate Share Warrants outstanding.

Accumulated Other Comprehensive Income

	Equity Accounted Investments	Foreign Currency Translation	Non- controlling Interest	Total
Balance at December 31, 2014	\$ 11,816	\$ 25,693	\$ (14,055)	\$ 23,454
For the six months ended June 30, 2015				
Other comprehensive income	18,239	26,481	(16,147)	28,573
Balance at June 30, 2015	30,055	52,174	(30,202)	52,027
From July 1, 2015 to December 31, 2015				
Other comprehensive (loss) income	(24,554)	43,047	(28,425)	(9,932)
Balance at December 31, 2015	5,501	95,221	(58,627)	42,095
For the six months ended June 30, 2016				
Other comprehensive loss	(4,707)	(16,962)	8,974	(12,695)
Balance at June 30, 2016	\$ 794	\$ 78,259	\$ (49,653)	\$ 29,400

22. NON-CONTROLLING INTEREST

As at	June 30, 2016	December 31, 2015
Non-controlling interest in:		
Blue Goose Capital Corp.	\$ 4,854	\$ 6,094
Dundee Energy Limited	16,992	21,630
Other	(2,986)	(1,610)
	\$ 18,860	\$ 26,114

During 2015, the Corporation impaired the carrying value of certain resource properties associated with its investment in United Hydrocarbon International Corp. ("UHIC"). The impairment resulted in a significant deficit in the shareholders' equity of UHIC. Upon consolidation, the Corporation reallocated these losses from non-controlling interest in an amount sufficient to reduce the carrying value of the non-controlling interest to \$nil. The remaining losses were attributed to shareholders of the Corporation because the deficit in UHIC is funded by debt instruments that the Corporation holds in UHIC, the terms of which are considered to result in substantive ownership interests by the Corporation. The debt instruments are eliminated upon consolidation.

23. REVENUES

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Management fees	\$ 1,438	\$ 4,842	\$ 4,727	\$ 9,853
Financial services	11,245	22,406	26,989	41,220
Oil and gas, net of royalties	5,252	6,886	9,482	13,712
Agriculture	20,384	16,432	37,809	33,196
Real estate	25,616	23,902	45,228	43,719
Interest, dividends and other	2,683	4,310	3,385	11,167
	\$ 66,618	\$ 78,778	\$ 127,620	\$ 152,867

24. COST OF SALES

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Variable compensation	\$ 5,482	\$ 13,493	\$ 14,408	\$ 25,466
Oil and gas expenses	4,241	4,484	6,948	7,966
Agriculture expenses	23,525	19,188	44,846	40,915
Real estate expenses	19,926	17,484	33,544	28,074
	\$ 53,174	\$ 54,649	\$ 99,746	\$ 102,421

25. SHARE INCENTIVE PLAN ARRANGEMENTS

The terms of the Corporation's share based compensation plans are summarized in note 27 to the Corporation's 2015 Audited Consolidated Financial Statements.

Share Bonus Plan

During the six months ended June 30, 2016, the Corporation issued 5,274 Subordinate Shares from treasury in settlement of vested share bonus awards. The Corporation awarded a further 154,129 share bonus awards during the six months ended June 30, 2016. Aggregate share bonus awards granted but not yet vested at June 30, 2016 pursuant to the Corporation's share bonus plan were 246,797.

Performance Share Unit Plan

During the second quarter of 2016, the Corporation established a performance share unit ("PSU") plan which provides for a one-time, long-term award made pursuant to the Corporation's share bonus plan. Awards under the PSU plan are subject to performance based vesting requirements, calculated as at the vesting date, as well as continued employment of the recipient during a four-year vesting period.

No PSUs will vest to a recipient if, within the last 12 months of the four-year vesting period, the volume weighted average price of the Corporation's Subordinate Shares do not trade at or above \$10.00 per share over a consecutive 60-day trading period. However, if this target price is exceeded, a multiplier will be applied to the original award in proportion to the increase in share price. An aggregate of 940,000 PSUs were awarded to certain executives of the Corporation effective April 1, 2016.

The fair value of the Corporation's PSU awards was measured at \$4.78 per award, determined using a Monte Carlo simulation method with the following assumptions:

Risk-free interest rate	0.57%
Expected volatility	33.20%
Dividends per share	0.00%

Deferred Share Unit Plan

The Corporation issued 26,161 deferred share units during the first half of 2016. At June 30, 2016, there were 1,363,024 deferred share units outstanding that track the value of the Corporation's Subordinate Shares and 1,285,079 deferred share units that track the value of a class A subordinate voting share of Dream Unlimited Corp.

Stock Based Compensation

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Deferred share unit plan	\$ 143	\$ 233	\$ 298	\$ 430
Share bonus plan	334	-	450	-
Performance share unit plan	296	-	296	-
Dream Unlimited Corp. tracking share incentive arrangements:				
Stock options	-	-	-	(787)
Deferred share units	(308)	680	887	160
	\$ 465	\$ 913	\$ 1,931	\$ (197)

Stock Based Compensation of Other Subsidiaries

From time to time, other subsidiaries of the Corporation may incur stock based compensation expense pursuant to their respective share incentive plan arrangements. During the three and six months ended June 30, 2016, these subsidiaries recognized a stock based compensation expense amount of \$318,000 and \$253,000 respectively (three and six months ended June 30, 2015 – \$130,000 and \$238,000 respectively).

26. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Salary and salary-related	\$ 14,793	\$ 23,283	\$ 30,910	\$ 43,972
Stock based compensation	783	1,043	2,184	41
Corporate and professional fees	8,446	10,134	16,743	20,482
General office	8,587	14,026	20,848	28,695
Capitalized expenditures	(616)	(621)	(1,035)	(1,048)
Other	6,440	8,484	9,750	14,968
	\$ 38,433	\$ 56,349	\$ 79,400	\$ 107,110

27. INCOME TAXES

During the three and six months ended June 30, 2016, the Corporation recognized an income tax expense amount on its earnings (loss) from operations of \$7,209,000 and \$11,956,000 respectively (three and six months ended June 30, 2015 – recovery of \$47,532,000 and \$51,219,000 respectively), the major components of which include the following items:

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Current income tax (expense) recovery	\$ (1,593)	\$ 1,724	\$ (379)	\$ 609
Deferred income tax (expense) recovery	(5,616)	45,808	(11,577)	50,610
Total income tax (expense) recovery	\$ (7,209)	\$ 47,532	\$ (11,956)	\$ 51,219

The income tax (expense) recovery amount on the pre-tax loss from operations differs from the income tax (expense) recovery amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26% (six months ended June 30, 2015 – 26%), as a result of the following items:

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Loss before tax at statutory rate of 26% (2015 – 26%)	\$ 2,670	\$ 52,320	\$ 514	\$ 63,367
Effect on taxes of:				
Non-deductible expenses	(5,261)	(125)	(7,030)	(2,213)
Non-taxable revenue	(1,295)	1,912	2,429	2,890
Net income tax not previously recognized	82	909	82	909
Loss in tax exempt foreign jurisdiction	(407)	(1,927)	(900)	(5,141)
Change in unrecognized temporary differences	(2,569)	(4,976)	(6,167)	(6,985)
Other differences	(429)	(581)	(884)	(1,608)
Income tax (expense) recovery	\$ (7,209)	\$ 47,532	\$ (11,956)	\$ 51,219

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

As at	June 30, 2016	December 31, 2015
Deferred income tax assets		
Loss carry forwards	\$ 63,189	\$ 76,969
Capital and other assets	2,777	2,755
Non-deductible reserves	850	850
Accrued liabilities	4,476	4,247
Other	17,378	17,311
Total deferred income tax assets	88,670	102,132
Deferred income tax liabilities		
Investments including equity accounted investments	(53,659)	(51,931)
Other	(22,839)	(28,104)
Total deferred income tax liabilities	(76,498)	(80,035)
Net deferred income tax assets	\$ 12,172	\$ 22,097

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

At June 30, 2016, the Corporation had operating loss carry forwards of \$580,279,000 (December 31, 2015 – \$588,054,000). Operating loss carry forwards by year of expiry are summarized below:

Year of Expiry:	Recognized	Unrecognized	Total
2024 and subsequent years	\$ 238,466	\$ 329,618	\$ 568,084
Non-Canadian	-	12,195	12,195
	\$ 238,466	\$ 341,813	\$ 580,279

28. NET LOSS PER SHARE

	For the three months ended		For the six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Net loss attributable to owners of the parent	\$ (12,662)	\$ (141,266)	\$ (18,730)	\$ (168,292)
Less: Dividends on Preference Shares, series 2	(1,237)	(1,237)	(2,474)	(2,474)
Dividends on Preference Shares, series 3	(489)	(491)	(984)	(1,029)
	\$ (14,388)	\$ (142,994)	\$ (22,188)	\$ (171,795)
Weighted average number of shares outstanding during the period	58,650,334	58,657,020	58,648,959	58,066,294
Basic and diluted loss per share	\$ (0.25)	\$ (2.44)	\$ (0.38)	\$ (2.96)

29. SUPPLEMENTAL CASH FLOW INFORMATION

Items Not Affecting Cash and Other Adjustments

For the six months ended	June 30, 2016	June 30, 2015
Depreciation and depletion	\$ 39,164	\$ 36,652
Net (gain) loss from investments	(103,328)	151,145
Share of earnings from equity accounted investments	(1,129)	(1,724)
Fair value changes in livestock	(266)	(8,191)
Deferred income taxes	11,577	(50,610)
Stock based compensation	2,184	41
Other	15,777	9,033
	\$ (36,021)	\$ 136,346

Changes in Non-Cash Working Capital Items

For the six months ended	June 30, 2016	June 30, 2015
Accounts receivable	\$ (1,835)	\$ (119)
Accounts payable and accrued liabilities	35,672	20,069
Current income tax amounts	(4,804)	(12,727)
Brokerage securities owned and sold short, net	(46,482)	(16,732)
Client accounts receivable, net of client deposits and related liabilities	141,684	(82,551)
Agricultural inventory	14,819	21,600
	\$ 139,054	\$ (70,460)

30. FINANCIAL INSTRUMENTS

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

	Carrying Value as at June 30, 2016	Fair Value as at June 30, 2016		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring Measurements				
Financial Assets				
Investments				
Publicly traded securities	\$ 356,413	\$ 356,413	\$ -	\$ -
Private investments	163,770	-	-	163,770
Mutual funds and other short-term investments	89	89	-	-
Debt securities	35,950	9,997	-	25,953
Warrants and options	241	113	-	128
Brokerage securities owned				
Equities	47,136	45,551	1,585	-
Other	2,571	-	2,571	-
Financial Liabilities				
Brokerage securities sold short	(65)	(65)	-	-
Derivative financial liabilities	(1,443)	-	(1,443)	-
Livestock	31,945	-	31,945	-
Disclosure of Fair Value				
Publicly traded equity accounted investments	66	114	-	-
Preference Shares, series 5	86,810	88,156	-	-

A summary of changes in the fair value of level 3 financial assets during the six months ended June 30, 2016, is as follows:

	Private Investments	Debt Securities	Warrants and Options	Total
At December 31, 2015	\$ 124,108	\$ 32,571	\$ 91	\$ 156,770
For the six months ended June 30, 2016				
New investments	41,683	1,000	-	42,683
Proceeds from sales of investments	(716)	-	-	(716)
Transfer to level 1	-	(1,000)	(105)	(1,105)
Changes in market values	(1,305)	(3,971)	142	(5,134)
Other transactions	-	(2,647)	-	(2,647)
At June 30, 2016	\$ 163,770	\$ 25,953	\$ 128	\$ 189,851

Reasonably possible changes in the value of unobservable inputs for any of these individual investments would not significantly change the fair value of investments classified as level 3 in the fair value hierarchy.

Other than as described above, there have been no other transfers between the fair value hierarchy levels during the six months ended June 30, 2016.

A detailed description of the Corporation's financial assets and financial liabilities and its associated risk management in respect thereof are provided in note 32 to the 2015 Audited Consolidated Financial Statements. There have been no significant changes in the business and economic circumstances and the related financial risks that affect the Corporation's valuation of financial assets and financial liabilities since December 31, 2015.

31. CAPITAL MANAGEMENT

The Corporation defines the capital that it manages as the aggregate of its shareholders' equity and interest bearing debt, including outstanding preference shares. The following table summarizes the carrying value of the Corporation's capital as at June 30, 2016 and December 31, 2015.

As at	June 30, 2016	December 31, 2015
Shareholders' equity	\$ 1,026,088	\$ 1,055,033
Corporate debt	194,624	175,123
Preference Shares, series 4	-	106,915
Preference Shares, series 5	86,810	-
	\$ 1,307,522	\$ 1,337,071

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

Certain of the Corporation's subsidiaries are subject to regulatory capital requirements. Compliance with these requirements requires that the subsidiaries maintain sufficient cash and other liquid assets on hand to maintain regulatory capital requirements, rather than using these liquid assets in connection with its business or otherwise. As at June 30, 2016 and December 31, 2015, these subsidiaries complied with all regulatory capital requirements. Certain of the Corporation's other subsidiaries, including those in the early stages of development, may have significant liquidity risk without the continued financial support of Dundee Corporation.

32. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

A description of the Corporation's commitments, contingencies and off-balance sheet arrangements is provided in note 34 to the Corporation's 2015 Audited Consolidated Financial Statements.

Legal Contingencies

The Corporation is a defendant 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.

33. RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 35 to the Corporation's 2015 Audited Consolidated Financial Statements.

34. 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
Dundee Securities Ltd.	100%-owned private subsidiary and a full-service Canadian investment dealer registered with the Investment Industry Regulatory Organization of Canada
Dundee Energy Limited	58%-owned publicly listed subsidiary in the oil and gas industry with operations in southern Ontario
United Hydrocarbon International Corp.	33%-owned private subsidiary engaged in oil and gas exploration, development and production activities in the Republic of Chad
Dundee Sustainable Technologies Inc.	66%-owned publicly listed subsidiary developing patented sustainable precious and base metals extraction processes
Eurogas International Inc.	53%-owned publicly listed subsidiary engaged in oil and gas exploration
Blue Goose Capital Corp.	88%-owned private subsidiary operating in organic and natural protein production markets
AgriMarine Holdings Inc.	100%-owned private aquaculture company focused on fish farming and sustainable aquaculture technologies
Dundee 360 Real Estate Corporation	100%-owned private subsidiary engaged in development and management of international hotel, resort, residential and commercial real estate projects

Segmented Operations for the Six Months Ended June 30, 2016

	Revenues	Cost of Sales	Other Amounts in (Loss) Earnings	Net (Loss) Earnings
<i>Corporate and other portfolio holdings</i>	\$ 1,782	\$ -	\$ 74,175	\$ 75,957
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,429	-	(2,886)	(1,457)
Dundee Securities Ltd.	33,455	(14,408)	(21,412)	(2,365)
<i>Resource industry</i>				
Dundee Energy Limited	7,833	(6,654)	(15,397)	(14,218)
United Hydrocarbon International Corp.	(14)	-	(7,497)	(7,511)
Dundee Sustainable Technologies Inc.	554	(294)	(2,897)	(2,637)
Eurogas International Inc.	-	-	(340)	(340)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	32,077	(38,533)	(4,756)	(11,212)
AgriMarine Holdings Inc.	5,306	(6,313)	(3,128)	(4,135)
<i>Real Estate industry</i>				
Dundee 360 Real Estate Corporation	45,416	(33,544)	(45,895)	(34,023)
<i>Intersegment</i>	(218)	-	218	-
	\$ 127,620	\$ (99,746)	\$ (29,815)	(1,941)
Income taxes				(11,956)
Non-controlling interest				(4,833)
NET LOSS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				\$ (18,730)

Segmented Operations for the Six Months Ended June 30, 2015

	Revenues	Cost of Sales	Other Amounts in Loss	Net Loss
<i>Corporate and other portfolio holdings</i>	\$ 7,838	\$ -	\$ (174,725)	\$ (166,887)
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	1,075	-	(2,250)	(1,175)
Dundee Securities Ltd.	54,343	(25,466)	(33,316)	(4,439)
<i>Resource industry</i>				
Dundee Energy Limited	14,645	(7,966)	(10,549)	(3,870)
United Hydrocarbon International Corp.	(245)	-	(22,808)	(23,053)
Dundee Sustainable Technologies Inc.	-	-	(3,271)	(3,271)
Eurogas International Inc.	-	-	(396)	(396)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	30,426	(37,641)	(5,169)	(12,384)
AgriMarine Holdings Inc.	2,846	(3,274)	(15,502)	(15,930)
<i>Real Estate industry</i>				
Dundee 360 Real Estate Corporation	43,990	(28,074)	(23,633)	(7,717)
<i>Intersegment</i>	(2,051)	-	2,051	-
	\$ 152,867	\$ (102,421)	\$ (289,568)	(239,122)
Income taxes				51,219
Non-controlling interest				19,611
NET LOSS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				\$ (168,292)

Segmented Operations for the Three Months Ended June 30, 2016

	Revenues	Cost of Sales	Other Amounts in (Loss) Earnings	Net (Loss) Earnings
<i>Corporate and other portfolio holdings</i>	\$ 1,243	\$ -	\$ 40,240	\$ 41,483
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	771	-	(1,384)	(613)
Dundee Securities Ltd.	13,343	(5,482)	(6,662)	1,199
<i>Resource industry</i>				
Dundee Energy Limited	5,063	(3,947)	(11,152)	(10,036)
United Hydrocarbon International Corp.	(14)	-	(3,614)	(3,628)
Dundee Sustainable Technologies Inc.	554	(294)	(1,381)	(1,121)
Eurogas International Inc.	-	-	(156)	(156)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	16,387	(19,564)	(2,736)	(5,913)
AgriMarine Holdings Inc.	3,724	(3,961)	(1,623)	(1,860)
<i>Real Estate industry</i>				
Dundee 360 Real Estate Corporation	25,657	(19,926)	(35,162)	(29,431)
<i>Intersegment</i>	(110)	-	110	-
	\$ 66,618	\$ (53,174)	\$ (23,520)	(10,076)
Income taxes				(7,209)
Non-controlling interest				4,623
NET LOSS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				\$ (12,662)

Segmented Operations for the Three Months Ended June 30, 2015

	Revenues	Cost of Sales	Other Amounts in (Loss) Earnings	Net (Loss) Earnings
<i>Corporate and other portfolio holdings</i>	\$ 3,166	\$ -	\$ (156,717)	\$ (153,551)
<i>Asset management and capital markets</i>				
Goodman & Company, Investment Counsel Inc.	553	-	(971)	(418)
Dundee Securities Ltd.	28,994	(13,493)	(15,499)	2
<i>Resource industry</i>				
Dundee Energy Limited	7,776	(4,484)	(5,489)	(2,197)
United Hydrocarbon International Corp.	(23)	-	(9,133)	(9,156)
Dundee Sustainable Technologies Inc.	-	-	(1,665)	(1,665)
Eurogas International Inc.	-	-	(190)	(190)
<i>Agriculture industry</i>				
Blue Goose Capital Corp.	15,069	(17,740)	(5,822)	(8,493)
AgriMarine Holdings Inc.	1,214	(1,448)	(14,199)	(14,433)
<i>Real Estate industry</i>				
Dundee 360 Real Estate Corporation	24,037	(17,484)	(13,887)	(7,334)
<i>Intersegment</i>	(2,008)	-	2,008	-
	\$ 78,778	\$ (54,649)	\$ (221,564)	(197,435)
Income taxes				47,532
Non-controlling interest				8,637
NET LOSS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				\$ (141,266)

Segmented Net Assets as at June 30, 2016

	ASSETS							LIABILITIES			
	Cash	Investments	Deferred Income Taxes	Other Assets	Assets held for Sale	Total	Corporate Debt	Other Liabilities	Liabilities held for Sale	Total	
<i>Corporate and other portfolio holdings</i>	\$ 16,100	\$ 724,717	\$ (1,053)	\$ 36,807	\$ -	\$ 776,571	\$ (92,850)	\$ (114,802)	\$ -	\$ (207,652)	
<i>Asset management and capital markets</i>											
Goodman & Company, Investment Counsel Inc.	22	1,000	-	557	-	1,579	-	(69)	-	(69)	
Dundee Securities Ltd.	69,938	-	5	330,395	-	400,338	-	(315,389)	-	(315,389)	
<i>Resource industry</i>											
Dundee Energy Limited	105	-	14,809	156,122	-	171,036	(58,568)	(69,227)	-	(127,795)	
United Hydrocarbon International Corp.	712	-	-	232,684	-	233,396	-	(15,064)	-	(15,064)	
Dundee Sustainable Technologies Inc.	269	-	-	8,524	-	8,793	-	(4,110)	-	(4,110)	
Eurogas International Inc.	5	-	-	295	-	300	-	(215)	-	(215)	
<i>Agriculture industry</i>											
Blue Goose Capital Corp.	863	-	(1,342)	111,877	-	111,398	(42,481)	(4,266)	-	(46,747)	
AgriMarine Holdings Inc.	641	-	182	21,296	-	22,119	-	(2,870)	-	(2,870)	
<i>Real Estate industry</i>											
Dundee 360 Real Estate Corporation	3,103	-	(429)	74,788	-	77,462	(725)	(37,408)	-	(38,133)	
Total	\$ 91,758	\$ 725,717	\$ 12,172	\$ 973,345	\$ -	\$ 1,802,992	\$ (194,624)	\$ (563,420)	\$ -	\$ (758,044)	

Segmented Net Assets as at December 31, 2015

	ASSETS							LIABILITIES			
	Cash	Investments	Deferred Income Taxes	Other Assets	Assets held for Sale	Total	Corporate Debt	Other Liabilities	Liabilities held for Sale	Total	
<i>Corporate and other portfolio holdings</i>	\$ 49,190	\$ 611,300	\$ 17,127	\$ 35,508	\$ -	\$ 713,125	\$ (73,639)	\$ (128,846)	\$ -	\$ (202,485)	
<i>Asset management and capital markets</i>											
Goodman & Company, Investment Counsel Inc.	1,273	-	-	406	-	1,679	-	(259)	-	(259)	
Dundee Securities Ltd.	149,733	-	-	295,677	405,039	850,449	-	(345,162)	(396,239)	(741,401)	
<i>Resource industry</i>											
Dundee Energy Limited	86	-	11,121	161,992	-	173,199	(58,802)	(61,071)	-	(119,873)	
United Hydrocarbon International Corp.	2,716	-	-	250,318	-	253,034	-	(16,600)	-	(16,600)	
Dundee Sustainable Technologies Inc.	1,679	-	-	7,508	-	9,187	-	(1,985)	-	(1,985)	
Eurogas International Inc.	26	-	-	295	-	321	-	(100)	-	(100)	
<i>Agriculture industry</i>											
Blue Goose Capital Corp.	992	-	(2,361)	121,146	-	119,777	(41,936)	(5,475)	-	(47,411)	
AgriMarine Holdings Inc.	731	-	(183)	24,685	-	25,233	-	(2,772)	-	(2,772)	
<i>Real Estate industry</i>											
Dundee 360 Real Estate Corporation	5,475	-	(3,607)	93,162	-	95,030	(746)	(26,255)	-	(27,001)	
Total	\$ 211,901	\$ 611,300	\$ 22,097	\$ 990,697	\$ 405,039	\$ 2,241,034	\$ (175,123)	\$ (588,525)	\$ (396,239)	\$ (1,159,887)	

Head Office

Dundee Corporation
1 Adelaide Street East, Suite 2100
Toronto, Ontario
M5C 2V9
Canada

Registrar and Transfer Agent

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Toll Free: 1.800.564.6253
Email: service@computershare.com

Stock Exchange

Toronto Stock Exchange

Stock Symbol

DC.A

www.dundeecorporation.com