DUNDEE CORPORATION

2013 THIRD QUARTER REPORT

DUNDEE CORPORATION
Management's Discussion and Analysis

Dundee Corporation (the "Corporation" or "Dundee Corporation") is a Canadian independent publicly traded 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 its core competencies including energy, resources, agriculture, real estate and infrastructure.

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of November 8, 2013 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements as at and for the year ended December 31, 2012 (the "2012 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 nine months ended September 30, 2013 (the "September 2013 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.

Performance Measures

The Corporation believes that important measures of operating performance, including the operating performance of its subsidiaries, include certain performance measures 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 insight as supplementary measures to net earnings and cash flows.

- **"AUA" or "Assets under Administration"** represent the approximate period-end market 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 market value of client assets managed by the Corporation's capital markets and asset management subsidiaries on a discretionary basis and in respect of which these subsidiaries earn management fee revenue and, in certain cases, performance fee revenue. AUM are 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.
- **"Contribution Margin" or "Margin"** is an important measure of earnings in each business segment and generally represents core revenues less cost of sales, and excludes related general and administrative expenses, depreciation and depletion, interest expense, and income taxes.
- **"Market Value"** is determined using quoted market prices, if available. Where quoted market values are not available, the Corporation may use cost as a proxy for market value or other indicative measures.
- **"Field Level Cash Flows"** is 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.
- **"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.
- **"Reserve Life Index"** is determined by dividing proved reserves by expected annual production. For greater certainty, the reserve life index includes only proved reserves and does not include probable or possible reserves.

SIGNIFICANT BUSINESSES AT SEPTEMBER 30, 2013

Business Entity	Business Activity	Percentage Ownership	Market Value ($000's)
Subsidiaries			
Dundee Energy Limited	Oil and gas exploration, development and production	58%	46,867
Eurogas International Inc.	Oil and gas exploration	53%	-
Nichromet Extraction Inc.	Patented metallurgical processing	83%	Private
United Hydrocarbon International Corp.	Oil and gas exploration and development	29%	Private
Blue Goose Capital Corp.	Production of clean protein	82%	Private
Goodman & Company, Investment Counsel Inc.	Asset management	100%	Private
Dundee Securities Ltd.*	Full service securities brokerage	100%	Private
Equity Accounted			
Dundee Precious Metals Inc.	International mining company	25%	197,909
Dundee Real Estate Investment Trust	Investment in affordable business premises	5%	141,936
Dundee International Real Estate Investment Trust	Commercial real estate investment outside Canada	9%	93,900
360 VOX Corporation	Residential, commercial and hospitality based real estate	18%	6,374
Escal UGS S.L.	Natural gas storage	14%	Private
Others	n/a	n/a	4,835
Direct Investments			
Direct investment in diverse industry sectors including:			
Brokerage securities owned and sold short	n/a	n/a	42,161
Publicly traded securities	n/a	n/a	480,150
Private investments	n/a	n/a	201,474
Mutual funds and short term investments	n/a	n/a	76
Debt securities	n/a	n/a	215,704
Warrants and options	n/a	n/a	2,976

* *Includes "Dundee Securities Europe LLP", "Dundee Securities Inc.", and "DCM Insurance Agency Ltd.", all of which are sister companies to Dundee Securities Ltd. "Dundee Capital Markets" and "Dundee Goodman Private Wealth" are divisions of Dundee Securities Ltd.*

STRATEGIC INITIATIVES

Distribution of Dundee Realty Corporation to Shareholders of the Corporation

On May 30, 2013, the Corporation completed a corporate restructuring, through a tax efficient plan of arrangement (the "Arrangement") that effectively distributed the majority of its interest in Dundee Realty Corporation ("Dundee Realty") to its shareholders, through the creation of DREAM Unlimited Corp. ("DREAM"). The scope of DREAM's business includes residential land development, housing and condominium development, asset management for three TSX-listed funds, investments in Canadian renewable energy infrastructure and commercial property ownership. The Corporation retained a 29% interest in DREAM under the terms of the Arrangement, providing it with an effective 20% interest in Dundee Realty.

Immediately following completion of the Arrangement, shareholders of the Corporation held, through their ownership of shares of both Dundee Corporation and DREAM, the same proportionate voting and equity interest, directly or indirectly, in all of the assets held by the Corporation prior to completion of the Arrangement. The table below illustrates the distribution received by shareholders of the Corporation pursuant to the terms of the Arrangement.

Shares Held Prior to Completion of the Arrangement	Shares Received by Shareholders Pursuant to the Arrangement in each of: Dundee Corporation	DREAM Unlimited Corp.
Dundee Corporation Class A Subordinate Voting Share	Dundee Corporation Class A Subordinate Voting Share (TSX: DC.A)	DREAM Unlimited Corp. Class A Subordinate Voting Share (TSX: DRM)
Dundee Corporation Class B Common Share	Dundee Corporation Class B Common Share (Non-listed)	DREAM Unlimited Corp. Class B Common Share (Non-listed)
Dundee Corporation $25 - 5% Cumulative First Preference Shares, Series 1	Dundee Corporation $17.84 - 5% Cumulative First Preference Shares, Series 4 (TSX: DC.PR.C)	DREAM Unlimited Corp. $7.16 - 7% Cumulative Redeemable First Preference Shares, Series 1 (TSX: DRM.PR.A)
Dundee Corporation $25 - 6.75% Rate Reset First Preference Shares, Series 2 (TSX: DC.PR.B)	n/a	n/a

Additional information relating to the Arrangement, including a copy of the Corporation's Management Information Circular may be found on SEDAR at *www.sedar.com* and on the Corporation's website at *www.dundeecorp.com*. Additional information relating to DREAM may be found at *www.dream.ca*.

In accordance with accounting guidelines, the distribution of Dundee Realty to shareholders of the Corporation was accounted for in the September 2013 Interim Consolidated Financial Statements as a distribution of all of the underlying assets of Dundee Realty held by the Corporation, resulting in the inclusion in current period net earnings of a $599.4 million gain on distribution equal to the difference between (i) the carrying values of the underlying assets in Dundee Realty immediately prior to completion of the Arrangement; and (ii) the estimated fair value of the shares of DREAM distributed pursuant to the terms of the Arrangement.

For purposes of determining the fair value of the actual shares of DREAM distributed, the Corporation assumed a value of $12.39 per DREAM Class A subordinate voting share and per DREAM Class B common share (representing the volume weighted average trading price of the DREAM Class A subordinate voting shares during the five days following completion of the Arrangement), and an aggregate value of $43.8 million relating to the DREAM first preference shares, series 1.

Fair value of the distribution of assets		
DREAM Class A Subordinate Voting Shares	$	631,618
DREAM Class B Common Shares		38,611
DREAM First Preference Shares, Series 1		43,790
		714,019
Carrying value of net assets of Dundee Realty		(328,554)
Other comprehensive income reclassified to the statement of operations		408
Transaction costs accrued		(4,000)
Effect of distribution of assets on stock based compensation		(24,295)
Retained interest in DREAM		268,073
		625,651
Deferred income taxes on retained assets		(26,205)
Gain on distribution of assets, net of taxes	$	599,446

The Corporation's retained interest in DREAM consists of 21,636,288 DREAM Class A subordinate voting shares valued at the time of the Arrangement at $12.39 per share, consistent with the value of the assets distributed.

Aggregate costs associated with the Arrangement are estimated at approximately $4 million. In addition, and as part of the Arrangement, the Corporation adjusted the settlement terms of its stock based compensation arrangements to provide holders thereof with an equivalent distribution entitlement provided to other shareholders as part of the Arrangement. These adjustments resulted in forecasted cash settlement of certain stock based compensation arrangements, which will track the underlying value of a DREAM Class A subordinate voting share. The adjustments to stock based compensation arrangements were initially recognized as liabilities of approximately $24.3 million in the Corporation's consolidated statement of financial position, and will be marked-to-market in each financial reporting period to reflect changes in the underlying value of the DREAM Class A subordinate voting shares.

The Corporation has classified the operating results of Dundee Realty prior to completion of the Arrangement as discontinued operations in its September 2013 Interim Consolidated Financial Statements, including the comparative information provided for the nine month period ended September 30, 2012. A more detailed description of the components of discontinued operations of the carrying value of the various assets of Dundee Realty distributed as part of the Arrangement is provided in note 4 to the September 2013 Interim Consolidated Financial Statements.

EARLY ADOPTION OF IFRS 9

In concert with completion of the Arrangement as outlined above, on June 30, 2013, the Corporation early adopted the issued phase of IFRS 9, *"Financial Instruments"* for the classification and measurement of financial assets and liabilities. The decision to early adopt IFRS 9 as currently written significantly simplifies the Corporation's accounting for financial instruments and is expected to better reflect the business activities of the Corporation and its portfolio holdings following the distribution of a significant part of its real estate operations. Under this standard, the Corporation's investment portfolio will be measured primarily at fair value through profit and loss ("FVTPL"), including for those investments previously classified as available-for-sale. Retrospective application of IFRS 9 resulted in $64.9 million of net unrealized losses being transferred from accumulated other comprehensive income to retained earnings on January 1, 2012, as further described in note 2 to the September 2013 Interim Consolidated Financial Statements. The implementation of IFRS 9 did not result in any significant changes to the measurement of the fair values of the Corporation's financial instruments.

Implementation of IFRS 9 will subject the Corporation to significant volatility in net earnings, as net earnings will include unrealized gains or losses in the Corporation's investment portfolio, reflecting changes in the market value of investments as determined by equity and credit markets. Importantly, 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 in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information. Furthermore, the Corporation's investment decisions are not motivated by the short-term impact that the resulting gains or losses will have on reported earnings in any particular period.

RESULTS OF OPERATIONS

Nine months ended September 30, 2013 compared with the nine months ended September 30, 2012

Consolidated Net Earnings

During the nine months ended September 30, 2013, the Corporation realized earnings attributable to owners of Dundee Corporation of $513.4 million or $9.37 per share. This compares to net earnings of $63.4 million or $1.04 per share attributable to owners of the Corporation during the same period of the prior year. Net earnings in the current year include an after-tax gain of $599.4 million following completion of the Arrangement and distribution of assets as outlined previously.

For the nine months ended September 30,	Continuing Operations 2013	2012	Discontinued Operations 2013	2012	TOTAL 2013	2012
Net earnings before income taxes from:						
Dundee Realty Corporation	$ -	$ -	$ 51,807	$ 93,586	$ 51,807	$ 93,586
Corporate and other portfolio holdings	(124,417)	35,901	-	-	(124,417)	35,901
Dundee Energy Limited	(3,028)	(4,291)	-	-	(3,028)	(4,291)
Eurogas International Inc.	(626)	(602)	-	-	(626)	(602)
Nichromet Extraction Inc.	(2,729)	(2,206)	-	-	(2,729)	(2,206)
United Hydrocarbon International Corp.	(2,470)	-	-	-	(2,470)	-
Blue Goose Capital Corp.	(8,493)	(420)	-	-	(8,493)	(420)
Goodman & Company, Investment Counsel Inc.	(3,402)	(2,486)	-	-	(3,402)	(2,486)
Dundee Securities Ltd.	(25,511)	(4,517)	-	-	(25,511)	(4,517)
Gain on distribution of assets	-	-	625,651	-	625,651	-
	(170,676)	21,379	677,458	93,586	506,782	114,965
Income taxes recovery (expense)	49,900	(9,235)	(40,689)	(25,072)	9,211	(34,307)
Net earnings for the period	**$ (120,776)**	**$ 12,144**	**$ 636,769**	**$ 68,514**	**$ 515,993**	**$ 80,658**
Net earnings attributable to:						
Owners of the parent	$ (113,292)	$ 14,571	$ 626,709	$ 48,851	$ 513,417	$ 63,422
Non-controlling interest	(7,484)	(2,427)	10,060	19,663	2,576	17,236
	$ (120,776)	**$ 12,144**	**$ 636,769**	**$ 68,514**	**$ 515,993**	**$ 80,658**

The Corporation incurred a net loss from continuing operations attributable to owners of Dundee Corporation of $113.3 million during the nine months ended September 30, 2013, representing a loss of $2.22 per share. By comparison, during the same period of the prior year, the Corporation generated net earnings from continuing operations of $14.6 million or $0.15 per share. Current period operating results include $145.6 million of unrealized depreciation in the Corporation's portfolio of non-equity accounted investments (nine months ended September 30, 2012 – appreciation of $58.5 million), reflecting global market conditions, including downward pressure exerted on the resource sector in particular, in which the Corporation's portfolio is heavily weighted. These same market conditions adversely affected the results of Dundee Securities Ltd., resulting in a loss of $25.5 million in that subsidiary during the nine months ended September 30, 2013, compared with a loss of $4.5 million in the same period of the prior year.

A more detailed discussion of the results of operations of each of the Corporation's business segments, including the operating results of the Corporation's investment portfolio, is presented under *"Segmented Results of Operations"* in this MD&A.

Segmented Results of Operations

CORPORATE AND OTHER PORTFOLIO INVESTMENTS

Equity Accounted Investments

At September 30, 2013, the Corporation's equity accounted investments had a carrying value of $448.9 million and an estimated market value of $445.0 million.

As at		September 30, 2013			December 31, 2012		
Trade Symbol	Investment	Ownership	Carrying Value	Market Value	Ownership	Carrying Value	Market Value
DPM	Dundee Precious Metals Inc.	25%	$ 172,173	$ 197,909	23%	$ 136,328	$ 242,529
D.UN	Dundee Real Estate Investment Trust	5%	177,421	141,936	6%	208,326	225,382
DI.UN	Dundee International Real Estate Investment Trust	9%	90,160	93,900	18%	106,603	138,880
VOX	360 VOX Corporation	18%	4,356	6,374	22%	5,378	6,484
CRG	Corona Gold Corporation	23%	2,936	2,312	23%	4,705	3,231
RYG	Ryan Gold Corp.	12%	1,512	1,671	12%	2,785	2,785
ODX	Odyssey Resources Limited	31%	317	852	31%	411	1,307
n/a	Escal UGS S.L.*	14%	-	-	14%	-	-
			$ 448,875	**$ 444,954**		**$ 464,536**	**$ 620,598**

* 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 25% interest and Dundee Corporation an effective 14% interest. As there are no publicly traded market values for Escal UGS S.L., in determining market value, the Corporation has not included any market appreciation or depreciation on this investment from its current carrying value.

		Nine months ended September 30, 2013	
		Continuing Operations	Discontinued Operations
Carrying value of equity accounted investments, beginning of period	$	464,536	$ -
Equity carrying value of discontinued ownership in:			
Dundee Real Estate Investment Trust		(38,868)	38,868
Dundee International Real Estate Investment Trust		(23,319)	23,319
Transactions during the nine months ended September 30, 2013			
Cash invested in equity accounted investments		27,536	-
Acquisition of DREAM pursuant to Arrangement with Dundee Realty		268,073	-
Transfer to portfolio investments		(266,256)	-
Share of earnings from equity accounted investments		27,860	3,265
Share of other comprehensive income from equity accounted investments		3,881	643
Distributions received, net of reinvestments		(14,161)	(943)
Other		(407)	-
Assets distributed pursuant to Arrangement with Dundee Realty			
Dundee Real Estate Investment Trust		-	(40,948)
Dundee International Real Estate Investment Trust		-	(24,204)
Carrying value of equity accounted investments, end of period	**$**	**448,875**	**$ -**

In connection with the distribution of assets to shareholders pursuant to the Arrangement with Dundee Realty, the Corporation has reflected a distribution of a portion of its investment in Dundee Real Estate Investment Trust ("Dundee REIT") and Dundee International Real Estate Trust ("Dundee International REIT") that was attributed to its holdings in Dundee Realty. Earnings allocated to Dundee Realty's investment in each of Dundee REIT and Dundee International REIT have been classified as discontinued operations in the September 2013 Interim Consolidated Financial Statements.

The Corporation realized earnings of $27.9 million from these equity accounted investments (nine months ended September 30, 2012 – $21.1 million), including dilution gains of $7.4 million.

For the nine months ended		September 30, 2013		September 30, 2012
DREAM Unlimited Corp.*	$	6,373	$	-
Dundee Precious Metals Inc.		1,506		11,730
Dundee Real Estate Investment Trust		16,463		10,927
Dundee International Real Estate Investment Trust		6,871		8,380
360 VOX Corporation		(1,254)		(843)
Corona Gold Corporation		(762)		251
Ryan Gold Corp.		(1,243)		(9,235)
Odyssey Resources Limited		(94)		(126)
Escal UGS S.L.		-		-
	$	**27,860**	**$**	**21,084**

* *See "Portfolio Investments".*

Dundee Precious Metals Inc.

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.

During the nine months ended September 30, 2013, revenue from sales generated by Dundee Precious was US$260.2 million, a decrease of US$21.4 million from revenue of US$281.6 million generated in the same period of the prior year. The decline was mainly attributable to lower metal prices, partially offset by higher payable metals in concentrate sold. Revenue less cost of sales ("gross profit") from mining operations was US$69.8 million during the nine months ended September 30, 2013, compared with US$117.8 million in the same period of the prior year. The decrease in gross profit is consistent with the decline in net revenue, reflecting lower metal prices, higher volumes of third party concentrate smelted, which currently generates a lower gross margin, higher smelting operating expenses and higher depreciation from the recently completed mine and mill expansion projects, partially offset by higher volumes of concentrates sold, higher tolling rates on third party concentrate and the favourable impact of a stronger U.S. dollar. These same factors reduced reported net earnings of Dundee Precious attributable to its common shareholders to US$3.3 million during the nine months ended September 30, 2013, compared with US$39.7 million in the same period of the prior year. The Corporation's share of earnings from its investment in Dundee Precious was $1.5 million for the nine months ended September 30, 2013 (nine months ended September 30, 2012 – $11.7 million).

On May 9, 2013, the shareholders of Dundee Precious approved a warrant incentive program to encourage early exercise of outstanding warrants. The Corporation elected to participate in the incentive program and accordingly, during the second quarter of 2013, the Corporation exercised warrants to acquire 3,561,000 common shares of Dundee Precious for cash consideration of $10.1 million. The estimated fair value of the Dundee Precious warrants immediately prior to exercise was $8.2 million and had been included in the Corporation's investment portfolio. Upon exercise of the warrants, this amount was reclassified to the carrying value of Dundee Precious on an equity basis. In addition to the exercise of warrants as outlined above, during the nine months ended September 30, 2013, the Corporation acquired 2,424,152 common shares of Dundee Precious in the open market for cash consideration of $17.2 million. At September 30, 2013, the Corporation held 34.7 million common shares of Dundee Precious with a market value of $197.9 million, representing a 25% equity interest.

Dundee Real Estate Investment Trust

Dundee REIT (*www.dundeereit.com)* is an unincorporated, real estate investment trust and is a leading provider of high quality, affordable business premises. During the nine months ended September 30, 2013, Dundee REIT completed approximately $596 million of portfolio acquisitions, adding approximately 1.7 million square feet of gross leaseable area ("GLA"). At September 30, 2013, Dundee REIT's portfolio consisted of approximately 24.5 million square feet (December 31, 2012 – 22.9 million square feet) of GLA across Canada, excluding properties classified as held for sale and redevelopment.

During the nine months ended September 30, 2013, Dundee REIT completed a public offering of 6.4 million units at a price of $36.20 for gross proceeds of $230.0 million and Dundee REIT completed the issuance of $175 million aggregate principal amount of senior unsecured debentures. Subsequent to September 30, 2013, Dundee REIT completed the issuance of a further $125 million aggregate principal amount of floating rate senior unsecured debentures. The Corporation did not participate in these offerings, resulting in a dilution of the Corporation's interest to 5% at the end of September 2013.

Dundee REIT generated net earnings of $385.3 million during the nine months ended September 30, 2013 (nine months ended September 30, 2012 – $190.5 million), including an estimated fair value gain of $88.2 million (nine months ended September 30, 2012 – $60.0 million) in respect of Dundee REIT's investment properties and an estimated fair value gain of $46.8 million (nine months ended September 30, 2012 – fair value loss of $23.5 million) in respect of joint venture investment properties. Also included in net earnings is a $34.6 million fair value gain (nine months ended September 30, 2012 – $12.4 million fair value loss) in respect of Dundee REIT's financial instruments.

The Corporation's share of earnings from its investment in Dundee REIT for the nine months ended September 30, 2013 was $16.5 million (nine months ended September 30, 2012 – $10.9 million) and during this period, it received cash distributions from Dundee REIT of $8.2 million (nine months ended September 30, 2012 – $7.7 million). At September 30, 2013, the Corporation held 4.9 million units of Dundee REIT with a market value of $141.9 million, representing a 5% equity interest. The Corporation continues to account for its investment in Dundee REIT on an equity basis, as it continues to exert significant influence over the operations and financial results of Dundee REIT.

Dundee International Real Estate Investment Trust

Dundee International REIT (*www.dundeeinternational.com)* is an unincorporated, open-ended real estate investment trust that provides investors with the opportunity to invest in commercial real estate exclusively outside of Canada.

Dundee International REIT completed over $900 million of acquisitions during the nine months ended September 30, 2013, increasing its portfolio to approximately 15.5 million square feet (December 31, 2012 – 13.3 million square feet) of GLA, all located in Germany. In order to provide partial funding for these acquisitions, during the nine months ended September 30, 2013 Dundee International REIT issued 37.1 million units, diluting the Corporation's interest to 9% at September 30, 2013 (December 31, 2012 – 18%).

Dundee International REIT reported net earnings during the nine months ended September 30, 2013 of $7.5 million (nine months ended September 30, 2012 – $19.6 million), including estimated fair value depreciation of $59.4 million in respect of Dundee International REIT's investment properties.

The Corporation's share of net earnings from its investment in Dundee International REIT during the nine months ended September 30, 2013 was $6.9 million (nine months ended September 30, 2012 – $8.4 million) and includes a dilution gain of $7.1 million relating to the equity issues completed by Dundee International REIT as outlined above. During the nine months ended September 30, 2013, the Corporation received cash distributions from Dundee International REIT of $6.0 million (nine months ended September 30, 2012 – $6.0 million). At September 30, 2013, the Corporation held 10 million units of Dundee International REIT with a market value of $93.9 million, representing a 9% equity interest. Similar to its investment in Dundee REIT, the Corporation continues to account for its investment in Dundee International REIT on an equity basis, as it continues to exert significant influence over its operations and financial results.

The Corporation has also entered into a sub-participation agreement for €28.9 million with a Canadian chartered bank pursuant to which the Corporation agreed to participate in the Canadian bank's participation in a Dundee International REIT credit facility. At September 30, 2013, amounts outstanding pursuant to these arrangements were €28.4 million (December 31, 2012 – €28.8 million).

360 VOX Corporation ("360 VOX")

360 VOX (*www.360vox.com)* is a publicly traded company listed on the TSX Venture Exchange under the symbol "VOX". 360 VOX is engaged in the business of managing, developing and marketing residential, commercial and hospitality-based real estate projects, both directly and through joint ventures.

During the third quarter of 2013, the Corporation entered into certain agreements with 360 VOX and with Paragon Development Ltd. ("Paragon"), a leading North American destination resort developer, for the design and development of a $535 million, 675,000 square foot urban resort, adjacent to the B.C. Place Stadium in Vancouver, British Columbia. The development, which is expected to open at the end of 2016, will feature two resort hotels, a conference centre, restaurants and retail space and will house the relocated Edgewater Casino. The Corporation and Paragon will arrange financing for the project and will retain an equity interest. The management, construction and development of the resort complex will be contracted to 360 VOX. The agreements are subject to regulatory approval.

On September 26, 2013, 360 VOX further announced that it had entered into an urban design and master planning agreement with Beijing Chief Orient Investment Management Co. Ltd. pursuant to which 360 VOX will provide planning services and economic analysis for a new community development in Miyun County, Beijing.

During the nine months ended September 30, 2013, equity losses from the Corporation's investment in 360 VOX were $1.3 million (nine months ended September 30, 2012 – $0.8 million). At September 30, 2013, Dundee Corporation held 49 million shares of 360 VOX with a market value of $6.4 million.

Escal UGS S.L. ("Escal")

Dundee Energy Limited ("Dundee Energy"), the Corporation's 58% owned oil and gas subsidiary, holds an indirect interest in the Castor underground gas storage project, a Spanish infrastructure project that has converted the abandoned Amposta oil field, located off the eastern Mediterranean coast of Spain, to a natural gas storage facility (the "Castor Project"). The Castor Project is owned by Escal and is managed by ACS Servicios Comunicaciones y Energia S.L. ("ACS"), the largest construction group in Spain and a 67% shareholder of Escal. Dundee Energy's 74% owned subsidiary, Castor UGS Limited Partnership ("CLP"), owns the remaining 33% of Escal, providing Dundee Corporation with an indirect 14% interest in the Castor Project. The Corporation's investment in Escal is carried at $nil.

On July 26, 2013, Escal announced that it had arranged for the issuance of Euro Bonds totalling €1.40 billion. The Euro Bonds are subject to an annual interest rate of 5.756%, payable semi-annually, and are repayable in equal semi-annual installments over a period of 21 and a half years, with the last payment due in December 2034. The Euro Bonds are listed on the Luxembourg stock exchange and were issued by a special purpose vehicle, Watercraft Capital S.A. ("Watercraft"), a Luxembourg corporation. The proceeds from the issuance were subsequently on-lent to Escal, pursuant to a credit facility between Watercraft and Escal, and were used by Escal to repay amounts owing pursuant to Escal's existing bank-funded project financing arrangements. Escal provided a general security interest against its assets for the benefit of Watercraft to secure Escal's obligations under these arrangements, and the shareholders of Escal pledged their respective shares in Escal as part of the overall security package.

In early 2013, Escal reached an agreement with Enagas S.A., the leading gas transporter in Spain, to provide the 600 million cubic metres of cushion gas required for completion of the Castor Project. Enagas subsequently completed the acquisition of approximately 125 million cubic metres, and injection of the cushion gas into the reservoir began in June 2013. Approximately 85% of the acquired cushion gas was completed by September 16, 2013. In mid September, seismic activity was detected in the area surrounding the Castor Project. While the seismic activity did not affect the integrity of the facility and the underground reservoir, nor cause any damage, the Spanish authorities have implemented a suspension to the injection of further volumes of cushion gas until an independent assessment of the source of seismic activity is completed. Assessments completed by Escal indicate that the seismicity observed appears to be related to a secondary fault present in the area. Importantly, gas to liquid levels in the reservoir have remained stable, significantly reducing concerns over the leakage of cushion gas. A complete report of Escal's assessment of the seismic activity has been filed with the Spanish authorities for their review and consideration.

Following the reporting of the above events, on October 1, 2013, Fitch Ratings Inc. placed the Euro Bonds, previously rated at BBB+ on a "Rating Watch Negative". Standard & Poor's subsequently reaffirmed its rating for the Euro Bonds issue at BBB.

The technical and economic audits that are required for inclusion of the Castor Project to the Spanish gas system commenced in July 2013. Once completed, the investment base for remuneration will be determined. Escal currently anticipates that the necessary audits will be completed in the fourth quarter of 2013.

Other Equity Accounted Resource Investments

Other equity accounted resource investments include Ryan Gold Corp., Odyssey Resources Limited and Corona Gold Corporation. The market value of these investments was $4.8 million as at September 30, 2013. The Corporation's share of losses from these investments during the nine months ended September 30, 2013 was $2.1 million compared with losses of $9.1 million during the same period of the prior year. Prior year losses from other equity accounted resource investments included a loss resulting from the impairment of an exploration property owned by Ryan Gold Corp.

Portfolio Investments

Dundee Corporation's portfolio of investments includes several public and private investments in a variety of industry sectors. At September 30, 2013, the aggregate market value of the Corporation's investment portfolio was $900.4 million.

		Nine months ended September 30, 2013
Market value of investments, beginning of period	$	1,228,512
Transactions during the period		
New investments		275,876
Proceeds from sales of investments		(662,220)
Changes in market values		(147,051)
Consolidation of United Hydrocarbon International Corp.		(73,831)
Transfer from equity accounted investments		266,256
Other transactions		12,838
Market value of investments, end of period	**$**	**900,380**
Represented by:		
Publicly traded securities	$	480,150
Private investments		201,474
Mutual funds and other short term investments		76
Debt securities (at amortized cost)		215,704
Warrants and options		2,976
	$	**900,380**

During the nine months ended September 30, 2013, the Corporation invested a total of $275.9 million in new portfolio investments or in increasing its interest in existing portfolio investments. New investments completed during the nine months ended September 30, 2013 were predominantly in the energy and resource sector and included a significant number of investments in private companies. Proceeds from sales of investments were $662.2 million during the nine months ended September 30, 2013, and included $446.5 million and $69.2 million from sales of all of the remaining common and preferred shares of The Bank of Nova Scotia ("Scotiabank"), respectively.

Dream Unlimited Corp.

In connection with the distribution of assets to shareholders pursuant to the Arrangement with Dundee Realty, the Corporation retained 21,636,288 Class A subordinate voting shares of DREAM, which represented a 29% interest in DREAM and a 20% indirect interest in Dundee Realty. The Corporation's initial investment in DREAM was recognized at the estimated fair value of the DREAM Class A subordinate voting shares on May 30, 2013, the effective date of the Arrangement. The Corporation determined that the fair value of a DREAM Class A subordinate voting share on May 30, 2013 was approximately $12.39 per share.

The Corporation determined that it had the ability to exert significant influence over the strategic operating, investing and financing policies of DREAM. Accordingly, the Corporation accounted for its investment in DREAM using the equity method.

During the third quarter of 2013, the Corporation carefully considered the facts and circumstances around its power to participate in the financial and operating policy decisions of DREAM and concluded that accounting for its investment in DREAM under the equity method was no longer appropriate. A significant factor in reaching this determination was the Corporation's inability to obtain additional financial information for DREAM necessary for purposes of equity method accounting by the Corporation. As such, during the third quarter, the Corporation began to account for its investment in DREAM as an equity security at FVTPL.

Income from Corporate Investments

During the nine months ended September 30, 2013, the Corporation earned revenue of $32.2 million (nine months ended September 30, 2012 – $39.9 million), including interest and dividends earned from cash resources and from its various corporate investments. Included in revenue is dividend revenue of $8.5 million (nine months ended September 30, 2012 – $24.8 million) from the Corporation's investment in Scotiabank. Following the implementation of IFRS 9, the Corporation's net earnings also include the effect of changes in the value of the Corporation's investments, whether unrealized or through sale of the underlying investment.

		For the nine months ended September 30, 2013			For the nine months ended September 30, 2012		
		Realized		Unrealized		Realized		Unrealized
Publicly traded securities	$	4,964	$	(103,818)	$	(42,448)	$	38,091
Private investments		(312)		(35,404)		86		(4,654)
Mutual funds and other short term investments		861		(1,242)		-		721
Debt securities		2,523		(2,763)		-		(2,159)
Warrants and options		(9,507)		(2,353)		(3)		26,530
	$	**(1,471)**	**$**	**(145,580)**	**$**	**(42,365)**	**$**	**58,529**

DUNDEE ENERGY LIMITED

Dundee Energy (www.dundee-energy.com) is a Canadian-based company focused on creating long-term value through the development and acquisition of high-impact energy projects. Dundee Energy's common shares trade on the TSX under the symbol "DEN". Dundee Energy holds interests, both directly and indirectly, in the largest accumulation of producing oil and natural gas assets in southern Ontario and in the development of the Castor Project, an offshore underground natural gas storage facility in Spain *(see "Escal UGS S.L.")*.

During the nine months ended September 30, 2013, Dundee Energy incurred a loss attributable to the owners of Dundee Corporation of $1.7 million. This compares to a loss attributable to owners of Dundee Corporation of $2.9 million during the nine months ended September 30, 2012.

RESULTS OF OPERATIONS

For the nine months ended September 30,		2013		2012
Revenues				
Oil and gas sales	$	24,944	$	22,976
Interest and dividends		850		130
		25,794		23,106
Cost of sales		(11,031)		(10,056)
Other items in net earnings before taxes				
Depreciation and depletion		(9,523)		(11,214)
General and administrative		(4,405)		(4,918)
(Loss) gain on derivative financial instruments		(661)		2,413
Interest expense		(3,358)		(3,477)
Foreign exchange gain (loss)		156		(145)
Net earnings before taxes, Dundee Energy Limited	**$**	**(3,028)**	**$**	**(4,291)**
Net earnings before taxes, Dundee Energy Limited attributable to:				
Owners of Dundee Corporation	$	(1,693)	$	(2,851)
Non-controlling interest		(1,335)		(1,440)
Net earnings before taxes, Dundee Energy Limited	**$**	**(3,028)**	**$**	**(4,291)**

On July 5, 2013, Dundee Energy entered into a transaction pursuant to which it acquired an additional 20% working interest in certain offshore gas properties in southern Ontario, increasing its working interest to 85%. The acquisition is expected to add an average of 2,500 Mcf/d to Dundee Energy's existing natural gas production and an estimated 24.5 million Mcf in proved and probable reserves. The increase in working interest was acquired for aggregate cash consideration of $4.9 million, representing an average cost of $0.20/Mcf or $1.22/boe of proved and probable reserves.

Field Level Cash Flows and Field Netbacks

During the nine months ended September 30, 2013, sales of oil and natural gas, net of royalty interests, were $24.9 million, an increase of $2.0 million over the same period of the prior year. The effect of improved commodity prices increased revenues by approximately $4.6 million, but was partially offset by reduced production volumes, which decreased revenues by $2.6 million.

During the nine months ended September 30, 2013, Dundee Energy earned field level cash flows, before realized amounts related to risk management contracts, of $13.9 million or $22.07/boe, compared with $12.9 million or $19.23/boe earned in the same period of the prior year.

Field level cash flows from natural gas, before realized amounts related to risk management contracts, increased over 150% to $4.3 million, compared with $1.7 million during the same period of the prior year, reflecting improved realized prices. However, Dundee Energy's risk management contracts adversely affected field level cash flows during the nine months ended September 30, 2013, reducing amounts by $0.2 million. During the nine months ended September 30, 2012, risk management contracts added $2.7 million to field level cash flows from natural gas. Resulting field netbacks were $1.50/Mcf in the current period, a decrease of 5% from field netbacks of $1.58/Mcf generated in the same period of the prior year.

Field level cash flows from oil and liquids fell to $9.6 million during the nine months ended September 30, 2013, from $11.2 million in the same period of 2012. The decrease is primarily related to a decrease in production volumes, offset marginally by improved realized prices. Risk management contracts added $9,000 to field level cash flows in the current period, compared with $0.4 million in the prior year. Field netbacks were $54.61/bbl during the nine months ended September 30, 2013, compared with $55.81/bbl during the nine months ended September 30, 2012.

For the nine months ended September 30,			2013			2012
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	$ 12,114	$ 17,295	$ 29,409	$ 8,275	$ 18,750	$ 27,025
Royalties	(1,820)	(2,645)	(4,465)	(1,254)	(2,795)	(4,049)
Production expenditures	(6,006)	(5,025)	(11,031)	(5,325)	(4,731)	(10,056)
	4,288	9,625	13,913	1,696	11,224	12,920
Realized risk management (loss) gain	(185)	9	(176)	2,662	415	3,077
Field level cash flows	$ 4,103	$ 9,634	$ 13,737	$ 4,358	$ 11,639	$ 15,997

For the nine months ended September 30,			2013			2012
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	$/Mcf	$/bbl	$/boe	$/Mcf	$/bbl	$/boe
Total sales	$ 4.45	$ 98.05	$ 46.67	$ 2.98	$ 89.90	$ 40.21
Royalties	(0.67)	(15.00)	(7.09)	(0.45)	(13.40)	(6.02)
Production expenditures	(2.21)	(28.49)	(17.51)	(1.91)	(22.68)	(14.96)
	1.57	54.56	22.07	0.62	53.82	19.23
Realized risk management (loss) gain	(0.07)	0.05	(0.28)	0.96	1.99	4.58
Field netbacks	$ 1.50	$ 54.61	$ 21.79	$ 1.58	$ 55.81	$ 23.81

Dundee Energy realized an average price on sales of natural gas of $4.45/Mcf during the nine months ended September 30, 2013, an increase of 49% from the average price of $2.98/Mcf realized in the same period of the prior year. The increase is reflective of prices for natural gas in North America, which have trended approximately 43% higher during the nine months ended September 30, 2013, compared with the same period of 2012. In addition, due to the proximity of Dundee Energy's operations to the Dawn Hub, a leading provider of natural gas supply to the greater Toronto market area, Dundee Energy's realized price from sales of natural gas continues to include a positive basis differential from the average industry benchmarks.

During the nine months ended September 30, 2013, Dundee Energy realized an average price of $99.70/bbl on sales of crude oil, an increase of 9% over an average price of $91.16/bbl realized during the same period of the prior year. The period-over-period increase in Dundee Energy's realized price for oil exceeds industry benchmark increases, including the increase in the average West Texas Intermediate ("WTI") price for crude oil which averaged approximately US$98.15/bbl during the nine months ended September 30, 2013, an increase of 2% over an average of US$96.09/bbl in the same period of the prior year. The increase realized by Dundee Energy in excess of comparable industry benchmarks results from a realignment of Dundee Energy's crude oil marketing contracts earlier in 2013, whereby the sales price received is now based on the higher-priced WTI benchmark, rather than the Edmonton Par price as previously contracted.

In order to mitigate its exposure to price volatility, Dundee Energy may, from time to time, enter into fixed price commodity contracts. These price risk management strategies assist Dundee Energy in securing a stable amount of cash flow to protect a desired level of capital spending and for debt management. Dundee Energy's risk management contracts at September 30, 2013 had a negative value of $0.3 million. An unrealized risk management gain or loss may or may not be realized in subsequent periods, depending upon subsequent fluctuations in commodity prices or foreign exchange rates affecting the risk management contracts.

CHANGES IN FINANCIAL CONDITION

Rights Offering

On April 5, 2013, Dundee Energy completed a rights offering for aggregate gross proceeds of $8.9 million. Pursuant to the rights offering, Dundee Energy issued 5.7 million common shares at a price of $0.34 per common share and it issued 17.8 million flow-through common shares at a price of $0.39 per flow-through common share. The Corporation purchased 15.8 million flow-through common shares pursuant to the transaction at a cost of $6.2 million. The purchase increased the Corporation's interest in Dundee Energy to 58% from 57% at December 31, 2012.

The flow-through shares issued by Dundee Energy obligate it to incur $6.9 million of qualified exploration expenditures for renunciation to flow-through shareholders prior to December 31, 2013. Dundee Energy has determined that approximately $5.2 million of capital expenditures incurred during the nine months ended September 30, 2013 qualify as Canadian exploration expenditures and are available for renunciation, including amounts allocated to the Corporation pursuant to its purchase of flow-through common shares pursuant to the rights offering.

Capital Expenditures

Dundee Energy expended $8.8 million on capital expenditures during the nine months ended September 30, 2013. Dundee Energy intends to spend a further $2.4 million in the fourth quarter of 2013, including the drilling of one exploration well at a cost of $1.1 million; $0.5 million on completion costs; and costs of $0.4 million to complete a 2-D seismic program undertaken in the second and third quarters of the current year.

Demand Revolving Credit Facilities

Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy, has established a $70.0 million credit facility with a Canadian Schedule I Chartered Bank. The credit facility is structured as a demand revolving loan, and is subject to a tiered interest rate structure that varies based on the net debt to cash flow ratio generated by DELP. Based on current ratios, draws on the credit facility bear interest at prime plus 3.5% for loans and letters of credit or, for bankers' acceptances, at the bankers' acceptance rate plus 4.5%. At September 30, 2013, an aggregate of $66.4 million had been drawn against the facility.

EUROGAS INTERNATIONAL INC.

Eurogas International Inc. ("EII") (*www.eurogasinternational.com*), is currently conducting exploration and evaluation programs for oil and natural gas in the shallow Mediterranean waters offshore Tunisia, where it holds a 45% working interest in the Sfax permit ("Sfax Permit"). The carrying value of EII's Tunisian properties at September 30, 2013 was $11.6 million (December 31, 2012 – $10.3 million).

In November 2012, EII announced that, together with its joint venture partner, Atlas Petroleum Exploration Worldwide Ltd., it had received approval from the Tunisian regulatory authorities for a renewal of the Sfax Permit from December 9, 2012 to December 8, 2015 (the "First Renewal Period"). As part of the renewal, the Tunisian authorities agreed to transfer EII's obligation to drill one exploration well, with depth to a specified geological zone (the "Initial Well Obligation") to the First Renewal Period. In addition to the Initial Well Obligation, the First Renewal Period carries an additional one-well drilling obligation (the "First Renewal Well Obligation"), with sufficient depth to enable an appropriate assessment of potential reserves.

In June 2013, EII announced that, together with its joint venture partner, it had entered into a farmout agreement with DNO Tunisia AS ("DNO") with respect to the Sfax Permit and the associated Ras El Besh development concession (the "DNO Agreement"). The DNO Agreement provides DNO with an 87.5% participating interest in the Sfax Permit in exchange for (i) a

US$6 million cash payment of which EII's share approximates US$2.7 million; and (ii) the carrying of 100% of all future costs associated with the Sfax Permit, including the Corporation's drilling commitments as outlined above. As part of these arrangements, DNO will assume all obligations of ownership.

The completion of the DNO Agreement is conditional on the approval by the relevant Tunisian authorities of the terms of the DNO Agreement, including the appointment of DNO as operator, and is subject to other normal conditions of closing, including the absence of a material adverse change. In addition, and as a condition of the completion of the DNO Agreement, EII and its joint venture partner committed to complete the removal of an ocean-floor template previously assembled as part of the Ras El Besh development concession within the Sfax Permit. Work required to remove the template was completed in the third quarter of 2013. The DNO Agreement is subject to cancellation if the conditions as outlined above are not completed prior to December 31, 2013.

During the nine months ended September 30, 2013, EII incurred a loss before income taxes of $0.6 million (nine months ended September 30, 2012 – $0.6 million).

NICHROMET EXTRACTION INC.

Nichromet Extraction Inc. ("Nichromet") *(www.nichromet.com)* is a private Canadian company that has developed patented precious and base metal extraction processes that are environmentally friendly in that the residues of mining operations are totally void of contaminants such as cyanide, sulfur and arsenic. These processes are based on a new patented process using chlorination and have tested particularly efficient for the treatment of polymetallic ores either in the form of sulfides, oxides or arsenides.

In February 2013, Nichromet announced the receipt of a $5.0 million grant from the Government of Canada through Sustainable Development Technology Canada for the development of a demonstration plant project, which is estimated to cost approximately $25 million. The grant is a strong endorsement of Nichromet's scientific advancements and technological process towards commercialization of its patented processes. The Corporation has indicated to Nichromet its intent to assist with obtaining the necessary financing to complete the project.

During the third quarter of 2013, the Corporation invested a further $6.1 million in Nichromet, increasing its ownership interest to 83% at September 30, 2013. Reflective of its current stage of development, Nichromet does not report any revenues and, during the nine months ended September 30, 2013, it incurred a loss before income taxes of $2.7 million (nine months ended September 30, 2012 – $2.2 million).

UNITED HYDROCARBON INTERNATIONAL CORP.

Through a series of transactions, the Corporation has acquired 29.9 million shares or 29% of United Hydrocarbon International Corp. ("United Hydrocarbon") *(www.unitedhydrocarbon.com)*, a private Canadian company engaged in oil and gas exploration, development and production activities in the Republic of Chad. During the nine months ended September 30, 2013, and in addition to its investment in shares of United Hydrocarbon, the Corporation advanced $66.7 million to United Hydrocarbon pursuant to the terms of senior secured convertible debentures carrying an interest rate of up to 12% per annum, and it has received certain common share purchase warrants. The Corporation's investment in the senior secured convertible debentures, and the granting to the Corporation of share purchase warrants, provides the Corporation with the ability to control the business activities of United Hydrocarbon and, accordingly, the Corporation began to account for its investment in United Hydrocarbon on a consolidated basis effective June 30, 2013.

United Hydrocarbon has entered into a Production Sharing Contract ("PSC") with the government of Chad through its 100% owned subsidiary, United Hydrocarbon Chad Ltd. To obtain the PSC, United Hydrocarbon paid a signature bonus and related attorney's fees of US$92.2 million to the Government of the Republic of Chad. The PSC provides the exclusive right to explore and develop oil and gas reserves in four distinct contractual zones, DOC Block, DOD Block, Lake Chad Block and The Largeau III Block.

The Doba Basin is located in southern Chad and intersects both the DOC and DOD blocks. Within the Doba Basin there are two previous discoveries, Belanga and M'Biku. These discoveries are situated in close proximity to a producing field currently operated by Exxon. The Lake Chad Block has two known oil discoveries included in the PSC, Kumia and Kanems. There are over 200 exploration leads defined by the previous operators of the block. The Largeau III Block is more remote and relatively unexplored. United Hydrocarbon plans to focus its efforts on the other three blocks in the near term and will evaluate the Largeau block as part of its long-term strategy.

Production Sharing Contract

The key terms of the PSC signed on May 2, 2012 are as outlined below:

- Exploration license with an initial term of 5 years and with an optional additional 3-year renewal after relinquishment of 50% of the original acreage position;
- US$75.0 million minimum work commitment during the 5-year initial term, with a minimum work obligation of US$5.0 million during the renewal term;
- United Hydrocarbon pays 100% of all exploration, development and production expenditures which are recoverable by United Hydrocarbon through production (referred to as "recoverable costs" or "cost recovery"); and
- all equipment and materials imported for use in operations relating to the exploration and exploitation licenses are exempt from import taxes and duties during the initial 5 years after issuance of the licenses.

In the event of an oil discovery, United Hydrocarbon will complete a feasibility study. If the results indicate a commercially viable deposit, United Hydrocarbon will apply for an Exclusive Exploitation Authorization license ("EEA") in order to prepare for commercial production. There is a non-recoverable cost for the EEA license of US$2.0 million and the term is 25 years with a 10-year renewal period.

At the time of issuance of the EEA license, the government of Chad may elect to back-in for up to a 25% participating interest. The Republic of Chad is then responsible for its proportionate share of back costs and future costs. In general terms, United Hydrocarbon's share of revenues from commercial production will be shared with the Republic of Chad in the following manner such that the Republic of Chad receives a 14.25% royalty on oil produced and, after taking into account the production royalty, the remaining oil is split into two tranches:

i) Cost oil, which is capped at 70% of net production. United Hydrocarbon receives 100% of cost oil revenue up to 100% payout of its cost recovery. Once costs are recovered, the remaining cost oil production is added to profit oil.
ii) Profit oil represents a minimum 30% of the net production. United Hydrocarbon receives its share of profit oil based on the following calculation:
    a. 60% for an R factor up to 2.25
    b. 50% for an R factor between 2.25 and 3.0
    c. 40% for an R factor greater than 3.0

The R-factor shall be determined each quarter based on a ratio for which: (i) the numerator is equal to the cumulative value of United Hydrocarbon's share of production (from cost oil and profit oil), less cumulative production costs incurred by United Hydrocarbon; and (ii) the denominator is equal to the cumulative exploration costs and development costs incurred by United Hydrocarbon.

RESULTS OF OPERATIONS

United Hydrocarbon's only operating segment is oil and gas exploration, development and production activities in the Republic of Chad. United Hydrocarbon is in the exploration phase and follows the policy of capitalizing costs that are directly related to work performed. Generally, this includes all costs incurred in Chad, as well as certain costs incurred at head office that relate specifically to the project in Chad.

During the third quarter ended September 30, 2013, United Hydrocarbon capitalized $16 million in costs directly related to the project and incurred head office corporate expenses of $2.5 million. Since the inception of United Hydrocarbon, the following capital expenditures have been charged to exploration and evaluation assets:

Capital expenditures		Since inception
PSC acquisition	$	91,922
Infrastructure, camps and other capitalized costs		50,669
	$	142,591

CHANGES IN FINANCIAL CONDITION

Capital Expenditures

United Hydrocarbon is conducting a comprehensive review of the technical data accumulated on United Hydrocarbon's acreage over the past 30 years. This review has identified discoveries and numerous exploration prospects.

United Hydrocarbon intends to initially focus on existing discoveries in the Doba Basin in order to establish production and cash flow to fund ongoing exploration and development work. Future exploration work will evaluate other Doba Basin prospects as well as the potential of the Lake Chad Block. United Hydrocarbon Chad Ltd. recently procured a rig contract and a rig service contract. It is anticipated that the rig will be mobilized and ready to spud the first well during the latter part of the fourth quarter. During 2014, United Hydrocarbon plans a 15 well drill program in the Doba area with an initial focus on delineating the Belanga discovery, as well as concentration on other identified prospects. In preparation for the drilling program, United Hydrocarbon has spent approximately $30.7 million on camps, drilling and pipeline materials, and on field equipment. The results of this program will determine next steps and timing of production in the Doba Basin and the exploration program in the Lake Chad Block.

Cash Resources

United Hydrocarbon had available cash resources of $8.5 million as at September 30, 2013 with budgeted expenditures of $28.0 million for the remainder of 2013. Currently, United Hydrocarbon does not generate revenue from operations and relies on its ability to raise funds through the capital markets or debt from the Corporation. There can be no assurance that United Hydrocarbon will be successful in raising funds to support future operations.

BLUE GOOSE CAPITAL CORP.

At September 30, 2013, the Corporation held an 82% interest in Blue Goose Capital Corp. ("Blue Goose"), a Canadian private company focused on the production, distribution and sale of organic and natural beef, chicken and fish ("clean protein") and related by-products such as organic fertilizer and compost, using sustainable and humane practices throughout its operations, all under the Blue Goose brand. Blue Goose is expanding its vertically integrated clean protein production capabilities through an aggressive acquisition program, and is building the sales of its proteins and by-products through a focused branding, marketing and sales strategy.

Acquisitions

	Diamond "S" Ranch	Fischer Feeds Limited	Limberlost Stone Inc.	Owl Creek Ranch	105 Mile Ranch	Other Acquisitions	TOTAL
Net assets acquired:							
Capital assets							
Land and buildings	$ 13,595	$ 2,968	$ 800	$ 18,548	$ 9,244	$ 5,403	$ 50,558
Other tangible assets	400	5,121	743	-	-	1,268	7,532
Livestock							
Biological assets	1,185	-	-	-	-	837	2,022
Inventory	100	1,173	946	-	-	348	2,567
Resource properties	-	-	5,246	-	-	2,928	8,174
Working capital acquired	-	618	(935)	-	-	142	(175)
	$ 15,280	$ 9,880	$ 6,800	$ 18,548	$ 9,244	$ 10,926	$ 70,678
Aggregate consideration transferred							
Cash							$ 69,078
Consideration held back/earnout							1,600
							$ 70,678

During the nine months ended September 30, 2013, Blue Goose completed a total of five business acquisitions and six land acquisitions, for total cash consideration of $69.1 million. A brief description of the more significant acquisitions is as follows:

Diamond "S" Ranch

On March 20, 2013, Blue Goose acquired all of the outstanding shares of Diamond "S" Ranch for total consideration of $15.3 million. The assets of Diamond "S" Ranch consist of 14,052 deeded acres in British Columbia, as well as feed, buildings, machinery and equipment. These assets will enable Blue Goose to support and further expand its cattle herd in British Columbia.

Fischer Feeds Limited

On April 29, 2013, as part of its model of vertical integration in the protein business, Blue Goose acquired a 100% interest in Fischer Feeds Limited, a well-established poultry feed producer based in southwestern Ontario, for approximately $9.9 million. Concurrently, Blue Goose entered into a relationship with an established Canadian poultry processor to produce and sell organic and natural poultry.

Limberlost Stone Inc.

On May 8, 2013, Blue Goose acquired all of the issued and outstanding shares of Limberlost Stone Inc. ("Limberlost") for a total purchase price of $6.8 million. Limberlost operates a 400-acre limestone quarry on the Bruce Peninsula near Wiarton, Ontario. Blue Goose views its investment in Limberlost as a long-term strategic acquisition that will support the modified use of the quarries, once depleted of their commercial assets, as natural fish farms. In the interim, the sale of limestone provides operating cash flow to support other business activities. This acquisition was followed by the acquisition on September 3, 2013 of Port Sydney-Utterson Sand & Gravel Limited ("Port Sydney") for cash consideration of $3.75 million. Port Sydney operates a 114-acre high-grade granite quarry east of the Limberlost property, providing a complementary set of products to those of Limberlost.

Owl Creek Ranch

On June 13, 2013, Blue Goose acquired the 18,000-acre Owl Creek Ranch ("Owl Creek") in Colorado for US$18 million. Owl Creek was acquired to support the expanding operations of Emma Farms Cattle Company ("Emma Farms"), which was acquired by Blue Goose in 2012, as its first venture into the Wagyu cattle breed (Wagyu is more commonly known as "Kobe" beef). In addition to prime grazing land, Owl Creek produces large quantities of high quality hay, and the purchase included both water and mineral rights on the property. The Owl Creek acquisition facilitates Blue Goose's plans, through its Emma Farms subsidiary, to significantly increase the size of its Wagyu herd in the coming years. Emma Farms currently sells to five-star restaurants in Colorado and, as the herd size increases, Blue Goose plans to increase sales volumes into other channels throughout the United States.

105 Mile Ranch

On August 14, 2013, Blue Goose acquired the 105 Mile Ranch in British Columbia for $9.2 million. The 105 Mile Ranch consists of approximately 11,500 deeded acres and 400,000 leased acres of land contiguous to other land owned by Blue Goose in British Columbia. The land will be used to support the increasing cattle herd in British Columbia.

Other Significant Events

In addition to the major acquisitions described above, on August 28, 2013, Blue Goose received federal certification for its abattoir in British Columbia, which was initially provincially certified. Beef processed in that plant can now be sold across Canada and exported. Distribution of beef products in Ontario is expected to begin in the fourth quarter of the current year.

In early September, Blue Goose launched a line of consumer packaged goods using its organic and natural chicken. These products are an offshoot of its fresh meat program, and provide Blue Goose with increased margins and further penetration into its expanding retail channel.

RESULTS OF OPERATIONS

Blue Goose is in a stage of rapid growth, both through continued acquisitions as well as through significant expansion of its sales and marketing channels and product offerings. Due to this rapid growth and early stage of its business, during the nine months ended September 30, 2013, Blue Goose incurred a loss attributable to the owners of Dundee Corporation of $7.1 million, compared with $0.3 million in the same period of the prior year. The current period operating loss was partially offset by the recognition of a $6.8 million gain in the estimated fair value of livestock, primarily attributable to growth of the cattle herd. This compares to an estimated fair value gain of $1.7 million recognized in the same period of the prior year.

For the nine months ended September 30,	2013	2012
Revenues		
Sales of livestock	$ 28,251	$ 5,488
Interest and dividends	-	1,233
	28,251	6,721
Cost of sales	(34,091)	(3,867)
Other items in net earnings before taxes		
Depreciation and depletion	(1,851)	(532)
General and administrative	(6,986)	(4,245)
Fair value changes in livestock	6,807	1,668
Interest expense	(626)	(165)
Foreign exchange gain	3	-
Net earnings before taxes, Blue Goose Capital Corp.	**$ (8,493)**	**$ (420)**
Net earnings before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	$ (7,090)	$ (321)
Non-controlling interest	(1,403)	(99)
Net earnings before taxes, Blue Goose Capital Corp.	**$ (8,493)**	**$ (420)**

As a result of recent acquisitions, Blue Goose had, for the first time, sales of chicken and fish proteins along with expanded sales of beef during the nine months ended September 30, 2013. During this period, Blue Goose generated a negative gross margin of $5.8 million on revenues of $28.3 million. This compares with a positive gross margin of $1.6 million on revenues of $5.5 million during the same period of the prior year, at which time Blue Goose was selling only beef products in British Columbia.

For the nine months ended September 30,	2013				2012			
Components of Agriculture Products*	Revenue	Costs	Margin	% Margin	Revenue	Costs	Margin	% Margin
Beef	$ 7,517	$ 13,401	$ (5,884)	(78.3%)	$ 4,969	$ 3,104	$ 1,865	37.5%
Chicken	3,885	3,586	299	7.7%	-	-	-	n/a
Fish	1,941	3,589	(1,648)	(84.9%)	519	763	(244)	(47.0%)
Feed	12,674	12,053	621	4.9%	-	-	-	n/a
Other	2,234	1,462	772	34.6%	-	-	-	n/a
	$ 28,251	$ 34,091	$ (5,840)	(20.7%)	$ 5,488	$ 3,867	$ 1,621	29.5%

** Excludes general and administrative expenses, interest expense and depreciation*

Negative gross margins from direct sales of beef, chicken and fish were $7.2 million. Gross margins are currently affected by operating costs associated with the start-up of the abattoir in British Columbia. As required by regulation, processing volumes in the abattoir are initially limited and are subject to ongoing inspections. As Blue Goose obtains regulatory approval for increased volume processing, associated gross margins are expected to improve. Blue Goose revenues and gross margins for the sale of beef, chicken and fish are expected to further increase as Blue Goose completes the integration of its newly acquired businesses, no longer continues to incur start-up costs in its various businesses, and continues to develop new sales channels for its growing complement of products. However, on a short-term basis, revenues and gross margins may fluctuate period-over-period.

Comparatively, Blue Goose generated positive gross margins from its recently acquired and previously established feed and aggregate businesses. Included in other revenues during the nine months ended September 30, 2013, were aggregate sales of $2 million and contribution margins of $0.8 million relating to Limberlost operations.

Blue Goose has significantly expanded its beef sales within British Columbia, and now that its abattoir is federally certified, Blue Goose plans to expand beef product sales into Ontario during the remainder of 2013. Blue Goose has grown its sales of organic rainbow trout and chicken into British Columbia, Quebec and the Atlantic provinces, through expanded sales capabilities and by cross-selling to its existing client base within existing channels.

	For the nine months ended September 30,	
Unit sales	2013	2012
Beef (head)	2,006	989
Chicken (kgs)	653,977	-
Fish (lbs)	632,129	75,290

CHANGES IN FINANCIAL CONDITION

Changes in Land Inventory

As a key part of its business plan, Blue Goose is continuing to acquire high quality, productive land acreage that is fully irrigated, and which provides quality hay for winter cattle feeding. Blue Goose has expanded its landholdings to over 1.1 million acres, including both freehold (deeded) acres and leasehold acreage in British Columbia, Ontario, and Colorado.

	Number of Acres Deeded or Leased as at	
(in thousands)	September 30, 2013	December 31, 2012
British Columbia	1,119	1,093
Ontario	11	4
USA	18	-
	1,148	1,097

Blue Goose plans to continue acquiring farmland property in British Columbia, Ontario and potentially in other jurisdictions, in order to expand its organic beef production capacity, which will in turn allow it to increase product processing and distribution.

Changes in the Carrying Value of Livestock

With the expansion of its land portfolio, Blue Goose has facilitated the increase of its organic cattle herd to over 12,400 head as at September 30, 2013, including its Wagyu herd totalling 277 head.

		Cattle herd as at
(number of animals)	September 30, 2013	December 31, 2012
Breeding cattle and bulls	5,170	3,091
Immature livestock and feeder cattle	7,294	5,378
	12,464	8,469

Changes in the carrying value of livestock and inventory are illustrated in the following table:

	Cattle	Fish	Inventory and Supplies	TOTAL
Opening balance	$ 13,111	$ 598	$ 3,942	$ 17,651
Changes during the nine months ended September 30, 2013				
Acquisitions	1,185	837	2,567	4,589
Net additions	3,085	114	4,095	7,294
Herd growth	4,625	1,957	-	6,582
Price changes	-	225	-	225
Net of product processed	(4,672)	(1,738)	(2,901)	(9,311)
	$ 17,334	$ 1,993	$ 7,703	$ 27,030

Corporate Debt
Blue Goose and its subsidiaries have entered into several loan arrangements, including a $14.8 million advance loan facility, maturing on July 1, 2017. Amounts borrowed pursuant to the advance loan facility are subject to variable interest rates with a weighted average rate of 4.10% during the nine months ended September 30, 2013. The advance loan facility is secured by a first charge mortgage against various real estate assets held by Blue Goose and by certain wholly-owned subsidiaries of Blue Goose, some of which have also provided guarantees in respect of amounts borrowed pursuant to the facility. In addition, Blue Goose has established a $10.0 million fixed term facility secured by ranch property in western Canada. The fixed term facility bears interest at 3.05% per annum.

At September 30, 2013, certain subsidiaries of Blue Goose had established revolving term loan facilities and lines of credit for up to $23.75 million from various Canadian Schedule I chartered banks. These facilities bear interest at varying rates ranging from the bank's prime lending rate for loans plus 0% to the bank's prime lending rate for loans plus 1.25%. These facilities are secured by a general security agreement against all of the assets of the subsidiaries of Blue Goose and are guaranteed by Blue Goose.

Subsequent to September 30, 2013, Blue Goose's US subsidiary secured a 4.70%, 5 year, US$6 million real estate loan, secured by the Owl Creek Ranch, and a variable interest rate US$1 million operating line, secured by the assets of its US subsidiary. Both facilities are guaranteed by Blue Goose.

Other Agriculture and Aquaculture Investments
During the nine months ended September 30, 2013, the Corporation maintained its common equity interest in AgriMarine Holdings Inc. ("AgriMarine") at 17%, but acquired all of the company's secured debt from a third party, and lent to the company new secured debt. This aquaculture company has been strategically refocused on farming fish in a manner that is environmentally sustainable and economically attractive, in both Canada and China.

Founded in 2007, AgriMarine is a TSX-Venture listed company and owner of intellectual property, patents, and licenses that permit it to raise salmon, trout, and other fin fish species in solid-wall closed-containment fish tanks. AgriMarine contends that this innovative fish farming system is superior to open net-pen cage and land-based containment systems used by its competitors.

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

Asset management activities are carried out by the Corporation's 100% owned subsidiary, Goodman & Company, Investment Counsel Inc. ("GCIC"), a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the provinces of Ontario, Quebec and Newfoundland. At September 30, 2013, GCIC managed AUM of $0.5 billion (December 31, 2012 – $1.0 billion).

On January 1, 2013, the management contracts for all of the flow-through limited partnership business carried out under the "CMP", "CDR" and "Canada Dominion Resources" brands, along with Goodman Gold Trust (formerly CMP Gold Trust) were assigned to GCIC from the Corporation's brokerage subsidiary, permitting GCIC to carry out both investment management and investment advisory activities on behalf of the Corporation. As a result, revenues earned by GCIC during the nine months ended September 30, 2013 increased to $3.4 million, compared with $2.6 million earned in the same period of the prior year.

During the nine months ended September 30, 2013, GCIC incurred a loss of $3.4 million (nine months ended September 30, 2012 – $2.5 million). The increase in revenues was offset by an increase in additional overhead incurred by GCIC in scaling up its advisory business following the transfer of the management contracts as outlined above.

DUNDEE SECURITIES LTD.

Dundee Securities Ltd. *(www.dundeecapitalmarkets.com)* is a full-service securities broker and member of the Investment Industry Regulatory Organization of Canada and operates directly and through its sister companies, Dundee Securities Europe LLP, authorized by the Financial Services Authority in the United Kingdom for the purposes of security brokering and asset management, Dundee Securities Inc., a member of the Financial Industry Regulatory Authorities and registered as a broker dealer with the U.S. Securities Exchange Commission, and DCM Insurance Agency Ltd., licensed by the Financial Services Commission of Ontario to carry on business as a life insurance agency (collectively "Dundee Securities").

RESULTS OF OPERATIONS

For the nine months ended September 30,		2013		2012
Revenues				
Management fees	$	4,946	$	9,518
Financial services				
Investment banking		19,717		36,377
Commissions		27,022		29,239
Principal trading		(13,931)		5,957
Foreign exchange trading		587		559
Interest and dividends		7,791		5,541
		46,132		87,191
Cost of sales				
Variable compensation		(24,003)		(41,145)
Other items in net earnings				
Depreciation		(2,106)		(1,002)
General and administrative		(44,833)		(49,352)
Interest expense		(415)		(212)
Foreign exchange (loss) gains		(286)		3
Net earnings attributable to Dundee Securities Ltd.	**$**	**(25,511)**	**$**	**(4,517)**
Net earnings before taxes, Dundee Securities Ltd. attributable to:				
Owners of Dundee Corporation	$	(25,511)	$	(4,517)
Non-controlling interest		-		-
Net earnings before taxes, Dundee Securities Ltd.	**$**	**(25,511)**	**$**	**(4,517)**

Assets Under Management and Assets Under Administration

As previously indicated, on January 1, 2013, certain management contracts were transferred by Dundee Securities to the Corporation's asset management subsidiary, GCIC. As a result, during the nine months ended September 30, 2013, management fee revenues earned were $4.9 million, a substantial decrease from the $9.5 million earned in the same period of the prior year.

(in millions of dollars)

As at		September 30, 2013		December 31, 2012		September 30, 2012
AUA	$	2,870	$	3,119	$	3,084
AUM		823		1,040		1,080

(in millions of dollars)

Balance of AUM, December 31, 2012	$	1,040
AUM transfered to GCIC on January 1, 2013		(181)
AUM decrease during the period		(36)
Balance of AUM, September 30, 2013	$	823

Financial Services Revenue
Investment banking revenue, including revenue from new issues and advisory services fees, was $19.7 million during the nine months ended September 30, 2013, a 46% decrease from the $36.4 million earned in the same period of the prior year. During the nine months ended September 30, 2013, Dundee Securities participated in 84 (nine months ended September 30, 2012 – 121) public and private new issue transactions, with the mining and oil and gas sectors representing 38% of new issue activity. These new issue financings generated revenue of $13.8 million during the nine months ended September 30, 2013, a significant decrease compared with the $30.1 million of revenue earned in the same period of the prior year. When compared with statistics in the Corporation's core areas of competencies, these decreases are consistent with decreases experienced by the industry, generally. During this period, Dundee Capital Markets earned advisory fees of $5.9 million compared with $6.3 million in the same period of the prior year. Advisory mandates are generally long term in nature, and fees are earned only on the successful completion of a transaction.

Commission revenue was $27.0 million during the nine months ended September 30, 2013, compared with $29.2 million earned in the same period of the prior year. Commission revenue was adversely affected by challenging financial markets and business conditions that persisted globally during 2012 and continued during the nine months ended September 30, 2013.

Principal trading activities generated losses of $13.9 million during the nine months ended September 30, 2013, compared with gains of $6.0 million in the same period of the prior year, reflecting market depreciation of proprietary investment banking positions and increased facilitation trading losses.

Variable Compensation Expense
During the nine months ended September 30, 2013, variable compensation expense paid to capital markets professionals was $24.0 million (nine months ended September 30, 2012 – $41.1 million), representing approximately 63% (nine months ended September 30, 2012 – 54%) of related financial services revenue, resulting in contribution margins of 37% (nine months ended September 30, 2012 – 46%). The change in contribution margins reflects the change in variable compensation rates that are paid with reduced revenue generation as well as trading losses that did not reflect payout recoveries and additional payouts.

FINANCIAL CONDITION

Balances Directly Related to Dundee Securities

As at	September 30, 2013	December 31, 2012
Client accounts receivable	$ 499,471	$ 332,627
Client deposits and related liabilities	(596,582)	(360,209)
Securities owned	60,396	73,799
Securities sold short	(20,903)	(17,289)

Client account balances represent funds owing from or belonging to clients, and amounts due to or from brokers and dealers that are pending settlement. While these amounts may vary significantly on a day-to-day basis, they do not necessarily reflect any meaningful changes to Dundee Securities' financial position. The increase in client receivables and client liabilities over the prior year end reflects an increase in trading and foreign exchange activities.

Securities owned and securities sold short represent trading positions of Dundee Securities. Trading positions may also vary significantly on a day-to-day basis depending upon trading strategies in response to market conditions and in anticipation of price movements. These variances do not necessarily reflect any meaningful changes to Dundee Securities' financial position. Trading positions are recorded at their market value based on quoted prices where available, with changes in market values included in principal trading revenue.

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. In connection with the establishment of an introducing and carrying broker arrangement with a third-party service provider on January 1, 2012, Dundee Securities arranged for an uncommitted call loan facility for up to $125 million (December 31, 2012 – $75 million). There was no amount drawn pursuant to this facility at September 30, 2013.

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. These costs were $23.7 million during the nine months ended September 30, 2013, compared with $22.6 million in the same period of the prior year. As part of the Arrangement with Dundee Realty, the Corporation adjusted the settlement terms of its stock based compensation arrangements to provide holders thereof with an equivalent distribution entitlement provided to other shareholders as part of the Arrangement. The adjustment to stock based compensation arrangements were initially recognized as liabilities of approximately $32.2 million in the Corporation's consolidated statement of financial position, including liabilities of $24.3 million recognized as part of the Arrangement. Subsequent to completion of the Arrangement, the value of these obligations has increased to $33.6 million, reflecting the market value of the DREAM Class A subordinate voting shares on September 30, 2013, with a corresponding increase of $1.4 million to general and administrative expenses.

Corporate Interest Expense

Corporate interest expense was $11.4 million during the nine months ended September 30, 2013, before intersegment eliminations, a $3.1 million decrease from the $14.5 million of interest expense incurred in the same period of the prior year, reflecting a decrease in average borrowings over the respective periods.

Income Taxes

The Corporation's effective income tax recovery rate was 29.2% for the nine months ended September 30, 2013 (nine months ended September 30, 2012 – effective income tax rate was 43.2%). This effective income tax recovery rate is higher than the statutory combined federal and provincial tax rate of 26.5% and can be attributed primarily to the refund of Part IV taxes paid in prior years, triggered as a result of the Arrangement as detailed in note 4 to the September 2013 Interim Consolidated Financial Statements. Non-tax deductible items including preference share dividends paid, which were classified as interest expense for accounting purposes, also impacted the effective income tax rate, but were offset by certain non-taxable revenue.

Net Deferred Income Tax Liabilities

The Corporation's net deferred income tax liabilities at September 30, 2013 were $48.0 million, and represent deferred income tax liabilities of $77.0 million, offset by deferred income tax assets of $29.0 million. This compares to net deferred income tax liabilities of $153.2 million at December 31, 2012. Deferred income tax liabilities decreased as a result of declines in the market value of the Corporation's investments and from the effect of the Arrangement. Components of the Corporation's net deferred income tax liabilities are detailed in note 25 to the September 2013 Interim Consolidated Financial Statements. The Corporation's aggregate income tax loss carry forwards at September 30, 2013 were $54.3 million (December 31, 2012 – $52.2 million). Included in the Corporation's deferred income tax balances is a tax benefit of $6.8 million (December 31, 2012 – $10.0 million) in respect of these tax losses.

Corporate Debt

	$6.5 million Exchangeable Debentures	$92.8 million Corporate	Revolving Term Credit Facilities: $225 million Corporate	Revolving Term Credit Facilities: $70 million Dundee Energy	Blue Goose Debt	Discontinued Real Estate Debt	TOTAL
Balance, January 1, 2012	$ 9,883	$ 42,800	$ 224,265	$ 59,191	$ -	$ 210,458	$ 546,597
Fixed term credit facility	-	(42,800)	-	-	75	-	(42,725)
Revolving term credit facilities	-	-	(196,872)	3,442	992	(43,000)	(235,438)
Changes in real estate debt	-	-	-	-	-	66,115	66,115
Debentures submitted for exchange	(2,433)	-	-	-	-	-	(2,433)
Unrealized revaluation adjustment	842	-	-	-	-	-	842
Other	104	-	-	-	-	-	104
Balance, December 31, 2012	8,396	-	27,393	62,633	1,067	233,573	333,062
Fixed term credit facility	-	-	-	-	9,950	-	9,950
Revolving term credit facilities	-	-	(7,121)	3,324	34,725	-	30,928
Changes in real estate debt	-	-	-	-	-	(13,775)	(13,775)
Disposition of real estate debt	-	-	-	-	-	(219,798)	(219,798)
Debentures submitted for exchange	(259)	-	-	-	-	-	(259)
Unrealized revaluation adjustment	(1,740)	-	-	-	-	-	(1,740)
Other	33	-	-	-	-	-	33
Balance, September 30, 2013	$ 6,430	$ -	$ 20,272	$ 65,957	$ 45,742	$ -	$ 138,401

Corporate Revolving Term Credit Facilities ─ The Corporation had established a $225 million credit facility with a Canadian Schedule I Chartered Bank. On October 2, 2013, amounts borrowed pursuant to the credit facility were fully repaid and the revolving term credit facility was extinguished.

5.85% Exchangeable Unsecured Subordinated Debentures ─ The terms of the Corporation's exchangeable debentures provide for the exchange, at the option of the holder, of one $1,000 exchangeable debenture for 33.6134 units of Dundee REIT, subject to certain conditions. The Corporation has placed sufficient units of Dundee REIT into an escrow arrangement established for the purpose of satisfying any potential obligation pursuant to the terms of the exchangeable debentures. During the nine months ended September 30, 2013, debenture holders tendered $0.3 million of exchangeable debentures and received 8,703 units of Dundee REIT on the exchange. The Corporation's exchangeable debentures mature on June 30, 2015.

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 – Changes in Financial Condition*".

Share Capital

As at September 30, 2013, there were 50,988,741 Subordinate Shares and 3,115,835 Class B common shares outstanding. On March 28, 2013, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from April 1, 2013 to March 31, 2014. The normal course issuer bid allows the Corporation to purchase up to a maximum of 2,704,138 Subordinate Shares for subsequent cancellation, representing approximately 10% of the public float at the time approval for the normal course issuer bid was granted. At November 8, 2013, there were 50,989,339 Subordinate Shares and 3,115,835 Class B common shares outstanding.

As at September 30, 2013, the Corporation had granted 1,250,000 options with a weighted average exercise price of $9.40, of which 987,000 were exercisable, as holders had met the vesting criteria.

At September 30, 2013, the Corporation had 6.0 million 5.00% cumulative redeemable first preference shares, series 4 ("Preference Shares, series 4") issued pursuant to the Arrangement with Dundee Realty, and 5.2 million 6.75% cumulative redeemable first preference shares, series 2 ("Preference Shares, series 2") issued and outstanding. A full description of the terms of the Preference Shares, series 2 is provided in note 19 to the 2012 Audited Consolidated Financial Statements and a description of the terms of the Preference Shares, series 4 is provided in note 17 to the September 2013 Interim Consolidated Financial Statements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2013, the Corporation had cash of $238.1 million compared with cash of $41.8 million at December 31, 2012. In addition, available credit under credit facilities available to the Corporation and its subsidiaries was $6.4 million.

		Holding Company		Regulated Subsidiaries		Other Subsidiaries		TOTAL
Cash	$	12,994	$	211,432	$	13,650	$	238,076
Availability under credit facilities, excluding call loan facilities		-		-		6,358		6,358
	$	12,994	$	211,432	$	20,008	$	244,434

Included in the Corporation's consolidated cash balance is cash used in the operating business of the Corporation's brokerage subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets in accordance with 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, which, at September 30, 2013, were $211.1 million, out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements.

As a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in certain provinces, GCIC is also required to maintain minimum capital as prescribed by regulation. At September 30, 2013 and December 31, 2012, all of the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

Significant Sources and Uses of Cash

The Corporation incurred net cash inflows from continuing operations of $204.7 million during the nine months ended September 30, 2013 (nine months ended September 30, 2012 – cash outflows of $97.4 million). Significant cash flow items are as follows:

Significant Cash Flows – Operating Activities

For the nine months ended September 30,		2013		2012
Operating activities:				
Adjusted net earnings	$	(33,915)	$	(4,856)
Changes in balances relating to investment dealer activities		32,762		(52,565)
Changes in agricultural working capital		2,901		(1,699)
Changes in other working capital amounts		(7,716)		48,686
Changes in income taxes		(29,357)		38,292
Cash (used in) provided from operating activities	$	(35,325)	$	27,858

- The effect of changes in balances related to investment dealer activities, including client account balances and brokerage securities owned and sold short, will vary significantly on a day-to-day basis. Cash flow balances relating to investment dealer activities also include amounts borrowed or repaid pursuant to call loan facilities. During the nine months ended September 30, 2013, these balances resulted in net cash inflow of $32.8 million (nine months ended September 30, 2012 – $52.6 million net cash outflow). Changes in cash resulting from these types of transactions may not necessarily reflect any meaningful change in the Corporation's financial position, or that of its subsidiaries.
- Changes in other working capital amounts and changes in cash relating to the Corporation's income tax positions reflect changes in the underlying level of business activities.
- Included in cash from operating activities is $7.0 million (nine months ended September 30, 2012 – $24.5 million) of dividends received by the Corporation from Dundee Realty, prior to completion of the Arrangement.

Significant Cash Flows – Investing Activities

For the nine months ended September 30,		2013		2012
Investing activities:				
Net dispositions of direct investments	$	308,486	$	267,771
Net investment in resource properties		(33,489)		(14,584)
Acquisition of cash in a business combination		9,351		-
Net investment in livestock and other agricultural assets		(76,044)		(23,952)
Other investment activities		(11,987)		(9,652)
Cash provided from investing activities	$	196,317	$	219,583

- 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 nine months ended September 30, 2013, the Corporation generated net cash of $308.5 million from its investment portfolio (nine months ended September 30, 2012 – $267.8 million).
- During the nine months ended September 30, 2013, the Corporation invested $33.5 million into its resource properties, compared with $14.6 million in the same period of the prior year.
- During the nine months ended September 30, 2013, the Corporation acquired cash of $9.4 million associated with the consolidation of United Hydrocarbon.
- Net investment in livestock and agricultural assets during the nine months ended September 30, 2013 was $76.1 million, compared with $24.0 million in the same period of the prior year, reflecting the significant business and asset acquisitions completed by this segment.

Significant Cash Flows – Financing Activities

For the nine months ended September 30,		2013		2012
Financing activities:				
Changes in corporate debt	$	40,878	$	(245,724)
Acquisitions of non-controlling interest		(73)		(88,633)
Net issuance of Class A subordinate shares		382		(4,520)
Dividends paid on Preference Shares, series 2		(6,581)		(6,581)
Net issuance of shares by subsidiaries to non-controlling interest		9,141		584
Cash provided from (used in) financing activities	$	43,747	$	(344,874)

- Net amounts drawn against credit facilities available to the Corporation and to its subsidiaries during the nine months ended September 30, 2013 were $40.9 million (nine months ended September 30, 2012 – $245.7 million repaid).
- Cash raised pursuant to the issuance of shares by subsidiaries includes $2.7 million raised from non-controlling interests pursuant to the rights offering by Dundee Energy in April 2013 and $6.7 million raised by Blue Goose pursuant to private placements, before associated costs of issue.
- During the nine months ended September 30, 2013, the Corporation paid dividends of $6.6 million (nine months ended September 30, 2012 – $6.6 million) on outstanding Preference Shares, series 2. The Corporation has not paid a dividend on its Subordinate Shares or on its common shares.
- On February 1, 2012, the Corporation successfully completed the acquisition of all of the outstanding common shares of Dundee Capital Markets Inc., the parent of Dundee Securities, that it did not already own for cash of $1.125 per share, by way of an approved plan of arrangement under the *Ontario Business Corporations Act*. Total cash paid for the transaction was $88.6 million.

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 and agricultural 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. In addition, the Corporation anticipates that its operations will continue to provide the cash necessary to fund expenses and debt service requirements. Capital may also be generated through dispositions of investments as the Corporation repositions its investment portfolio in a manner consistent with its stated strategy to maintain a conservative level of debt, while ensuring that sufficient capital is available to execute the Corporation's business plan at all times.

On an ongoing basis, the Corporation will require cash to support regulated subsidiaries, to develop its energy, resource, agricultural and real estate properties, to meet its obligations under its other contractual commitments, and to finance dividend and interest payments on preference shares and debt obligations. The Corporation may also require cash to finance new business initiatives or to invest in other opportunities, including growth opportunities related to its portfolio of investments. On a consolidated basis, the Corporation believes that operating cash flow, combined with available lines of credit and its portfolio of investments, provide sufficient cash resources for the Corporation to conduct its operations for the foreseeable future.

RESULTS OF OPERATIONS

Three months ended September 30, 2013 compared with the three months ended September 30, 2012

Consolidated Net Earnings

During the third quarter of 2013, the Corporation realized net earnings attributable to owners of Dundee Corporation of $2.6 million or $0.01 per share. This compares to net earnings of $38.5 million or $0.66 per share in the same period of the prior year. Earnings in the same period of the prior year include $17.3 million of earnings from discontinued operations. A more detailed discussion of the contribution of each business segment is discussed below.

	Continuing Operations		Discontinued Operations		TOTAL	
For the three months ended September 30,	2013	2012	2013	2012	2013	2012
Net earnings before income taxes from:						
Dundee Realty Corporation	$ -	$ -	$ -	$ 33,410	$ -	$ 33,410
Corporate and other portfolio holdings	23,535	32,792	-	-	23,535	32,792
Dundee Energy Limited	(1,374)	(3,327)	-	-	(1,374)	(3,327)
Eurogas International Inc.	(196)	(163)	-	-	(196)	(163)
Nichromet Extraction Inc.	(949)	(507)	-	-	(949)	(507)
United Hydrocarbon International Corp.	(2,470)	-	-	-	(2,470)	-
Blue Goose Capital Corp.	(2,241)	53	-	-	(2,241)	53
Goodman & Company, Investment Counsel Inc.	(2,025)	(959)	-	-	(2,025)	(959)
Dundee Securities Ltd.	(15,193)	(2,389)	-	-	(15,193)	(2,389)
Gain on distribution of assets	-	-	-	-	-	-
	(913)	25,500	-	33,410	(913)	58,910
Income taxes recovery (expense)	360	(5,550)	-	(8,986)	360	(14,536)
Net earnings for the period	**$ (553)**	**$ 19,950**	**$ -**	**$ 24,424**	**$ (553)**	**$ 44,374**
Net earnings attributable to:						
Owners of the parent	$ 2,598	$ 21,232	$ -	$ 17,303	$ 2,598	$ 38,535
Non-controlling interest	(3,151)	(1,282)	-	7,121	(3,151)	5,839
	$ (553)	**$ 19,950**	**$ -**	**$ 24,424**	**$ (553)**	**$ 44,374**

Segmented Results of Operations

CORPORATE AND OTHER PORTFOLIO INVESTMENTS

Equity Accounted Investments

Changes to the Corporation's portfolio of equity accounted investments during the third quarter of 2013 is illustrated in the table below.

For the three months ended		September 30, 2013
Carrying value of equity accounted investments, beginning of period	$	738,726
Transactions during the three months ended September 30, 2013		
Cash invested in equity accounted investments		154
Transfer of net carrying value to portfolio investments		(283,954)
Share of earnings from equity accounted investments		1,178
Share of other comprehensive loss from equity accounted investments		(2,490)
Distributions received, net of reinvestments		(4,739)
Carrying value of equity accounted investments, end of period	**$**	**448,875**

Equity earnings from these investments were $1.2 million in the third quarter of 2013, compared with $3.1 million of equity earnings in the same period of the prior year.

For the three months ended		September 30, 2013		September 30, 2012
Dundee Precious Metals Inc.	$	(3,212)	$	5,065
Dundee Real Estate Investment Trust		3,610		4,504
Dundee International Real Estate Investment Trust		1,617		2,749
360 VOX Corporation		(192)		(268)
Corona Gold Corporation		(532)		(64)
Ryan Gold Corp.		(79)		(8,827)
Odyssey Resources Limited		(34)		(63)
Escal UGS S.L.		-		-
	$	**1,178**	**$**	**3,096**

Portfolio Investments

		Three months ended September 30, 2013
Market value of investments, beginning of period	$	892,990
Transactions during the period		
New investments		75,765
Proceeds from sales of investments		(381,719)
Changes in market values		29,727
Transfer from equity accounted investments		283,954
Other transactions		(337)
Market value of investments, end of period	**$**	**900,380**

The Corporation generated proceeds from sales of investments, including proceeds from the sale of its investment in Scotiabank, of $381.7 million during the third quarter of 2013, and realized gains from direct sales of investments of $3.0 million. The Corporation reinvested a total of $75.8 million in its portfolio during the third quarter of the current year, including approximately $37.5 million invested pursuant to its development venture with 360 VOX and Paragon (*see "360 VOX Corporation"*), $10.8 million in the resource sector and $6.5 million in energy-based securities.

During the third quarter of 2013, and as illustrated in the table below, the value of the Corporation's investment portfolio appreciated by $29.7 million (third quarter of 2012 – $25.2 million), including $3.0 million of realized gains.

	For the three months ended September 30, 2013		For the three months ended September 30, 2012	
	Realized	Unrealized	Realized	Unrealized
Publicly traded securities	$ 8,918	$ 24,686	$ (27,642)	$ 26,560
Private investments	(307)	(1,399)	22	13,056
Mutual funds and other short term investments	-	10	-	548
Debt securities	3,916	1,846	-	1,364
Warrants and options	(9,508)	1,565	-	11,289
	$ 3,019	**$ 26,708**	**$ (27,620)**	**$ 52,817**

DUNDEE ENERGY LIMITED

During the third quarter of 2013, Dundee Energy incurred a net loss of $0.7 million attributable to owners of Dundee Corporation. This compares with a loss of $2.2 million attributable to owners of Dundee Corporation in the same quarter of the prior year.

For the three months ended September 30,	2013	2012
Revenues		
Oil and gas sales	$ 9,340	$ 7,359
Interest and dividends	739	71
	10,079	7,430
Cost of sales	(4,636)	(3,876)
Other items in net earnings before taxes		
Depreciation and depletion	(3,522)	(3,786)
General and administrative	(1,500)	(1,332)
Loss on derivative financial instruments	(509)	(354)
Interest expense	(1,257)	(1,324)
Foreign exchange loss	(29)	(85)
Net earnings before taxes, Dundee Energy Limited	**$ (1,374)**	**$ (3,327)**
Net earnings before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	$ (715)	$ (2,239)
Non-controlling interest	(659)	(1,088)
Net earnings before taxes, Dundee Energy Limited	**$ (1,374)**	**$ (3,327)**

Field Level Cash Flows and Field Netbacks

For the three months ended September 30,			2013			2012
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	$ 4,875	$ 6,140	$ 11,015	$ 2,892	$ 5,794	$ 8,686
Royalties	(736)	(939)	(1,675)	(449)	(878)	(1,327)
Production expenditures	(2,672)	(1,964)	(4,636)	(2,245)	(1,631)	(3,876)
	1,467	3,237	4,704	198	3,285	3,483
Realized risk management (loss) gain	196	(371)	(175)	654	554	1,208
Field level cash flows	$ 1,663	$ 2,866	$ 4,529	$ 852	$ 3,839	$ 4,691

Field level cash flows in the third quarter of 2013, before realized risk management contract gains or losses, were $4.7 million, a 35% increase over field level cash flows of $3.5 million generated in the third quarter of the prior year. The increase results from higher realized prices from sales of both oil and natural gas, as well as from field level cash flows resulting from Dundee Energy's increase in working interests related to its properties in southern Ontario. This was partially offset by increased production costs per unit as a result of lower production volumes.

Correspondingly, field netbacks in the third quarter of 2013 increased to $19.59/boe compared with $15.65/boe earned in the third quarter of the prior year. Realized losses resulting from Dundee Energy's risk management contracts reduced field netbacks in the third quarter of 2013 by $0.73/boe. In the comparable period of 2012, these contracts added $1.2 million to field level cash flows and $5.43/boe to field netbacks.

BLUE GOOSE CAPITAL CORP.

During the third quarter of 2013, Blue Goose incurred a loss attributable to the owners of Dundee Corporation of $1.8 million, compared with a notional amount of net earnings attributable to owners of Dundee Corporation in the same quarter of the prior year. The current period operating loss was partially offset by the recognition of a $2.9 million gain in the estimated fair value of livestock, primarily attributable to growth of the cattle herd. This compares to an estimated fair value gain of $0.6 million recognized in the same period of the prior year.

For the three months ended September 30,	2013	2012
Revenues		
Sales of livestock	$ 14,770	$ 2,356
Interest and dividends	-	-
	14,770	2,356
Cost of sales	(15,212)	(1,103)
Other items in net earnings before taxes		
Depreciation and depletion	(674)	(253)
General and administrative	(3,566)	(1,380)
Fair value changes in livestock	2,866	550
Interest expense	(420)	(117)
Foreign exchange loss	(5)	-
Net earnings before taxes, Blue Goose Capital Corp.	**$ (2,241)**	**$ 53**
Net earnings before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	$ (1,836)	$ 53
Non-controlling interest	(405)	-
Net earnings before taxes, Blue Goose Capital Corp.	**$ (2,241)**	**$ 53**

During the third quarter of 2013, Blue Goose generated a negative gross margin of $0.4 million on revenue of $14.8 million. This compares with a gross margin of $1.3 million on revenue of $2.4 million in the same quarter of 2012 during which Blue Goose was only selling beef in British Columbia. Consistent with year-to-date results, the negative gross margin during the third quarter of 2013 reflects the costs of limited processing in its new abattoir in British Columbia following federal certification, as well as the continuing cost of ramping up chicken and fish sales volumes to retailers in Ontario, Quebec and the Atlantic provinces. This was partially offset by a positive gross margin derived from Blue Goose's feed and aggregate businesses.

For the three months ended September 30,	2013				2012			
Components of Agriculture Products*	Revenue	Costs	Margin	% Margin	Revenue	Costs	Margin	% Margin
Beef	$ 1,955	$ 2,565	$ (610)	(31.2%)	$ 1,837	$ 340	$ 1,497	81.5%
Chicken	2,890	2,441	449	15.5%	-	-	-	n/a
Fish	1,069	2,056	(987)	(92.3%)	519	763	(244)	(47.0%)
Feed	7,538	7,296	242	3.2%	-	-	-	n/a
Other	1,318	854	464	35.2%	-	-	-	n/a
	$ 14,770	$ 15,212	$ (442)	(3.0%)	$ 2,356	$ 1,103	$ 1,253	53.2%

** Excludes general and administrative expenses, interest expense and depreciation*

Units of livestock sold during the third quarter of 2013 are illustrated in the table below.

	For the three months ended September 30,	
Unit sales	2013	2012
Beef (head)	351	288
Chicken (kgs)	515,479	-
Fish (lbs)	351,278	75,290

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

Management fee revenue earned by GCIC during the third quarter of 2013 was $1.0 million, compared with $0.8 million earned in the same period of the prior year. Consistent with year-to-date results, the increase reflects the transfer of the management contracts relating to the “CMP”, “CDR” and “Goodman Gold Trust” products from Dundee Securities Ltd., offset by a decrease in the value of the underlying AUM, reflective of market conditions, and in particular, the resource sector.

During the third quarter of 2013, GCIC incurred a net loss of $2.0 million, compared with a net loss in the third quarter of 2012 of $1.0 million.

DUNDEE SECURITIES LTD.

During the third quarter of 2013, Dundee Securities incurred a loss attributable to owners of Dundee Corporation of $15.2 million. This compares with a loss of $2.4 million in the same quarter of the prior year.

For the three months ended September 30,		2013		2012
Revenues				
Management fees	$	1,673	$	3,065
Financial services				
Investment banking		4,304		8,587
Commissions		7,871		9,215
Principal trading		(6,885)		3,246
Foreign exchange trading		202		232
Interest and dividends		1,853		1,587
		9,018		25,932
Cost of sales				
Variable compensation		(9,005)		(11,570)
Other items in net earnings				
Depreciation		(710)		(190)
General and administrative		(14,677)		(16,626)
Interest expense		(33)		(35)
Foreign exchange gain		214		100
Net earnings attributable to Dundee Securities Ltd.	**$**	**(15,193)**	**$**	**(2,389)**
Net earnings before taxes, Dundee Securities Ltd. attributable to:				
Owners of Dundee Corporation	$	(15,193)	$	(2,389)
Non-controlling interest		-		-
Net earnings before taxes, Dundee Securities Ltd.	**$**	**(15,193)**	**$**	**(2,389)**

Revenues in Dundee Securities decreased to $9.0 million in the third quarter of 2013 from $25.9 million in the same period of the prior year. Investment banking revenue decreased by 50% relative to the third quarter of the prior year as a result of a decrease in advisory fees and new issue transactions in the current quarter. During the three months ended September 30, 2013, Dundee Securities participated in 24 (three months ended September 30, 2012 – 32) public and private new issue transactions, with the mining and oil and gas sectors representing 38% of new issue activity. These new issue financings generated revenue of $3.6 million in the third quarter of 2013, a significant decrease compared with the $6.8 million of revenue earned in the same period of the prior year. During this period, Dundee Capital Markets earned advisory fees of $0.7 million compared with $1.8 million in the same period of the prior year.

Commission revenue was $7.9 million during the third quarter of 2013, compared with $9.2 million earned in the same period of the prior year. This represents a 15% decrease, which reflects the ongoing challenges in capital markets.

Principal trading activities generated losses of $6.9 million during the three months ended September 30, 2013, compared with gains of $3.2 million in the same period of the prior year, primarily as a result of losses in proprietary investment banking positions.

Management fee revenue was $1.7 million during the three months ended September 30, 2013. This compares with $3.1 million earned in the same period of the prior year. Consistent with year-to-date results, the decrease reflects a decline in AUM levels resulting from the transfer of the associated management contracts relating to "CMP", "CDR" and "Goodman Gold Trust" products to GCIC.

Variable compensation expense paid to capital markets professionals was $9.0 million (three months ended September 30, 2012 – $11.6 million). Variable compensation exceeded associated revenues for the quarter as amounts were accrued in excess of the normal payout model due to unusual losses on proprietary inventory positions.

General and administrative expenses incurred by Dundee Securities were $14.7 million in the third quarter of 2013 compared with $16.6 million in the same period of the prior year and partially reflect reduced business activities.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

	2013			*2012*				*2011*
For the three months ended	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec
Net earnings for the period								
Continuing operations	$ 2,598	$ (69,285)	$ (46,605)	$ 10,595	$ 21,232	$ (133,625)	$ 126,964	$ (39,818)
Discontinued operations	-	610,897	15,812	24,913	17,303	21,867	9,681	28,179
Net earnings attributable to owners of the parent	$ 2,598	$ 541,612	$ (30,793)	$ 35,508	$ 38,535	$ (111,758)	$ 136,645	$ (11,639)
Earnings per share								
Basic								
Continuing operations	$ 0.01	$ (1.32)	$ (0.90)	$ 0.15	$ 0.35	$ (2.47)	$ 2.27	$ (0.73)
Discontinued operations	-	11.29	0.29	0.46	0.31	0.40	0.18	0.49
	$ 0.01	$ 9.97	$ (0.61)	$ 0.61	$ 0.66	$ (2.07)	$ 2.45	$ (0.24)
Diluted								
Continuing operations	$ 0.01	n/a	n/a	$ 0.15	$ 0.34	n/a	$ 2.19	n/a
Discontinued operations	-	n/a	n/a	0.44	0.30	n/a	0.17	n/a
	$ 0.01	n/a	n/a	$ 0.59	$ 0.64	n/a	$ 2.36	n/a

- In the second quarter of 2013, the Corporation realized a gain from discontinued operations of $599.4 million relating to the distribution of assets pursuant to its Arrangement with Dundee Realty.
- Included in net earnings are realized and unrealized gains or losses relating to the Corporation's direct investments in public and private securities. Changes in the market value of investments are determined by equity and credit markets and are expected to result in significant quarterly fluctuations in net earnings. 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 in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information.
- The Corporation may earn performance fee revenue if the returns on AUM exceed established benchmarks. Performance fees are contingent on the market values of the underlying portfolio at a specified point in time, generally at the calendar year end, or upon the conclusion of limited partnership arrangements. The Corporation may experience fluctuations in period-over-period revenues as performance fees are only recorded in earnings when amounts are determined with certainty.
- The Corporation's share of earnings from equity accounted investments is included in net earnings for each quarter. Earnings from each equity accounted investment 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 30 to the September 2013 Interim Consolidated Financial Statements, there have been no significant changes in the nature of off-balance sheet arrangements, commitments and contingencies from those described in note 33 to the 2012 Audited Consolidated Financial Statements and under *"Off-Balance Sheet Arrangements"* and *"Commitments and Contingencies"* on pages 36 through 38 in the Corporation's MD&A as at and for the year ended December 31, 2012.

RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 34 to the 2012 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 expenses 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 expenses 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 2012 Audited Consolidated Financial Statements. There have been no significant changes in these judgments and estimates during the nine months ended September 30, 2013.

Other than as disclosed in note 2 to the September 2013 Interim Consolidated Financial Statements, there have been no changes in the accounting policies adopted in the preparation of the Corporation's September 2013 Interim Consolidated Financial Statements from those detailed in note 3 to the Corporation's 2012 Audited Consolidated Financial Statements. Except for as noted elsewhere in this MD&A, the changes in accounting policies adopted during the nine months ended September 30, 2013 did not have a material impact to the September 2013 Interim 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 September 30, 2013.

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 of September 30, 2013, the Corporation's disclosure controls and procedures were effective.

The Chief Executive Officer and Chief Financial Officer of the Corporation have also evaluated whether there were changes to the Corporation's internal control over financial reporting during the nine months ended September 30, 2013 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 evaluation.

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 2012 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.

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 2013 and beyond, 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 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 and meet financial obligations; the performance of the Corporation's principal subsidiaries; the Corporation's ability to raise additional capital; the Corporation's ability to create, attract and retain AUM and AUA; 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, 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 of November 8, 2013.

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 real estate, resource and capital markets sectors, the Corporation considered historical economic data provided by the Canadian government and its agencies, 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
November 8, 2013

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

(expressed in thousands of Canadian dollars)

	Note	As at September 30, 2013	As at December 31, 2012
			(note 2)
ASSETS			
Cash		$ 238,076	$ 41,824
Accounts receivable		169,506	315,607
Client accounts receivable	6	499,471	332,627
Derivative financial assets	7	2,310	5,135
Brokerage securities owned	8	63,064	74,381
Investments	9	900,380	1,228,512
Equity accounted investments	10	448,875	464,536
Real estate joint venture investments		-	65,204
Real estate assets		-	572,878
Resource properties	11	328,170	169,761
Livestock	12	27,030	17,651
Capital and other assets	13	161,159	97,980
TOTAL ASSETS		**$ 2,838,041**	**$ 3,386,096**
LIABILITIES			
Accounts payable and accrued liabilities		$ 114,388	$ 261,850
Client deposits and related liabilities	14	548,873	364,198
Brokerage securities sold short	8	20,903	17,289
Income taxes payable		6,762	47,798
Corporate debt	15	138,401	333,062
Decommissioning liabilities	16	43,116	44,739
Preference Shares, series 1	17	-	148,773
Preference Shares, series 4	17	106,352	-
Deferred income tax liabilities	25	47,976	153,238
		1,026,771	1,370,947
SHAREHOLDERS' EQUITY			
Share capital			
Common shares	18	208,400	207,768
Preference Shares, series 2	17	127,068	127,068
Contributed surplus		4,265	11,720
Retained earnings		1,365,983	1,529,378
Accumulated other comprehensive loss	19	(4,169)	(7,949)
		1,701,547	1,867,985
NON-CONTROLLING INTEREST	20	109,723	147,164
		1,811,270	2,015,149
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 2,838,041**	**$ 3,386,096**

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

Commitments, contingencies and off-balance sheet arrangements (note 30)

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 September 30, 2013	For the three months ended September 30, 2012 (note 2)	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012 (note 2)
REVENUES	21	$ 41,217	$ 48,210	$ 131,073	$ 156,308
OTHER ITEMS IN NET EARNINGS					
Cost of sales	22	(28,853)	(16,549)	(69,125)	(55,068)
Depreciation and depletion	11, 13	(5,583)	(4,896)	(15,864)	(14,724)
General and administrative	24	(37,303)	(27,055)	(92,120)	(87,837)
Net (loss) gains from investments	9	29,727	25,197	(147,051)	16,164
Share of earnings from equity accounted investments	10	1,178	3,096	27,860	21,084
Loss on sale of equity accounted investment		-	(105)	(35)	(266)
Fair value changes in livestock	12	2,866	550	6,807	1,668
(Loss) gains on derivative financial instruments	7	(689)	184	(4,141)	2,533
Interest expense	15, 16	(3,713)	(2,339)	(11,445)	(16,231)
Foreign exchange gains (loss)		240	(793)	3,365	(2,252)
NET EARNINGS BEFORE INCOME TAXES		(913)	25,500	(170,676)	21,379
Income taxes recovery (expense)	25	360	(5,550)	49,900	(9,235)
NET EARNINGS FROM CONTINUING OPERATIONS		(553)	19,950	(120,776)	12,144
DISCONTINUED OPERATIONS	4				
Earnings, net of taxes		-	24,424	37,323	68,514
Gain on distribution of assets, net of taxes		-	-	599,446	-
		-	24,424	636,769	68,514
NET EARNINGS FOR THE PERIOD		**$ (553)**	**$ 44,374**	**$ 515,993**	**$ 80,658**
NET EARNINGS ATTRIBUTABLE TO:					
Owners of the parent					
Continuing operations		$ 2,598	$ 21,232	$ (113,292)	$ 14,571
Discontinued operations		-	17,303	626,709	48,851
		2,598	38,535	513,417	63,422
Non-controlling interest					
Continuing operations		(3,151)	(1,282)	(7,484)	(2,427)
Discontinued operations		-	7,121	10,060	19,663
		(3,151)	5,839	2,576	17,236
		$ (553)	**$ 44,374**	**$ 515,993**	**$ 80,658**
NET EARNINGS PER SHARE	26				
Basic					
Continuing operations		$ 0.01	$ 0.35	$ (2.22)	$ 0.15
Discontinued operations		-	0.31	11.59	0.89
		$ 0.01	$ 0.66	$ 9.37	$ 1.04
Diluted					
Continuing operations		$ 0.01	$ 0.34	n/a	$ 0.14
Discontinued operations		-	0.30	n/a	0.86
		$ 0.01	$ 0.64	n/a	$ 1.00

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

DUNDEE CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

(expressed in thousands of Canadian dollars)

	Note	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
			(note 2)		(note 2)
NET EARNINGS FOR THE PERIOD		$ (553)	$ 44,374	$ 515,993	$ 80,658
Other comprehensive income:					
Items that may be reclassified to net earnings					
Unrealized gains (loss) from foreign currency translation		(281)	-	255	8
Share of other comprehensive gains (loss) from equity accounted investments,		(3,032)	(1,368)	3,339	(10,731)
net of associated taxes		787	346	(939)	2,842
Transfer of unrealized other comprehensive loss from equity accounted					
investments to net earnings,		542	-	542	-
net of associated taxes		(72)	-	(72)	-
Other comprehensive income from continuing operations		(2,056)	(1,022)	3,125	(7,881)
Other comprehensive income from discontinued operations,	4	-	(1,101)	1,533	(1,918)
net of associated taxes		-	86	(171)	236
Total other comprehensive income for the period		(2,056)	(2,037)	4,487	(9,563)
COMPREHENSIVE INCOME FOR THE PERIOD		**$ (2,609)**	**$ 42,337**	**$ 520,480**	**$ 71,095**
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent					
Continuing operations		$ 592	$ 20,210	(110,199)	$ 6,676
Discontinued operations		-	16,521	627,804	47,497
		592	36,731	517,605	54,173
Non-controlling interest					
Continuing operations		(3,201)	(1,282)	(7,452)	(2,413)
Discontinued operations		-	6,888	10,327	19,335
		(3,201)	5,606	2,875	16,922
		$ (2,609)	**$ 42,337**	**$ 520,480**	**$ 71,095**

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)

	Attributable to Owners of the Parent						
	Common Shares	Preference Shares, Series 2	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total
Balance, December 31, 2011	$ 210,573	$ 127,068	$ 14,253	$ 1,522,522	$ (67,144)	$ 211,475	$ 2,018,747
Implementation of IFRS 9 (note 2)	-	-	-	(64,895)	64,895	-	-
Balance, January 1, 2012	210,573	127,068	14,253	1,457,627	(2,249)	211,475	2,018,747
For the nine months ended September 30, 2012							
Net earnings, continuing operations	-	-	-	14,571	-	(2,427)	12,144
Net earnings, discontinued operations (note 4)	-	-	-	48,851	-	19,663	68,514
Other comprehensive income, continuing operations	-	-	-	-	(7,895)	14	(7,881)
Other comprehensive income, discontinued operations (note 4)	-	-	-	-	(1,354)	(328)	(1,682)
Acquisition of Class A subordinate shares for cancellation (note 18)	(936)	-	-	(4,289)	-	-	(5,225)
Issuance of Class A subordinate shares for non-cash consideration (note 18)	53	-	-	-	-	-	53
Issuance of Class A subordinate shares for cash (note 18)	52	-	-	-	-	-	52
Dividends on Preference Shares, series 2	-	-	-	(6,581)	-	-	(6,581)
Stock based compensation (note 23)	-	-	1,775	-	-	-	1,775
Exercise of options (note 18)	701	-	(48)	-	-	-	653
Share incentive arrangements	-	-	901	-	-	-	901
Dividends paid to non-controlling interest	-	-	-	-	-	(10,500)	(10,500)
Changes of ownership interest in subsidiaries (note 5)	-	-	(5,705)	-	-	(77,563)	(83,268)
Balance, September 30, 2012	210,443	127,068	11,176	1,510,179	(11,498)	140,334	1,987,702
From October 1, 2012 to December 31, 2012							
Net earnings, continuing operations	-	-	-	10,595	-	(6,823)	3,772
Net earnings, discontinued operations	-	-	-	24,913	-	10,819	35,732
Other comprehensive income, continuing operations	-	-	-	-	2,442	-	2,442
Other comprehensive income, discontinued operations	-	-	-	-	1,107	121	1,228
Acquisition of Class A subordinate shares for cancellation (note 18)	(2,710)	-	-	(14,115)	-	-	(16,825)
Issuance of Class A subordinate shares for non-cash consideration (note 18)	17	-	-	-	-	-	17
Issuance of Class A subordinate shares for cash (note 18)	18	-	-	-	-	-	18
Dividends on Preference Shares, series 2	-	-	-	(2,194)	-	-	(2,194)
Stock based compensation (note 23)	-	-	647	-	-	-	647
Exercise of options (note 18)	-	-	-	-	-	-	-
Share incentive arrangements	-	-	-	-	-	-	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-
Changes of ownership interest in subsidiaries (note 5)	-	-	(103)	-	-	2,713	2,610
Balance, December 31, 2012	207,768	127,068	11,720	1,529,378	(7,949)	147,164	2,015,149
For the nine months ended September 30, 2013							
Net earnings, continuing operations	-	-	-	(113,292)	-	(7,484)	(120,776)
Net earnings, discontinued operations (note 4)	-	-	-	626,709	-	10,060	636,769
Other comprehensive income, continuing operations	-	-	-	-	3,093	32	3,125
Other comprehensive income, discontinued operations (note 4)	-	-	-	-	1,095	267	1,362
Issuance of Class A subordinate shares for non-cash consideration (note 18)	53	-	-	-	-	-	53
Issuance of Class A subordinate shares for cash (note 18)	52	-	-	-	-	-	52
Dividends on Preference Shares, series 2	-	-	-	(6,581)	-	-	(6,581)
Stock based compensation (note 23)	-	-	1,344	-	-	-	1,344
Exercise of options (note 18)	527	-	(136)	-	-	-	391
Distribution of assets (note 4)	-	-	(7,938)	(670,231)	(408)	(115,864)	(794,441)
Changes of ownership interest in subsidiaries (note 5)	-	-	(725)	-	-	75,548	74,823
Balance, September 30, 2013	**$ 208,400**	**$ 127,068**	**$ 4,265**	**$ 1,365,983**	**$ (4,169)**	**$ 109,723**	**$ 1,811,270**

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)

	Note	For the nine months ended September 30, 2013	September 30, 2012
OPERATING ACTIVITIES:			
Net earnings for the period		$ 515,993	$ 80,658
Adjusted for:			
Net earnings from discontinued operations	4	(37,323)	(68,514)
Gain on distribution of assets	4	(599,446)	-
Dividends received from discontinued operations		7,000	24,500
Items not affecting cash and other adjustments	27	79,861	(41,500)
Changes in non-cash working capital items	27	(1,410)	32,714
Cash (used in) provided from operating activities – continuing operations		(35,325)	27,858
Cash (used in) provided from operating activities – discontinued operations		(15,496)	48,317
CASH (USED IN) PROVIDED FROM OPERATING ACTIVITIES		(50,821)	76,175
INVESTING ACTIVITIES:			
Net investment in resource properties		(33,489)	(14,584)
Net investment in livestock and other agricultural assets		(76,044)	(23,952)
Acquisition of cash in a business combination		9,351	-
Acquisition of portfolio investments		(303,412)	(296,550)
Proceeds from dispositions of portfolio investments		611,898	564,321
Net investment in capital and other assets		(11,987)	(9,652)
Cash provided from investing activities – continuing operations		196,317	219,583
Cash used in investing activities – discontinued operations		(983)	(19,691)
CASH PROVIDED FROM INVESTING ACTIVITIES		195,334	199,892
FINANCING ACTIVITIES:			
Change in corporate debt		40,878	(245,724)
Acquisitions from non-controlling interest		(73)	(88,633)
Net issuance of Class A subordinate shares, net of issue costs		382	705
Acquisition of Class A subordinate shares, net of costs	18	-	(5,225)
Net issuance of shares by subsidiaries to non-controlling interest		9,141	584
Dividends paid on Preference Shares, series 2		(6,581)	(6,581)
Cash provided from (used in) financing activities – continuing operations		43,747	(344,874)
Cash provided from (used in) financing activities – discontinued operations		24,285	(19,245)
CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES		68,032	(364,119)
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD		212,545	(88,052)
Cash, continuing operations, beginning of period		33,337	212,784
Cash, discontinued operations, beginning of period		8,487	739
		254,369	125,471
Less: cash disposed of on distribution of assets		(16,293)	-
Less: cash, discontinued operations, end of period		-	(10,120)
CASH, CONTINUING OPERATIONS, END OF PERIOD		**$ 238,076**	**$ 115,351**
Cash flows include the following amounts:			
Interest paid		$ 10,743	$ 15,519
Taxes paid		$ 45,135	$ 4,077

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

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

For the three and nine months ended September 30, 2013 and September 30, 2012
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 holding company owning subsidiaries engaged in the areas of the Corporation's core competencies including energy, resources, agriculture, real estate and infrastructure. The Corporation also owns and manages direct investments in these core focus areas. Information regarding the Corporation's reportable business segments is contained in note 32.

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. The Corporation is listed on the Toronto Stock Exchange ("TSX") under the symbol "DC.A".

At September 30, 2013 and December 31, 2012, the Corporation's major operating subsidiaries included:

	As at and for the nine months ended September 30, 2013		As at and for the year ended December 31, 2012	
(in alphabetical order)	Opening Ownership	Ending Ownership	Opening Ownership	Ending Ownership
Blue Goose Capital Corp.	83%	82%	81%	83%
Dundee Energy Limited	57%	58%	57%	57%
Dundee Realty Corporation (note 4)	70%	0%	70%	70%
Dundee Securities Ltd.	100%	100%	49%	100%
Goodman & Company, Investment Counsel Inc.	100%	100%	100%	100%
United Hydrocarbon International Corp. (note 5)	n/a	29%	n/a	n/a

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and nine months ended September 30, 2013 ("September 2013 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 Handbook of Canadian Institute of Chartered Accountants, as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "*Interim Financial Reporting*". The September 2013 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, 2012 ("2012 Audited Consolidated Financial Statements") which were prepared in accordance with IFRS as applicable for annual financial statements. The September 2013 Interim Consolidated Financial Statements were authorized for issuance by the Board of Directors on November 8, 2013.

The September 2013 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in note 3 to the 2012 Audited Consolidated Financial Statements, except as described below.

Certain items on the consolidated statement of financial position as at December 31, 2012 have been reclassified to conform to the September 30, 2013 presentation. The Corporation does not believe that these reclassifications had a material effect on the September 2013 Interim Consolidated Financial Statements, from either a quantitative or a qualitative perspective.

Changes in Accounting Policies Implemented During the Three and Nine Months Ended September 30, 2013

The Corporation has adopted the following new and revised accounting standards, including any consequential amendments thereto. Changes in accounting policies adopted by the Corporation were made in accordance with the applicable transitional provisions as provided in those standards and amendments.

IFRS 7, "Financial Instruments: Disclosure" ("IFRS 7")

Amendments to IFRS 7 require the disclosure of information that enables users of an entity's financial statements to evaluate the effect, or potential effect, of offsetting financial assets and financial liabilities, to the entity's financial position. The Corporation adopted IFRS 7 on January 1, 2013 and, accordingly, the Corporation has included disclosures relating to the offsetting of derivative financial assets against derivative financial liabilities, if any, in notes 7 and 9 to the September 2013 Interim Consolidated Financial Statements.

IFRS 9, "Financial Instruments" ("IFRS 9")

The Corporation has elected to early adopt IFRS 9. This standard replaces the guidance in IAS 39, *"Financial Instruments"* relating to the classification and measurement of financial assets and liabilities. IFRS 9 eliminates the classification of financial instruments as *"available-for-sale"* and *"held to maturity"*, and the requirement to bifurcate embedded derivatives with respect to hybrid contracts. Under IFRS 9, equity instruments are classified as financial instruments carried at fair value with changes in fair value recorded in profit or loss ("FVTPL"), or in other comprehensive income if they are not held for trading and are designated as such on initial recognition ("FVOCI"). The Corporation's equity instruments are classified as FVTPL and equity instruments held by the Corporation's equity accounted investees have been classified as FVOCI. Fixed income investments are measured at amortized cost if both of the following criteria are met: (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset gives rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. Otherwise, fixed income investments are measured as FVTPL. Investments in hybrid contracts are classified as FVTPL. There were no changes to the classification of financial liabilities as a result of the adoption of IFRS 9. Furthermore, the implementation of IFRS 9 did not result in any significant changes to the measurement of the fair values of the Corporation's financial instruments. The Corporation adopted IFRS 9 on April 1, 2013 on a retrospective basis, the effect of which was to recognize all unrealized gains and losses on financial instruments that were included in accumulated other comprehensive income to retained earnings. The impact on individual financial statement line items is as follows:

Impact on Consolidated Statements of Financial Position

Increase (decrease) to:	December 31, 2012	As at January 1, 2012
Retained earnings	$ 23,209	$ (64,895)
Accumulated other comprehensive income	(23,209)	64,895

Impact on Consolidated Statements of Operations and Comprehensive Income

Increase (decrease) to:	For the three months ended September 30, 2012	For the nine months ended September 30, 2012
Unrealized gains from investments	$ 57,559	$ 60,976
Deferred income tax recovery	(10,964)	(5,160)
Other comprehensive income,	(57,559)	(60,976)
net of associated taxes	10,964	5,160

IFRS 10, "Consolidated Financial Statements" ("IFRS 10")

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under prior IFRS, consolidation was required when an entity had the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *"Consolidation — Special Purpose Entities"* and parts of IAS 27, *"Consolidated and Separate Financial Statements"*. The Corporation adopted IFRS 10 on January 1, 2013. The adoption of IFRS 10 resulted in the Corporation consolidating its investment in United Hydrocarbon International Corp. ("UHI") (note 5).

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

IFRS 11 supersedes IAS 31, *"Interests in Joint Ventures"* and SIC-13, *"Jointly Controlled Entities – Non-monetary Contributions by Venturers"*. IFRS 11 requires the classification of joint arrangements as either joint ventures or joint operations, reflecting the underlying contractual rights and obligations of each investor that jointly controls the arrangement. Joint arrangements that are classified as joint operations are accounted for using the proportionate consolidation method whereby the Corporation recognizes its share of the assets, liabilities, revenues and expenses of the joint operations. Joint arrangements classified as joint ventures are accounted for using the equity method as set out in IAS 28, *"Investments in Associates and Joint Ventures"* (amended in 2011). Under previous IFRS, entities had the choice to proportionately consolidate or equity account for interests in joint ventures. The adoption of IFRS 11 had no impact on the Corporation's financial statements.

IFRS 12, "Disclosure of Interests in Other Entities" ("IFRS 12")

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, equity accounted investments, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosure and also introduces significant additional disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities. The Corporation adopted IFRS 12 on January 1, 2013. The adoption of this disclosure standard did not have an impact on the Corporation's September 2013 Interim Consolidated Financial Statements, but is expected to result in additional disclosure in the Corporation's annual financial statements as at and for the year ending December 31, 2013.

IFRS 13, "Fair Value Measurement" ("IFRS 13")

IFRS 13 provides a single framework for measuring fair value as a marked-to-market adjustment within IFRS. The new standard requires that the measurement of the fair value of an asset or liability, as measured for accounting purposes, be based on assumptions that market participants would use when pricing the asset or liability under market conditions existing as of the date of the statement of financial position, including assumptions relating to risk. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange. The Corporation adopted IFRS 13 on January 1, 2013, on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Corporation.

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

The amended IAS 1 requires grouping together, within other comprehensive income ("OCI"), items that may be reclassified to net earnings in subsequent periods, separate from other items within OCI. The amendments also reaffirm the existing presentation requirements that items in OCI and net earnings should be presented as a single statement or two consecutive statements. The adoption of IAS 1 had no material impact on the presentation of items on the Corporation's financial statements of comprehensive income.

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

IAS 36, "Impairment of Assets" ("IAS 36")
On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014 and will be applied prospectively.

*Amendments to Other Standar*ds
Other accounting standards, interpretations and amendments to existing standards that are not yet effective are outlined in note 3 to the 2012 Audited Consolidated Financial Statements.

The Corporation has not completed its assessment of the impact that the new and amended standards will have on its financial statements, or whether to early adopt any of the new requirements.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the September 2013 Interim Consolidated Financial Statements requires management 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 values 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 September 2013 Interim Consolidated Financial Statements from those judgments, estimates and assumptions disclosed in note 4 to the 2012 Audited Consolidated Financial Statements.

4. DISTRIBUTION OF DUNDEE REALTY CORPORATION TO SHAREHOLDERS

On May 16, 2013, the Corporation's shareholders approved a corporate restructuring, through a tax efficient plan of arrangement (the "Arrangement"), that resulted in the Corporation exchanging its 70% interest in Dundee Realty Corporation ("Dundee Realty"), the Corporation's principal real estate operating subsidiary, for certain shares of DREAM Unlimited Corp. ("DREAM"), a holding company established for the purpose of completing the Arrangement. The transaction was completed on May 30, 2013. In accordance with the terms of the Arrangement, the shares of DREAM received by the Corporation were effectively distributed to shareholders of the Corporation such that holders of the Corporation's Class A subordinate voting shares ("Subordinate Shares") received one Class A subordinate voting share of DREAM for each Subordinate Share held, and holders of the Corporation's Class B common shares ("Class B Shares) received one Class B common share of DREAM for each such Class B Share held. The Corporation retained a 28.57% interest in DREAM, providing it with a 20% indirect interest in Dundee Realty.

The Corporation's Preference Shares, series 1 (note 17) had a liquidation value of $25.00 per share. As part of the Arrangement, holders of the Corporation's Preference Shares, series 1 exchanged each such Preference Share, series 1 for (i) one 5.00% cumulative first preference share, series 4 of the Corporation ("Preference Shares, series 4") with a liquidation value of $17.84 per share; and (ii) one 7.00% cumulative redeemable first preference share, series 1 of DREAM with a liquidation value of $7.16 per share. Holders of the Corporation's Preference Shares, series 2 did not participate in the Arrangement.

As the Corporation's controlling interest in Dundee Realty was transferred to DREAM pursuant to the Arrangement, and in accordance with accounting requirements, (i) the Corporation has derecognized the assets and liabilities of Dundee Realty in its consolidated statement of financial position, and recognized a gain on the distribution of the net assets of Dundee Realty to its shareholders; and (ii) the Corporation has recognized its retained investment in DREAM at the fair value of the DREAM shares on the date of the completion of the Arrangement.

The assets and liabilities of Dundee Realty were derecognized on May 30, 2013, and the resulting gain on the distribution of such net assets to the Corporation's shareholders is illustrated in the table below.

Fair value of the distribution of assets				
DREAM Class A subordinate and Class B common shares			$	670,229
DREAM First preference shares, series 1				43,790
Carrying amount of the net assets distributed				
Cash	$	16,293		
Accounts receivable		228,708		
Investments, including investments in real estate joint ventures		140,469		
Real estate assets		586,494		
Accounts payable and accrued liabilities		(163,557)		
Income taxes payable		(6,859)		
Corporate debt		(219,798)		
Deferred income tax liabilities		(66,205)		
Amounts owed by Dundee Realty to the Corporation		(71,127)		
Non-controlling interest		(115,864)		(328,554)
Other comprehensive income reclassified to the statement of operations				408
Transaction costs deducted from gain on distribution of assets				(4,000)
Effect of distribution of assets on stock based compensation (note 23)				(24,295)
Retained interest in DREAM (notes 9 and 10)				268,073
Gain on distribution of assets before income taxes				625,651
Deferred income taxes on retained assets				(26,205)
Gain on distribution of assets, net of taxes			$	599,446

The operating performance of Dundee Realty prior to completion of the distribution has been included in the Corporation's September 2013 Interim Consolidated Financial Statements as *"discontinued operations, net of taxes"* and was comprised of the following amounts:

	For the three months ended Sept 30, 2012	From Jan 1, 2013 to May 30, 2013	For the nine months ended Sept 30, 2012
Revenues	$ 125,335	$ 198,385	$ 319,744
Cost of sales	(86,450)	(140,034)	(218,626)
Other amounts in earnings	(5,475)	(6,544)	(7,532)
Income taxes	(8,986)	(14,484)	(25,072)
Earnings from discontinued operations, net of taxes	24,424	37,323	68,514
Non-controlling interest	(7,121)	(10,060)	(19,663)

	For the three months ended Sept 30, 2012	From Jan 1, 2013 to May 30, 2013	For the nine months ended Sept 30, 2012
Other comprehensive income	$ (1,101)	$ 1,533	$ (1,918)
Income taxes	86	(171)	236
Other comprehensive income, net of taxes	(1,015)	1,362	(1,682)
Non-controlling interest	233	(267)	328

5. BUSINESS COMBINATIONS, ACQUISITIONS AND DILUTIONS OF INTERESTS IN SUBSIDIARIES

Business Combinations and Asset Purchases

United Hydrocarbon International Corp.

Through a series of transactions, at June 30, 2013, the Corporation had acquired 27,400,000 shares or 28% of UHI, a private, oil and gas exploration, development and production company with activities in the Republic of Chad. During the second quarter of 2013, and in addition to its investment in shares of UHI, the Corporation acquired $46,827,000 senior secured convertible debentures carrying an interest rate of up to 12% per annum, and it received certain common share purchase warrants. The Corporation's investment in the senior secured convertible debentures during the second quarter of 2013, and the granting to the Corporation of share purchase warrants, provides the Corporation with the ability to control the business activities of UHI. Accordingly, the Corporation has determined that these transactions represent a business combination, with the Corporation as the acquirer. The Corporation began consolidating the operating results, cash flow and net assets of UHI from June 2013. The table below illustrates the total consideration transferred for the acquisition of UHI and the Corporation's preliminary allocation of the consideration transferred to the assets and liabilities of UHI acquired.

Net assets acquired:		
Resource properties	$	126,554
Cash		9,351
Other assets		1,907
Assumed liabilities		(2,306)
Debt due to Dundee Corporation*		(46,827)
		88,679
Allocated to non-controlling interest		(61,675)
	$	27,004
Aggregate consideration transferred:		
Cash paid for shares	$	27,004
	$	27,004

* *Eliminated in these unaudited condensed interim consolidated financial statements.*

During the third quarter of 2013, the Corporation acquired a further $19,900,000 of senior secured convertible debentures of UHI under the same terms and conditions as the senior secured convertible debentures acquired during the second quarter of 2013.

Agricultural Investments

During the nine months ended September 30, 2013, the Corporation completed several agricultural-based acquisitions, including business combinations and asset acquisitions. The table below presents the aggregate consideration transferred and the Corporation's preliminary allocation of the consideration transferred to the assets and liabilities acquired.

Net assets acquired:		
Capital assets	$	58,090
Livestock		4,589
Resource properties		8,174
Net liabilities assumed		(175)
	$	70,678
Aggregate consideration transferred		
Cash	$	69,078
Consideration held back/earnout		1,600
	$	70,678

Change of Ownership Interests in Subsidiaries

				Interest Owned as at	Effect on Contributed Surplus during the nine months ended	
	30-Sept-13	31-Dec-12	30-Sept-12	31-Dec-11	30-Sept-13	30-Sept-12
Blue Goose Capital Corp.	82%	83%	76%	81%	$ 174	$ 193
Dundee Securities Ltd.	100%	100%	100%	49%	-	(4,977)
Dundee Energy Limited	58%	57%	57%	57%	(747)	216
Dundee Realty Corporation (note 4)	0%	70%	70%	70%	-	(142)
Nichromet Extraction Inc.	83%	75%	74%	70%	(1,177)	(995)
Ravensden Alternative Group	92%	92%	91%	68%	(3)	-
United Hydrocarbon International Corp.	29%	n/a	n/a	n/a	1,028	-

Blue Goose Capital Corp. ("Blue Goose")

During the nine months ended September 30, 2013, the Corporation acquired 2,760,000 newly issued common shares of Blue Goose for $27,600,000. Concurrent with the Corporation's investment, Blue Goose issued shares to its non-controlling shareholders for cash and/or in consideration for asset acquisitions. On a net basis, the Corporation's investment in Blue Goose decreased from 83% at December 31, 2012 to 82% at September 30, 2013. The Corporation's decrease in its investment in Blue Goose during the nine months ended September 30, 2013 resulted in the recognition of a dilution gain of $174,000 in contributed surplus.

During the nine months ended September 30, 2012, the Corporation acquired 1,221,500 newly issued common shares of Blue Goose for $12,215,000. On a net basis, the Corporation's investment in Blue Goose was diluted from 81% at December 31, 2011 to 76% at September 30, 2012 and, accordingly, the Corporation recorded a dilution gain of $193,000 in contributed surplus.

Dundee Energy Limited ("Dundee Energy")

On April 5, 2013, the Corporation purchased 15,771,991 flow-through common shares of Dundee Energy pursuant to a rights offering to its shareholders. The Corporation purchased the flow-through common shares at a cost of $6,151,000. The purchase increased the Corporation's interest in Dundee Energy to 58%, which resulted in a decrease of $859,000 in contributed surplus. Other changes in the equity of Dundee Energy during the nine months ended September 30, 2013, resulted in a subsequent increase of $112,000 in contributed surplus.

During the nine months ended September 30, 2012, the Corporation recognized an increase in contributed surplus of $216,000 due to changes in the equity of Dundee Energy.

Nichromet Extraction Inc. ("Nichromet")

During the nine months ended September 30, 2013, the Corporation acquired 67,744,510 common shares of Nichromet for $7,487,000, including shares pursuant to the exercise of warrants, shares acquired in private transactions from other third-party shareholders and other non-monetary transactions. The acquisitions resulted in the Corporation increasing its interest in Nichromet from 75% at December 31, 2012 to 83% at September 30, 2013. The Corporation's increase in its investment in Nichromet during the nine months ended September 30, 2013 resulted in a decrease in contributed surplus of $1,177,000.

During the nine months ended September 30, 2012, the Corporation acquired 13,140,000 common shares of Nichromet for $2,828,000. The acquisition increased the Corporation's ownership from 70% at December 30, 2011 to approximately 74% at the end of September 2012. The increase in the Corporation's interest in Nichromet resulted in a decrease to contributed surplus of $995,000.

United Hydrocarbon International Corp.

Since acquiring control of UHI in June 2013, the Corporation has received an additional 2,500,000 common shares of UHI pursuant to warrants granted as part of its lending and other arrangements with UHI. The issuance of common shares of UHI to the Corporation increased the Corporation's interest in UHI from 28% at June 30, 2013 to 29% at September 30, 2013 and resulted in an increase of $1,028,000 to contributed surplus.

Dundee Capital Markets Inc. ("Dundee Capital Markets")

On February 1, 2012, the Corporation acquired all of Dundee Capital Markets' outstanding common shares held by non-controlling shareholders at a price of $1.125 per share by way of a court approved plan of arrangement under the Business Corporations Act (Ontario). Dundee Capital Markets is the parent company of Dundee Securities Ltd. ("Dundee Securities"). The Corporation paid $88,033,000 in respect of the transaction. The difference between the consideration paid and the carrying value of the non-controlling interest of $83,056,000, aggregating $4,977,000, was recorded as a decrease in contributed surplus.

Equity Changes in Subsidiaries

As a result of changes in the equity of certain other subsidiaries during the nine months ended September 30, 2013, the Corporation recognized a decrease of $3,000 (nine months ended September 30, 2012 – $142,000) in contributed surplus.

6. CLIENT ACCOUNTS RECEIVABLE

As at		September 30, 2013		December 31, 2012
Client accounts	$	287,564	$	184,070
Brokers' and dealers' balances		3,244		5,516
Funds deposited into trust		118,762		132,896
Amounts receivable from carrying broker		89,901		10,145
	$	**499,471**	**$**	**332,627**

Funds deposited into trust represent client funds deposited and held by the Corporation's full service brokerage subsidiary, Dundee Securities, in registered accounts. These funds have been deposited with a Canadian trust company. Included in *"Client deposits and related liabilities"* (note 14) is a corresponding liability related to these deposits.

On January 1, 2012, Dundee Securities entered into an introducing and carrying broker arrangement with Fidelity Clearing Canada. "*Amounts receivable from carrying broker*" represents non-registered client balances and other corporate funds held by the carrying broker pursuant to this arrangement.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Contracts

At September 30, 2013, Dundee Energy had entered into certain risk management contracts as identified in the table below. These derivative instruments are not designated in a qualifying hedge relationship and accordingly, they are classified as financial instruments at FVTPL and are measured at their estimated fair value with changes recorded in net earnings in the period in which they occur.

Contract Fixed Price Swap	Volume	Pricing Point	Strike Price (Cdn$/unit)	Remaining Term	Fair Value September 30, 2013
Crude oil	500 bbl/d	NYMEX	$98.22	Oct 01/13 to Dec 31/13	$ (474)
Natural gas	6,250 mbtu/d	NYMEX	$4.07	Oct 01/13 to Dec 31/13	204
					$ (270)

Dundee Energy has determined that its risk management contracts at September 30, 2013 resulted in a liability balance of $270,000 (December 31, 2012 – asset balance of $215,000).

During the three and nine months ended September 30, 2013, Dundee Energy recognized a loss of $509,000 and $661,000 respectively (three months ended September 30, 2012 – loss of $354,000; nine months ended September 30, 2012 – gain of $2,413,000) from changes in the fair value of these risk management contracts. In addition, during the second quarter of 2013, Dundee Energy cancelled natural gas fixed price contracts representing 3,750 mbtu/day at a cost of $313,000.

The prices used to determine the changes in the marked-to-market value of risk management contracts reflect management's best estimate at the measurement date, and considers various factors. However, future market prices will vary from those used in such determination and it is possible that such variations could be material, causing volatility in the Corporation's financial results.

Embedded Derivatives

The Corporation has determined that the redemption option feature of the Corporation's Preference Shares, series 4 meets the definition of an embedded derivative, as the economic risks and characteristics of the redemption option are not closely related to that of the Preference Shares, series 4. Accordingly, the embedded redemption option has been bifurcated from the Preference Shares, series 4 and has been recognized in the consolidated financial statements as a derivative financial instrument. The Corporation has determined that at completion of the Arrangement on May 30, 2013 (note 4), the estimated fair value of the embedded derivative option was $3,780,000 and its estimated fair value on September 30, 2013 was $2,580,000.

Prior to completion of the Arrangement, the Corporation's derivative financial instruments included an embedded redemption option associated with the Corporation's Preference Shares, series 1 with a value of $2,640,000.

During the three and nine months ended September 30, 2013, the Corporation recognized a loss on derivative financial instruments of $180,000 and $3,480,000 respectively (three and nine months ended September 30, 2012 – gain of $538,000 and $120,000 respectively).

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	September 30, 2013		December 31, 2012	
	Securities Owned	Securities Sold Short	Securities Owned	Securities Sold Short
Bonds	$ 15,805	$ 18,514	$ 22,229	$ 16,897
Equities	44,591	2,389	51,570	392
Other	2,668	-	582	-
	$ 63,064	**$ 20,903**	**$ 74,381**	**$ 17,289**

Bond maturities range from 2013 to 2037 (December 31, 2012 – from 2013 to 2109) and have annual interest yields ranging from 0.75% to 12.00% (December 31, 2012 – 1.00% to 12.00%).

From time to time, Dundee Securities may sell securities that it does not own and will therefore be obligated to purchase such securities at a future date to settle its obligation. These securities have been designated as *"Brokerage Securities sold short"* in these unaudited condensed interim consolidated financial statements. Dundee Securities may incur a loss if the market value of these securities subsequently increases.

9. INVESTMENTS

The Corporation's investments are classified as FVTPL (note 2), except for certain debt securities which are carried at amortized cost.

As at	September 30, 2013		December 31, 2012	
	Cost	Market Value	Cost	Market Value
Publicly traded securities	$ 525,174	$ 480,150	$ 763,728	$ 776,770
Private investments	197,915	201,474	224,562	237,902
Mutual funds and other short term investments	66	76	5,753	6,894
Debt securities	214,976	215,704	183,110	184,801
Warrants and options	2,976	2,976	22,145	22,145
	$ 941,107	**$ 900,380**	**$ 1,199,298**	**$ 1,228,512**

Net (Loss) Gains from Investments

	For the nine months ended September 30, 2013		For the nine months ended September 30, 2012	
	Realized	Unrealized	Realized	Unrealized
Publicly traded securities	$ 4,964	$ (103,818)	$ (42,448)	$ 38,091
Private investments	(312)	(35,404)	86	(4,654)
Mutual funds and other short term investments	861	(1,242)	-	721
Debt securities	2,523	(2,763)	-	(2,159)
Warrants and options	(9,507)	(2,353)	(3)	26,530
	$ (1,471)	**$ (145,580)**	**$ (42,365)**	**$ 58,529**

		For the three months ended September 30, 2013		For the three months ended September 30, 2012	
		Realized	Unrealized	Realized	Unrealized
Publicly traded securities	$	8,918	$ 24,686	$ (27,642)	$ 26,560
Private investments		(307)	(1,399)	22	13,056
Mutual funds and other short term investments		-	10	-	548
Debt securities		3,916	1,846	-	1,364
Warrants and options		(9,508)	1,565	-	11,289
	$	**3,019**	**$ 26,708**	**$ (27,620)**	**$ 52,817**

In connection with the distribution of assets to shareholders pursuant to the Arrangement with Dundee Realty (note 4), the Corporation retained 21,636,288 Class A subordinate voting shares of DREAM, which represented a 29% interest in DREAM and a 20% indirect interest in Dundee Realty. The Corporation's initial investment in DREAM was recognized at the estimated fair value of the DREAM Class A subordinate voting shares on May 30, 2013, the effective date of the Arrangement. The Corporation determined that the fair value of a DREAM Class A subordinate voting share on May 30, 2013 was approximately $12.39 per share.

The Corporation determined that it had the ability to exert significant influence over the strategic operating, investing and financing policies of DREAM. Accordingly, the Corporation accounted for its investment in DREAM using the equity method.

During the third quarter of 2013, the Corporation carefully considered the facts and circumstances around its power to participate in the financial and operating policy decisions of DREAM and concluded that accounting for its investment in DREAM under the equity method was no longer appropriate. A significant factor in reaching this determination was the Corporation's inability to obtain additional financial information for DREAM necessary for purposes of equity method accounting by the Corporation. As such, during the third quarter, the Corporation began to account for its investment in DREAM as an equity security at FVTPL (note 2). The value of the Corporation's 29% interest in DREAM is included in "*Publicly traded securities*" in the above tables.

During the nine months ended September 30, 2013, the Corporation sold its remaining interest in The Bank of Nova Scotia ("Scotiabank"), including 7,675,000 common shares and 2,900,000 preferred shares, for aggregate proceeds of $515,730,000 (nine months ended September 30, 2012 – $561,133,000) and recognized a gain on sale of $11,374,000 (nine months ended September 30, 2012 – loss of $42,621,000). A portion of the proceeds received from the sale of Scotiabank securities were used to repay amounts outstanding pursuant to the Corporation's credit facility (note 15).

10. EQUITY ACCOUNTED INVESTMENTS

As at		September 30, 2013		December 31, 2012	
Trade Symbol	Investment	Ownership	Carrying Value	Ownership	Carrying Value
DPM	Dundee Precious Metals Inc.	25%	$ 172,173	23%	136,328
D.UN	Dundee Real Estate Investment Trust	5%	177,421	6%	208,326
DI.UN	Dundee International Real Estate Investment Trust	9%	90,160	18%	106,603
VOX	360 VOX Corporation	18%	4,356	22%	5,378
CRG	Corona Gold Corporation	23%	2,936	23%	4,705
RYG	Ryan Gold Corp.	12%	1,512	12%	2,785
ODX	Odyssey Resources Limited	31%	317	31%	411
-	Escal UGS S.L.	14%	-	14%	-
			$ 448,875		**$ 464,536**

The aggregate market value of the Corporation's equity accounted investments as at September 30, 2013 was $444,954,000 (December 31, 2012 – $620,598,000).

Significant Transactions Affecting the Carrying Value of Equity Accounted Investments During the Nine Months Ended September 30, 2013

Dundee Precious Metals Inc. ("Dundee Precious")

On May 9, 2013, the shareholders of Dundee Precious approved a warrant incentive program to encourage early exercise of outstanding warrants. Under this incentive program, each whole warrant entitled the holder to purchase one common share of Dundee Precious at a reduced price of $2.85. The Corporation elected to participate in the incentive program and accordingly, during the second quarter of 2013, the Corporation exercised warrants to acquire 3,561,000 common shares of Dundee Precious for cash consideration of $10,149,000. The estimated fair value of the warrants prior to exercise was $8,190,000 and had been included as a financial instrument at FVTPL. Upon exercise of the warrants, this amount was reclassified as part of the carrying value of Dundee Precious on an equity accounted basis. In addition to the exercise of warrants as outlined above, during the nine months ended September 30, 2013, the Corporation acquired 2,424,152 common shares of Dundee Precious in the open market for cash consideration of $17,234,000. At September 30, 2013, the Corporation held 34,720,807 common shares of Dundee Precious, representing a 25% interest.

Dundee Real Estate Investment Trust ("Dundee REIT")

On May 1, 2013, Dundee REIT completed an offering of 6,353,750 units for gross proceeds of $230,006,000. The Corporation did not participate in the offering, and therefore, its interest in Dundee REIT was diluted from 5.9% at March 31, 2013 to 5.5% at May 30, 2013. The Corporation's consolidated investment in Dundee REIT on May 30, 2013 included 1,153,164 units with a carried value of $40,948,000 that were held directly by Dundee Realty. At September 30, 2013, and following completion of the Arrangement with Dundee Realty in May 2013 (note 4), the Corporation retained 4,887,611 units of Dundee REIT, representing a 4.5% interest. The Corporation continues to account for its investment in Dundee REIT on an equity basis as it is able to exert significant influence over the operations and financial results of Dundee REIT through its representation on the board of trustees of Dundee REIT, and through senior management representation.

Dundee International Real Estate Investment Trust ("Dundee International REIT")

During the first quarter of 2013, Dundee International REIT completed public offerings for the issuance of 23,230,000 units for gross proceeds of $253,207,000. The Corporation did not participate in the offerings, resulting in a dilution of the Corporation's interest from 17.7% at the end of December 2012 to 13.4% as at May 30, 2013 and immediately prior to the Arrangement with Dundee Realty (note 4). The Corporation's consolidated investment in Dundee International REIT on May 30, 2013 included 2,800,000 units with a carried value of $24,204,000 that were held directly by Dundee Realty. Following completion of the Arrangement with Dundee Realty, the Corporation retained 10,000,000 units of Dundee International REIT, representing a 10.4% interest. During June 2013, Dundee International REIT completed a further public offering for the issuance of 13,145,000 units for gross proceeds of $140,700,000, further diluting the Corporation's interest to 9.2% at September 30, 2013. Similar to its investment in Dundee REIT, the Corporation continues to account for its investment in Dundee International REIT on an equity basis as it is able to exert significant influence over the operations and financial results of Dundee International REIT through its representation on the board of trustees of Dundee International REIT, and through senior management representation.

Escal UGS S.L. ("Escal")

Through its investment in Dundee Energy, the Corporation holds an indirect 14.2% interest in the Castor underground gas storage project held by Escal.

On July 26, 2013, Escal announced that it had arranged for the issuance of euro-denominated senior secured bonds (the "Euro Bonds") totalling €1.40 billion. The Euro Bonds are subject to an annual interest rate of 5.756%, payable semi-annually, and are repayable in equal semi-annual installments over a period of 21 and a half years, with the last payment due in December 2034. The Euro Bonds are listed on the Luxembourg stock exchange. The Euro Bonds were issued by a special purpose vehicle, Watercraft Capital S.A. (“Watercraft”), a Luxembourg corporation. The proceeds from the issuance were subsequently on-lent to Escal, pursuant to a credit facility between Watercraft and Escal, and have been used by Escal to repay amounts owing pursuant to Escal’s existing project financing. Escal has provided a general security interest against its assets for the benefit of Watercraft to secure Escal’s obligations under these arrangements, and the shareholders of Escal have pledged their respective shares in Escal as part of the overall security package. In addition, the European Investment Bank has provided a standby letter of credit as a form of subordinated credit enhancement instrument in support of the Euro Bonds.

Prior to the issuance of the Euro Bonds, Escal had established a hedging strategy to mitigate its exposure to interest rate risk associated with its project financing arrangements. During the third quarter of 2013, and following completion of the issuance of the Euro Bonds, Escal paid cash to cancel all outstanding hedging strategies, and recognized an associated loss. Recognition of this loss draws the Corporation’s carrying value in Escal to zero. At September 30, 2013, the Corporation had not recorded a liability of $46,256,000 (December 31, 2012 – $37,098,000) related to additional losses incurred by Escal, as it does not have the legal or constructive obligation in respect thereof.

Significant Transactions Affecting the Carrying Value of Equity Accounted Investments during the Nine Months Ended September 30, 2012

Dundee Real Estate Investment Trust

During the first quarter of 2012, Dundee REIT issued 12,580,347 units for the acquisition of Whiterock Real Estate Investment Trust, representing aggregate equity consideration of $434,800,000. In addition, Dundee REIT issued a further 6,555,000 units pursuant to a public offering for gross proceeds of $231,719,000. The Corporation purchased 364,800 Dundee REIT units pursuant to the public offering at a cost of $12,896,000. On June 12, 2012, Dundee REIT issued an additional 10,392,550 units pursuant to a public offering, generating gross proceeds of approximately $373,100,000. The net proceeds from the offering were used to partially fund the acquisition of Scotia Plaza, in downtown Toronto. The Corporation purchased 390,000 units pursuant to the public offering at a cost of $14,000,000. At September 30, 2012, the Corporation held a 6% interest in Dundee REIT.

Dundee International Real Estate Investment Trust

On April 17, 2012, Dundee International REIT completed the issuance of 4,600,000 units pursuant to a bought deal financing, generating proceeds of $46,460,000. On September 5, 2012, Dundee International REIT issued a further 4,420,000 units pursuant to a subsequent bought deal financing, raising gross proceeds of $46,631,000 and it issued 3,400,000 units pursuant to the settlement of debt conversion obligations. These transactions had diluted the Corporation’s interest in Dundee International REIT from 29% at the end of the prior year to 21% at September 30, 2012.

Impairment of Resource Properties by Ryan Gold Corp. (“Ryan Gold”)

During the third quarter of 2012, Ryan Gold completed an impairment analysis in respect of certain of its resource properties. Ryan Gold determined that in the present market conditions, the carrying value of its resource properties exceeded their recoverable amount. Accordingly, Ryan Gold recognized an impairment loss of $127,000,000. The Corporation’s share of this impairment loss has been included in net earnings as “*Share of earnings from equity accounted investments*”.

Share of Earnings from Equity Accounted Investments

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
DREAM Unlimited Corp. (note 9)	$ -	$ -	$ 6,373	$ -
Dundee Precious Metals Inc.	(3,212)	5,065	1,506	11,730
Dundee Real Estate Investment Trust	3,610	4,504	16,463	10,927
Dundee International Real Estate Investment Trust	1,617	2,749	6,871	8,380
360 VOX Corporation	(192)	(268)	(1,254)	(843)
Corona Gold Corporation	(532)	(64)	(762)	251
Ryan Gold Corp.	(79)	(8,827)	(1,243)	(9,235)
Odyssey Resources Limited	(34)	(63)	(94)	(126)
Escal UGS S.L.	-	-	-	-
	$ 1,178	**$ 3,096**	**$ 27,860**	**$ 21,084**

11. RESOURCE PROPERTIES

	Property, Plant and Equipment					*Exploration and Evaluation*	
	Oil and Gas Development Costs	Pipeline Infrastructure	Machinery and Equipment	Land and Buildings	Other	Undeveloped Properties	TOTAL
At December 31, 2011							
Cost	$ 130,470	$ 25,317	$ 25,048	$ 4,580	$ 3,115	$ 16,254	$ 204,784
Accumulated depreciation and depletion	(17,139)	(2,959)	(1,842)	(37)	(817)	-	(22,794)
Net carrying value, December 31, 2011	113,331	22,358	23,206	4,543	2,298	16,254	181,990
Nine months ended September 30, 2012							
Carrying value December 31, 2011	113,331	22,358	23,206	4,543	2,298	16,254	181,990
Net additions	2,198	285	2,884	-	(26)	8,332	13,673
Remeasure decommissioning liability	1,917	-	-	-	-	-	1,917
Depreciation and depletion	(8,791)	(1,315)	(998)	(19)	(91)	-	(11,214)
Net carrying value, September 30, 2012	108,655	21,328	25,092	4,524	2,181	24,586	186,366
At September 30, 2012							
Cost	134,585	25,602	27,932	4,580	3,089	24,586	220,374
Accumulated depreciation and depletion	(25,930)	(4,274)	(2,840)	(56)	(908)	-	(34,008)
Net carrying value, September 30, 2012	108,655	21,328	25,092	4,524	2,181	24,586	186,366
From October 1, 2012 to December 31, 2012							
Carrying value September 30, 2012	108,655	21,328	25,092	4,524	2,181	24,586	186,366
Net additions	1,432	1	708	-	581	1,412	4,134
Remeasure decommissioning liability	(1,450)	-	-	-	-	-	(1,450)
Depreciation and depletion	(18,484)	(422)	(346)	(7)	(30)	-	(19,289)
Net carrying value, December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
At December 31, 2012							
Cost	134,567	25,603	28,640	4,580	3,670	25,998	223,058
Accumulated depreciation and depletion	(44,414)	(4,696)	(3,186)	(63)	(938)	-	(53,297)
Net carrying value, December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
Nine months ended September 30, 2013							
Carrying value December 31, 2012	90,153	20,907	25,454	4,517	2,732	25,998	169,761
Acquisitions (note 5)	10,379	734	535	8,277	-	127,208	147,133
Net additions	1,645	706	(273)	12	(96)	25,812	27,806
Remeasure decommissioning liability	(6,885)	-	-	-	-	-	(6,885)
Depreciation and depletion	(7,139)	(1,076)	(1,174)	(144)	(112)	-	(9,645)
Net carrying value, September 30, 2013	88,153	21,271	24,542	12,662	2,524	179,018	328,170
At September 30, 2013							
Cost	138,713	27,043	28,796	12,867	3,571	179,018	390,008
Accumulated depreciation and depletion	(50,560)	(5,772)	(4,254)	(205)	(1,047)	-	(61,838)
Net carrying value, September 30, 2013	$ 88,153	$ 21,271	$ 24,542	$ 12,662	$ 2,524	$ 179,018	$ 328,170

12. LIVESTOCK

	Inventory	Biological Assets	TOTAL
At December 31, 2011			
Acquisitions and net additions	$ 610	$ 4,161	$ 4,771
Fair value changes	-	-	-
Balance, December 31, 2011	610	4,161	4,771
Nine months ended September 30, 2012			
Balance, December 31, 2011	610	4,161	4,771
Acquisitions and net additions	4,307	2,365	6,672
Fair value changes	-	1,668	1,668
Balance, September 30, 2012	4,917	8,194	13,111
At September 30, 2012			
Acquisitions and net additions	4,917	6,526	11,443
Fair value changes	-	1,668	1,668
Balance, September 30, 2012	4,917	8,194	13,111
From October 1, 2012 to December 31, 2012			
Balance, September 30, 2012	4,917	8,194	13,111
Acquisitions and net additions	(975)	3,337	2,362
Fair value changes	-	2,178	2,178
Balance, December 31, 2012	3,942	13,709	17,651
At December 31, 2012			
Acquisitions and net additions	3,942	9,863	13,805
Fair value changes	-	3,846	3,846
Balance, December 31, 2012	3,942	13,709	17,651
Nine months ended September 30, 2013			
Balance, December 31, 2012	3,942	13,709	17,651
Net acquisitions and dispositions (note 5)	3,761	(1,189)	2,572
Fair value changes	-	6,807	6,807
Balance, September 30, 2013	7,703	19,327	27,030
At September 30, 2013			
Acquisitions and net additions (dispositions)	7,703	8,674	16,377
Fair value changes	-	10,653	10,653
Balance, September 30, 2013	$ 7,703	$ 19,327	$ 27,030

13. CAPITAL AND OTHER ASSETS

	Capital Assets				Intangible Assets		
	Furniture and Fixtures	Computer and Network Equipment	Land and Buildings	Other	Trademarks	Other Intangible Assets	TOTAL
At December 31, 2011							
Cost	$ 6,006	$ 4,558	$ 7,910	$ 15,850	$ 13,895	$ 27,082	$ 75,301
Accumulated depreciation and depletion	(4,822)	(4,146)	-	(7,761)	(4,492)	(1,415)	(22,636)
Net carrying value, December 31, 2011	1,184	412	7,910	8,089	9,403	25,667	52,665
Nine months ended September 30, 2012							
Carrying value December 31, 2011	1,184	412	7,910	8,089	9,403	25,667	52,665
Net additions (dispositions)	(122)	410	20,786	5,675	377	4,615	31,741
Depreciation and depletion	(199)	(259)	(123)	(1,609)	(703)	(640)	(3,533)
Net carrying value, September 30, 2012	863	563	28,573	12,155	9,077	29,642	80,873
At September 30, 2012							
Cost	5,884	4,968	28,696	21,525	14,272	31,697	107,042
Accumulated depreciation and depletion	(5,021)	(4,405)	(123)	(9,370)	(5,195)	(2,055)	(26,169)
Net carrying value, September 30, 2012	863	563	28,573	12,155	9,077	29,642	80,873
From October 1, 2012 to December 31, 2012							
Carrying value September 30, 2012	863	563	28,573	12,155	9,077	29,642	80,873
Net additions	275	4,091	3,544	8,570	233	3,698	20,411
Depreciation and depletion	(57)	(1,958)	(9)	(612)	(240)	(428)	(3,304)
Net carrying value, December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
At December 31, 2012							
Cost	6,159	9,059	32,240	30,095	14,505	35,395	127,453
Accumulated depreciation and depletion	(5,078)	(6,363)	(132)	(9,982)	(5,435)	(2,483)	(29,473)
Net carrying value, December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
Nine months ended September 30, 2013							
Carrying value December 31, 2012	1,081	2,696	32,108	20,113	9,070	32,912	97,980
Net acquisitions and additions (note 5)	591	324	54,693	12,986	862	826	70,282
Depreciation and depletion	(328)	(1,696)	(235)	(2,150)	(746)	(1,948)	(7,103)
Net carrying value, September 30, 2013	1,344	1,324	86,566	30,949	9,186	31,790	161,159
At September 30, 2013							
Cost	6,750	9,383	86,933	43,081	15,367	36,221	197,735
Accumulated depreciation and depletion	(5,406)	(8,059)	(367)	(12,132)	(6,181)	(4,431)	(36,576)
Net carrying value, September 30, 2013	$ 1,344	$ 1,324	$ 86,566	$ 30,949	$ 9,186	$ 31,790	$ 161,159

14. CLIENT DEPOSITS AND RELATED LIABILITIES

As at	September 30, 2013	December 31, 2012
Client accounts	$ 535,438	$ 342,968
Brokers' and dealers' balances	4,777	17,241
International banking client accounts	8,658	3,989
	$ 548,873	**$ 364,198**

15. CORPORATE DEBT

At September 30, 2013 and December 31, 2012, the estimated fair value of corporate debt approximated its carrying value.

As at		September 30, 2013		December 31, 2012
Corporate				
$225 million revolving term credit facility (extinguished October 2, 2013)	$	20,272	$	27,393
$6.5 million, 5.85% exchangeable unsecured subordinated debentures due June 30, 2015		6,430		8,396
Subsidiaries				
$70 million demand revolving credit facility, Dundee Energy		65,957		62,633
Loan facilities, Blue Goose		45,742		1,067
$190 million revolving term credit facility, Dundee Realty, due November 30, 2013		-		45,000
Other real estate debt		-		188,573
	$	**138,401**	**$**	**333,062**

$225,000,000 – Revolving Term Credit Facility, Corporate
The Corporation had established a $225 million revolving term credit facility with a Canadian Schedule I Chartered Bank. On October 2, 2013, amounts borrowed were fully repaid (note 9) and the revolving term credit facility was extinguished. During the three and nine months ended September 30, 2013, interest expense relating to the Corporation's revolving term credit facility, including standby fees and other similar costs, was $1,179,000 and $3,600,000 respectively (three and nine months ended September 30, 2012 – $759,000 and $4,867,000 respectively).

$6,490,000, 5.85% Exchangeable Unsecured Subordinated Debentures
At September 30, 2013, the Corporation had 6,490 (December 31, 2012 – 6,749) outstanding exchangeable unsecured subordinated debentures with a par value per debenture of $1,000. The exchangeable debentures mature on June 30, 2015 and bear interest at 5.85% per annum, payable semi-annually on June 30 and December 31 of each year. Each exchangeable debenture may be exchanged, at the option of the holder for 33.6134 units of Dundee REIT, representing a conversion price of $29.75 per Dundee REIT unit.

The Corporation has placed sufficient units of Dundee REIT or other securities exchangeable into units of Dundee REIT into escrow in order to satisfy the exchange feature of the exchangeable debentures. While these securities are held in escrow, the Corporation retains all voting rights and related privileges and is entitled to all distributions and rights of reinvestment of all distributions. During the nine months ended September 30, 2013, an aggregate of $259,000 of exchangeable debentures were surrendered for exchange and the Corporation delivered 8,703 units of Dundee REIT in settlement thereof.

The carrying value of the exchangeable debentures is adjusted in the Corporation's consolidated financial statements to reflect the estimated fair value of the embedded exchange feature, provided that such adjustment does not result in a carrying value that is below the principal value of the exchangeable debentures outstanding. The estimated fair value of the exchange feature is determined using a valuation model that recognizes both the debt and exchange feature of the debentures and is based on the premise that each of these components have different default risks. Changes in the estimated fair value of the exchange feature are recorded in net earnings. Based on this valuation model, the Corporation determined that the value of the exchangeable debentures at September 30, 2013 was $6,490,000.

$70,000,000 Demand Revolving Credit Facility, Dundee Energy Limited
Dundee Energy Limited Partnership ("DELP"), a subsidiary of Dundee Energy, has established a $70 million credit facility with a Canadian Schedule I Chartered Bank. The credit facility provides the subsidiary with a revolving demand loan, subject to a tiered interest rate structure based on its net debt to cash flow ratio, as defined in the credit facility. On July 31, 2013, the interest rate structure of DELP's credit facility was amended, increasing the interest rate on loans or letters of credit to the bank's prime lending rate plus 3.5% from the bank's prime lending rate plus 3.0%; or, for bankers' acceptances,

to the bank's then prevailing bankers' acceptance rate plus 4.5% from the bank's then prevailing bankers' acceptance rate plus 4.0%. The amended agreement provides for a standby fee of 0.55% on unused amounts under the credit facility, an increase from a standby fee of 0.50% prior to the amendment.

During the three and nine months ended September 30, 2013, interest expense relating to this credit facility, including standby fees and other similar costs, was $1,007,000 and $2,655,000 respectively (three and nine months ended September 30, 2012 – $1,092,000 and $2,765,000 respectively). At September 30, 2013, the subsidiary had drawn $66,400,000 (December 31, 2012 – $66,370,000) pursuant to the credit facility.

The credit facility is secured against all of the oil and natural gas properties owned by DELP. In addition, Dundee Energy has assigned a limited recourse guarantee of its units in the subsidiary as further security pursuant to the credit facility. The credit facility is subject to certain covenants, including the maintenance of minimum levels of working capital.

Loan Facilities, Blue Goose Capital Corp.

Blue Goose and its subsidiaries have entered into several loan arrangements, including a $14.8 million advance loan facility, maturing on July 1, 2017. Amounts borrowed pursuant to the advance loan facility are subject to variable interest rates with a weighted average rate of 4.10% during the nine months ended September 30, 2013. The advance loan facility is secured by a first charge mortgage against various real estate assets held by Blue Goose and by certain wholly-owned subsidiaries of Blue Goose, some of which have also provided guarantees in respect of amounts borrowed pursuant to the facility. In addition, Blue Goose has established a $10.0 million fixed term facility secured by ranch property in western Canada. The fixed term facility bears interest at 3.05% per annum.

At September 30, 2013, certain subsidiaries of Blue Goose had established revolving term loan facilities and lines of credit for up to $23.75 million from various Canadian Schedule I chartered banks. These facilities bear interest at varying rates ranging from the bank's prime lending rate for loans plus 0% to the bank's prime lending rate for loans plus 1.25%. These facilities are secured by a general security agreement against all of the assets of the subsidiaries of Blue Goose and are guaranteed by Blue Goose.

At September 30, 2013, Blue Goose and its subsidiaries had drawn $45,742,000 (December 31, 2012 – $1,067,000) pursuant to these arrangements. During the three and nine months ended September 30, 2013, interest expense incurred in respect of these facilities was $454,000 and $661,000 respectively (three and nine months ended September 30, 2012 – $142,000 and $199,000 respectively).

Call Loan Arrangements

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. In connection with the establishment of an introducing and carrying broker arrangement with a third-party service provider on January 1, 2012, Dundee Securities arranged for an uncommitted call loan facility for up to $125 million at September 30, 2013 (December 31, 2012 – $75 million).

At September 30, 2013, there were no amounts drawn (December 31, 2012 – $nil) pursuant to these arrangements. Interest rates on amounts drawn during the nine months ended September 30, 2013, were 1.5% on Canadian dollar denominated borrowings and ranged from 0.5% to 1.0% on borrowings denominated in U.S. dollars.

16. DECOMMISSIONING LIABILITIES

	As at and for the nine months ended September 30, 2013		As at and for the year ended December 31, 2012	
Discount rates applied to future obligations		*1.21% - 3.00%*		*1.13% - 2.27%*
Inflation rate		*2.00%*		*2.00%*
Discounted future obligations, beginning of period	$	44,739	$	45,234
Effect of acquisitions		5,790		-
Effect of changes in estimates and remeasurement of discount and foreign exchange rates		(6,855)		562
Liabilities settled (reclamation expenditures)		(1,260)		(2,000)
Accretion (interest expense)		702		943
Discounted future obligations, end of period	$	43,116	$	44,739

17. PREFERENCE SHARES

Except as discussed below in respect of the Corporation's Preference Shares, series 4, the terms of the Corporation's preference shares are summarized in note 19 to the Corporation's 2012 Audited Consolidated Financial Statements.

Issued and Outstanding First Preference Shares, Series 1

	Number of Shares		Par Value		Issue Costs		Premium		Carrying Value
Balance as at December 31, 2011	6,000,000	$	150,000	$	(2,134)	$	557	$	148,423
Amortization for the nine months ended September 30, 2012	-		-		356		(93)		263
Balance as at September 30, 2012	6,000,000		150,000		(1,778)		464		148,686
Amortization for the period from October 1, 2012 to December 31, 2012	-		-		118		(31)		87
Balance as at December 31, 2012	6,000,000		150,000		(1,660)		433		148,773
Amortization for the nine months ended September 30, 2013	-		-		198		(52)		146
Distribution of assets (note 4)	(6,000,000)		(150,000)		1,462		(381)		(148,919)
Balance as at September 30, 2013	-	$	-	$	-	$	-	$	-

Issued and Outstanding First Preference Shares, Series 2

	Number of Shares		Par Value		Issue Costs		Carrying Value
Balance as at September 30, 2013 and December 31, 2012	5,200,000	$	130,000	$	(2,932)	$	127,068

Issued and Outstanding First Preference Shares, Series 4

	Number of Shares		Par Value		Issue Costs		Premium		Carrying Value
Balance as at December 31, 2012	-	$	-	$	-	$	-	$	-
Issued pursuant to Arrangement (note 4)	6,000,000		107,040		(1,043)		272		106,269
Amortization for the nine months ended September 30, 2013	-		-		113		(30)		83
Balance as at September 30, 2013	6,000,000	$	107,040	$	(930)	$	242	$	106,352

On May 30, 2013, and under the terms of the Arrangement with Dundee Realty (note 4), the Corporation issued 6,000,000 5.00% cumulative redeemable first preference shares with a face value of $17.84 per share. The Preference Shares, series 4 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 the distribution of assets on dissolution, liquidation or winding-up of the Corporation. The Preference Shares, series 4 entitle the holder to a fixed preferential cumulative dividend at the rate of 5.00% per annum, payable quarterly. The Preference Shares, series 4 are generally non-voting, except in limited circumstances.

The Preference Shares, series 4 will be redeemable, at the Corporation's option, at any time on or after September 30, 2013 and prior to June 30, 2014 at $18.20 per share, at any time on or after June 30, 2014 and prior to June 30, 2015 at $18.02 per share, and at any time on or after June 30, 2015 at $17.84 per share. In addition, the Corporation's Preference Shares, series 4 will be redeemable, at the option of the holder, at any time on or after June 30, 2016 at $17.84 per share.

18. SHARE CAPITAL

The terms of the Corporation's Subordinate Shares and Class B Shares, and significant transactions in respect thereof during the year ended December 31, 2012, are summarized in note 20 to the Corporation's 2012 Audited Consolidated Financial Statements.

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2011	51,736,024	$ 202,414	3,116,837	$ 8,159	54,852,861	$ 210,573
Transactions during the nine months ended September 30, 2012						
Redeemed pursuant to normal course issuer bid	(234,400)	(936)	-	-	(234,400)	(936)
Issuance of shares under the share incentive plan	4,487	105	-	-	4,487	105
Options exercised	117,000	701	-	-	117,000	701
Conversion from Class B Shares to Subordinate Shares	489	1	(489)	(1)	-	-
Outstanding September 30, 2012	**51,623,600**	**202,285**	**3,116,348**	**8,158**	**54,739,948**	**210,443**
Transactions during the period from October 1, 2012 to December 31, 2012						
Redeemed pursuant to normal course issuer bid	(678,500)	(2,710)	-	-	(678,500)	(2,710)
Issuance of shares under the share incentive plan	1,363	35	-	-	1,363	35
Options exercised	-	-	-	-	-	-
Conversion from Class B Shares to Subordinate Shares	15	-	(15)	-	-	-
Outstanding December 31, 2012	**50,946,478**	**199,610**	**3,116,333**	**8,158**	**54,062,811**	**207,768**
Transactions during the nine months ended September 30, 2013						
Issuance of shares under the share incentive plan	3,997	105	-	-	3,997	105
Options exercised	37,842	527	-	-	37,842	527
Shares cancelled pursuant to the dissenting rights	(74)	-	-	-	(74)	-
Conversion from Class B Shares to Subordinate Shares	498	2	(498)	(2)	-	-
Outstanding September 30, 2013	**50,988,741**	**$ 200,244**	**3,115,835**	**$ 8,156**	**54,104,576**	**$ 208,400**

Normal Course Issuer Bid

On March 28, 2013, the Corporation announced that it had received regulatory approval for the renewal of its normal course issuer bid from April 1, 2013 to March 31, 2014. Subject to certain conditions, the Corporation may purchase up to a maximum of 2,704,138 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.

Share Purchase Plan

As part of its share incentive arrangements, the Corporation established a share purchase plan pursuant to which eligible participants may contribute up to a specified maximum amount of their basic annual salary towards the purchase of Subordinate Shares of the Corporation, either from treasury or in the open market, at the discretion of the Corporation. Compensation expense associated with the share purchase plan during the three and nine months ended September 30, 2013 was $214,000 and $591,000 respectively (three and nine months ended September 30, 2012 – $174,000 and $477,000 respectively).

During the nine months ended September 30, 2013, the Corporation issued 3,997 (nine months ended September 30, 2012 – 4,487) Subordinate Shares from treasury pursuant to the share purchase plan, with the balance of the amounts contributed to the share purchase plan being used to purchase shares in the open market.

19. ACCUMULATED OTHER COMPREHENSIVE LOSS

	Available-for-Sale Securities	Equity Accounted Investments	Foreign Currency Translation	Non-controlling Interest	Discontinued Operations	Total
Balance at December 31, 2011	$ (64,895)	$ (4,008)	$ -	$ 2,199	$ (440)	$ (67,144)
Implementation of IFRS 9 (note 2)	64,895	-	-	-	-	64,895
Balance at January 1, 2012	-	(4,008)	-	2,199	(440)	(2,249)
Transactions during the nine months ended September 30, 2012						
Other comprehensive income	-	(7,889)	8	(14)	(1,354)	(9,249)
Balance at September 30, 2012	-	(11,897)	8	2,185	(1,794)	(11,498)
Transactions during the period from October 1, 2012 to December 31, 2012						
Other comprehensive income	-	2,442	-	-	1,107	3,549
Balance at December 31, 2012	-	(9,455)	8	2,185	(687)	(7,949)
Transactions during the nine months ended September 30, 2013						
Other comprehensive income	-	2,870	255	(32)	1,095	4,188
Distribution of assets (note 4)	-	-	-	-	(408)	(408)
Balance at September 30, 2013	**$ -**	**$ (6,585)**	**$ 263**	**$ 2,153**	**$ -**	**$ (4,169)**

20. NON-CONTROLLING INTEREST

As at	September 30, 2013	December 31, 2012
Non-controlling interest in:		
Dundee Energy Limited	$ 26,183	$ 24,834
Blue Goose Capital Corp.	15,051	9,641
United Hydrocarbon International Corp.	59,641	-
Other	8,848	4,152
	109,723	38,627
Non-controlling interest in discontinued operations (note 4)	-	108,537
	$ 109,723	**$ 147,164**

21. REVENUES

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Management fees	$ 3,408	$ 4,318	$ 10,627	$ 13,679
Financial services	5,154	19,664	30,026	70,569
Oil and gas, net of royalties	9,340	7,359	24,944	22,976
Agriculture	14,770	2,356	28,251	5,488
Interest, dividends and other	8,545	14,513	37,225	43,596
	$ 41,217	**$ 48,210**	**$ 131,073**	**$ 156,308**

22. COST OF SALES

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Variable compensation	$ 9,005	$ 11,570	$ 24,003	$ 41,145
Oil and gas expenses	4,636	3,876	11,031	10,056
Agriculture expenses	15,212	1,103	34,091	3,867
	$ 28,853	**$ 16,549**	**$ 69,125**	**$ 55,068**

23. SHARE INCENTIVE PLAN ARRANGEMENTS

The terms of the Corporation's share based compensation plans are summarized in note 25 to the Corporation's 2012 Audited Consolidated Financial Statements.

Effect of Arrangement with Dundee Realty to Share Based Compensation Plans

Under the terms of the Arrangement with Dundee Realty (note 4), each outstanding stock option issued under the Corporation's stock option plan prior to completion of the Arrangement was adjusted such that the holder is entitled, upon exercise thereof, to receive for each such option held (i) one Subordinate Share of the Corporation; and (ii) the market price of one DREAM Class A subordinate voting share.

Holders of the Corporation's deferred share units ("DSUs") immediately prior to completion of the Arrangement received additional DSUs, representing the fair value equivalent of the amounts distributed to holders of the Corporation's Subordinate Shares pursuant to the Arrangement. Each such additional DSU issued entitles the holder thereof to the market price of one DREAM Class A subordinate voting share.

The Corporation has determined that stock options and DSUs that track the underlying market price of the DREAM Class A subordinate voting shares as outlined above represents an obligation of the Corporation, as settlement will occur in cash and/or in a variable number of Subordinate Shares of the Corporation. Accordingly, these obligations are marked-to-market to reflect the market price of a DREAM Class A subordinate voting share on the dates of the statements of financial position and are included in *"Accounts payable and accrued liabilities"*.

Stock Based Compensation

The Corporation's stock based compensation amounts, before similar amounts associated with the Corporation's subsidiaries, are as illustrated below.

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Share option plan	$ 252	$ 270	$ 794	$ 805
Deferred share unit plan	177	308	550	970
DREAM tracking share incentive arrangements:				
Stock options	2,330	-	673	-
Deferred share units	2,552	-	741	-
	$ 5,311	**$ 578**	**$ 2,758**	**$ 1,775**

Share Option Plan

There were no share option awards granted in the nine months ended September 30, 2013 and the year ended December 31, 2012. A summary of the status of the Corporation's share option plan as at September 30, 2013 and December 31, 2012, and the changes during the periods then ended, are as follows:

	Nine months ended September 30, 2013		Year ended December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,285,000	$9.40	1,402,000	$9.09
Exercised	(35,000)	$9.48	(117,000)	$5.58
Outstanding, end of period	**1,250,000**	**$9.40**	**1,285,000**	**$9.40**
Exercisable options	987,000	$9.40	759,000	$9.40

Exercise Price	Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Options Exercisable
Options issued with an exercise price of $9.40	1,240,000	1.37	982,000
Options issued with an exercise price of $9.67	10,000	1.37	5,000

Deferred Share Unit Plan

During the nine months ended September 30, 2013, the Corporation issued 13,940 DSUs. At September 30, 2013, there were 1,238,584 (December 31, 2012 – 1,224,644) DSUs outstanding. In addition, and pursuant to the Arrangement with Dundee Realty, the Corporation issued 1,371,943 DSUs that track the value of a DREAM Class A subordinate voting share.

Share Option Plan of Dundee Energy

Dundee Energy has established a share incentive plan for its directors, officers and employees. As at September 30, 2013, Dundee Energy had 5,805,000 (December 31, 2012 – 3,815,000) share options outstanding at a weighted average exercise price of $0.67 (December 31, 2012 – $0.77), of which 4,278,326 (December 31, 2012 – 3,548,332) share options were exercisable at September 30, 2013. Dundee Energy also has a deferred share unit plan pursuant to which, at September 30, 2013, there were 1,139,327 (December 31, 2012 – 945,310) DSUs outstanding.

During the three and nine months ended September 30, 2013, Dundee Energy recognized compensation expense of $208,000 and $300,000 respectively (three and nine months ended September 30, 2012 – $119,000 and $385,000 respectively) relating to its share option arrangements and deferred share unit arrangements.

Stock Based Compensation of Other Subsidiaries

From time to time, other subsidiaries of the Corporation may incur stock based compensation expense pursuant to their respective share incentive plan arrangements. During the three and nine months ended September 30, 2013, these subsidiaries incurred stock based compensation expense of $235,000 and $314,000 respectively (three and nine months ended September 30, 2012 – ($14,000) and $224,000 respectively).

24. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Salary and salary-related	$ 20,907	$ 11,522	$ 44,758	$ 41,972
Corporate and professional fees	6,589	6,482	19,223	20,349
General office	9,455	9,460	27,955	25,792
Capitalized expenditures	(700)	(352)	(1,593)	(1,009)
Expense recoveries	(679)	(720)	(1,819)	(1,737)
Other	1,731	663	3,596	2,470
	$ 37,303	$ 27,055	$ 92,120	$ 87,837

25. INCOME TAXES

The income tax (recovery) expense amount on pre-tax earnings from continuing operations differs from the income tax (recovery) expense amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26% (September 30, 2012 – 26%), as a result of the following items:

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Earnings before tax at statutory rate of 26% (2012 – 26%)	$ (241)	$ 6,757	$ (45,229)	$ 5,665
Effect on taxes of:				
Non-deductible expenses	1,706	4,028	8,186	8,552
Non-taxable revenue	(3,377)	(6,810)	(8,882)	(19,058)
Change in substantively enacted income tax rates	-	-	-	6,932
Remeasurement of deferred income taxes	-	(107)	(92)	(251)
Net income tax not previously recognized	-	(7)	230	475
Net Part IV tax (refund)	-	893	(8,841)	4,846
Change in unrecognized temporary differences	1,627	390	3,967	1,334
Other differences	(75)	406	761	740
Income tax (recovery) expense	**$ (360)**	**$ 5,550**	**$ (49,900)**	**$ 9,235**

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

As at	September 30, 2013	December 31, 2012
Deferred income tax assets		
Loss carry forwards	$ 6,772	$ 10,043
Capital and other assets	1,753	1,384
Non-deductible reserves	1,427	1,421
Accrued liabilities	2,695	3,235
Other	16,402	16,024
Total deferred income tax assets	29,049	32,107
Deferred income tax liabilities		
Investments including equity accounted investments	(66,329)	(105,072)
Real estate assets	-	(58,679)
Other	(10,696)	(21,594)
Total deferred income tax liabilities	(77,025)	(185,345)
Net deferred income tax liabilities	**$ (47,976)**	**$ (153,238)**

A deferred income tax asset is only recognized when management believes it is more likely than not that the benefit will be recognized.

At September 30, 2013, the Corporation had operating loss carry forwards of $54,270,000 (December 31, 2012 – $52,199,000). Operating loss carry forwards by year of expiry are summarized below.

Year of Expiry:	Recognized	Unrecognized	Total
2014	$ -	$ 7	$ 7
2015	-	40	40
Thereafter	25,555	28,668	54,223
	$ 25,555	$ 28,715	$ 54,270

26. NET EARNINGS PER SHARE

	For the three months ended		For the nine months ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Net earnings attributable to owners of the parent	$ 2,598	$ 38,535	$ 513,417	$ 63,422
Less: dividends on Preference Shares, series 2	(2,193)	(2,193)	(6,581)	(6,581)
	$ 405	$ 36,342	$ 506,836	$ 56,841
Represented by:				
Continuing operations	$ 405	$ 19,039	$ (119,873)	$ 7,990
Discontinued operations	-	17,303	626,709	48,851
Weighted average number of shares outstanding during the period	54,099,399	54,744,397	54,083,502	54,879,780
Basic and diluted earnings per share				
Continuing operations	$ 0.01	$ 0.35	$ (2.22)	$ 0.15
Discontinued operations	-	0.31	11.59	0.89
	$ 0.01	$ 0.66	$ 9.37	$ 1.04
Effect of dilutive securities on weighted average number of shares outstanding during the period	1,921,154	2,013,741	n/a	1,995,612
Diluted earnings per share				
Continuing operations	$ 0.01	$ 0.34	n/a	$ 0.14
Discontinued operations	-	0.30	n/a	0.86
	$ 0.01	$ 0.64	n/a	$ 1.00

27. SUPPLEMENTAL CASH FLOW INFORMATION

Items not affecting Cash and Other Adjustments

For the nine months ended	September 30, 2013	September 30, 2012
Loss on sale of equity accounted investment	$ 35	$ 266
Distributions from equity accounted investments	14,171	13,653
Depreciation and depletion	15,864	14,724
Net loss (gains) from investments	147,051	(16,164)
Share of earnings from equity accounted investments	(27,860)	(21,084)
Fair value changes in livestock	(6,807)	(1,668)
Deferred income taxes	(65,390)	(33,134)
Stock based compensation	3,372	2,384
Other	(575)	(477)
	$ 79,861	**$ (41,500)**

Changes in Non-Cash Working Capital Items

For the nine months ended	September 30, 2013	September 30, 2012
Accounts receivable	$ 16,756	$ 3,655
Accounts payable and accrued liabilities	(24,472)	45,031
Current income tax amounts	(29,357)	38,292
Brokerage securities owned and sold short, net	14,931	(60,660)
Client accounts receivable, net of client deposits and related liabilities	17,831	8,095
Agricultural working capital	2,901	(1,699)
	$ (1,410)	**$ 32,714**

28. FINANCIAL INSTRUMENTS

The following table provides information about financial assets and liabilities measured at market value in the Corporation's statement of financial position and categorized by level according to the significance of the inputs used in making the measurements:

	As at September 30, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Brokerage securities owned	$ 63,064	$ 44,591	$ 18,473	$ -
Investments				
Debt securities	215,704	47,843	167,861	-
Equity securities in public entities	480,150	480,150	-	-
Equity securities in private entities	201,474	-	201,474	-
Equity securities in short-term investments and mutual funds	76	76	-	-
Warrants	2,976	-	2,976	-
Other derivative financial assets	2,310	-	2,310	-
Financial Liabilities				
Brokerage securities sold short	(20,903)	(2,389)	(18,514)	-

The Corporation used the following techniques to value financial instruments categorized in Level 2:

- Included in brokerage securities owned and brokerage securities sold short are certain bonds which have been classified as Level 2. The estimated marked-to-market value of bonds was determined by obtaining quotes from third-parties for similar instruments.

- The Corporation's portfolio of investments includes equities in private entities, many of which are in the start up phase. The Corporation carries these investments at their original cost unless there is observable evidence, by way of a subsequent private placement or a "grey market trade" of a change to the underlying market value of the investment.
- The estimated fair value of warrants is determined using a modified Black Scholes option pricing model.
- Other derivative financial assets are calculated using a discounted cash flow model based on observable commodity prices or interest yield curves, as appropriate.

A detailed description of the Corporation's financial assets and financial liabilities and its associated risk management in respect thereof are provided in note 31 to the 2012 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 financial assets and financial liabilities since December 31, 2012.

29. 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 September 30, 2013 and December 31, 2012.

As at	September 30, 2013	December 31, 2012
Shareholders' equity	$ 1,701,547	$ 1,867,985
Corporate debt	138,401	333,062
Preference Shares, series 1	-	148,773
Preference Shares, series 4	106,352	-
	$ 1,946,300	**$ 2,349,820**

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 September 30, 2013 and December 31, 2012, the Corporation and its subsidiaries complied with all regulatory capital requirements and all debt covenants.

30. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

A description of the Corporation's commitments, contingencies and off-balance sheet arrangements is provided in note 33 to the Corporation's 2012 Audited Consolidated Financial Statements. The following provides a summary of material changes to these items as at September 30, 2013.

Legal Contingencies

As part of a business reorganization completed in 2011, Dundee Capital Markets, the parent company of Dundee Securities, agreed to provide an indemnity with respect to certain claims. In 2011, Sino-Forest Corporation ("Sino-Forest") was delisted from the TSX, following allegations of securities violations. One of the parties indemnified by Dundee Capital

Markets participated in underwriting syndicates in respect of several public equity offerings by Sino-Forest. The indemnified party is a defendant in at least one lawsuit brought by shareholders of Sino-Forest, alleging securities law and other violations. Sino-Forest received an order for creditor protection in March 2012 and its Companies' Creditors Arrangement Act ("CCAA") plan was implemented in January 2013 and was recognized by the U.S. Bankruptcy Court under Chapter 11 of the U.S. Bankruptcy Code in March 2013. There are a number of appeals pending in respect of the CCAA plan. In April 2012, Sino-Forest and certain of its current and former executives received enforcement notices from the Ontario Securities Commission and the regulator commenced formal proceedings against them alleging fraud and securities law violations in May 2012. In December 2012, the Ontario Securities Commission commenced formal proceedings against Ernst & Young, Sino-Forest's former auditor, alleging certain audit deficiencies that allegedly amount to breaches of the Securities Act (Ontario). The aforementioned shareholder lawsuit is a proposed class proceeding, which has not been certified as such. The certification motion is scheduled to be heard during the week of May 22, 2014. Dundee Capital Markets cannot reliably estimate the timing and quantification of any exposure it may have as a result of the Sino-Forest underwritings.

The Corporation is also a defendant in various other 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.

31. RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 34 to the Corporation's 2012 Audited Consolidated Financial Statements.

32. 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 the September 2013 Interim Consolidated Financial Statements.

Business Entity	*Business Activity*
Corporate and Other Portfolio Holdings	Investments in public and private equity and debt securities in diversified industry segments
Dundee Energy Limited	58%-owned publicly listed subsidiary in the oil and gas industry with operations in southern Ontario and Spain
Eurogas International Inc.	53%-owned publicly listed subsidiary engaged in oil and gas exploration in Tunisia
Nichromet Extraction Inc.	83%-owned private subsidiary developing patented sustainable precious and base metals extraction processes
United Hydrocarbon International Corp.	29%-owned private subsidiary engaged in oil and gas exploration, development and production activities in the Republic of Chad

Blue Goose Capital Corp.	82%-owned private subsidiary operating in organic and natural protein production markets for beef, chicken and fish
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

Segmented Operations for the Nine Months Ended September 30, 2013

	Revenue	Cost of Sales	Other Amounts in Earnings	Earnings from Continuing	Earnings from Discontinued	Net Earnings
Corporate and other portfolio holdings	$ 32,192	$ -	$ (156,609)	$ (124,417)	$ -	$ (124,417)
Resource industry						
Dundee Energy Limited	25,794	(11,031)	(17,791)	(3,028)	-	(3,028)
Eurogas International Inc.	-	-	(626)	(626)	-	(626)
Nichromet Extraction Inc.	372	-	(3,101)	(2,729)	-	(2,729)
United Hydrocarbon International Corp.	(620)	-	(1,850)	(2,470)	-	(2,470)
Agriculture industry						
Blue Goose Capital Corp.	28,251	(34,091)	(2,653)	(8,493)	-	(8,493)
Asset management and capital markets						
Goodman & Company, Investment Counsel Inc.	3,417	-	(6,819)	(3,402)	-	(3,402)
Dundee Securities Ltd.	46,132	(24,003)	(47,640)	(25,511)	-	(25,511)
Intersegment	(4,465)	-	4,465	-	-	-
	$ 131,073	$ (69,125)	$ (232,624)	(170,676)	-	(170,676)
Income taxes				49,900	-	49,900
Earnings from discontinued operation, net of taxes				-	37,323	37,323
Gain on distribution of assets, net of taxes				-	599,446	599,446
Non-controlling interest				7,484	(10,060)	(2,576)
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				$ (113,292)	$ 626,709	$ 513,417

Segmented Operations for the Nine Months Ended September 30, 2012

	Revenue	Cost of Sales	Other Amounts in Earnings	Earnings from Continuing	Earnings from Discontinued	Net Earnings
Corporate and other portfolio holdings	$ 39,915	$ -	$ (4,014)	$ 35,901	$ -	$ 35,901
Resource industry						
Dundee Energy Limited	23,106	(10,056)	(17,341)	(4,291)	-	(4,291)
Eurogas International Inc.	-	-	(602)	(602)	-	(602)
Nichromet Extraction Inc.	3	-	(2,209)	(2,206)	-	(2,206)
Agriculture industry						
Blue Goose Capital Corp.	6,721	(3,867)	(3,274)	(420)	-	(420)
Asset management and capital markets						
Goodman & Company, Investment Counsel Inc.	2,645	-	(5,131)	(2,486)	-	(2,486)
Dundee Securities Ltd.	87,191	(41,145)	(50,563)	(4,517)	-	(4,517)
Intersegment	(3,273)	-	3,273	-	-	-
	$ 156,308	$ (55,068)	$ (79,861)	21,379	-	21,379
Income taxes				(9,235)	-	(9,235)
Earnings from discontinued operation, net of taxes				-	68,514	68,514
Non-controlling interest				2,427	(19,663)	(17,236)
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION				$ 14,571	$ 48,851	$ 63,422

Segmented Operations for the Three Months Ended September 30, 2013

		Revenue		Cost of Sales		Other Amounts in Earnings		Earnings from Continuing		Earnings from Discontinued		Net Earnings
Corporate and other portfolio holdings	$	7,101	$	-	$	16,434	$	23,535	$	-	$	23,535
Resource industry												
Dundee Energy Limited		10,079		(4,636)		(6,817)		(1,374)		-		(1,374)
Eurogas International Inc.		-		-		(196)		(196)		-		(196)
Nichromet Extraction Inc.		370		-		(1,319)		(949)		-		(949)
United Hydrocarbon International Corp.		(620)		-		(1,850)		(2,470)		-		(2,470)
Agriculture industry												
Blue Goose Capital Corp.		14,770		(15,212)		(1,799)		(2,241)		-		(2,241)
Asset management and capital markets												
Goodman & Company, Investment Counsel Inc.		1,031		-		(3,056)		(2,025)		-		(2,025)
Dundee Securities Ltd.		9,018		(9,005)		(15,206)		(15,193)		-		(15,193)
Intersegment		(532)		-		532		-		-		-
	$	41,217	$	(28,853)	$	(13,277)		(913)		-		(913)
Income taxes								360		-		360
Earnings from discontinued operation, net of taxes								-		-		-
Gain on distribution of assets, net of taxes								-		-		-
Non-controlling interest								3,151		-		3,151
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION							$	2,598	$	-	$	2,598

Segmented Operations for the Three Months Ended September 30, 2012

		Revenue		Cost of Sales		Other Amounts in Earnings		Earnings from Continuing		Earnings from Discontinued		Net Earnings
Corporate and other portfolio holdings	$	14,192	$	-	$	18,600	$	32,792	$	-	$	32,792
Resource industry												
Dundee Energy Limited		7,430		(3,876)		(6,881)		(3,327)		-		(3,327)
Eurogas International Inc.		-		-		(163)		(163)		-		(163)
Nichromet Extraction Inc.		(1)		-		(506)		(507)		-		(507)
Agriculture industry												
Blue Goose Capital Corp.		2,356		(1,103)		(1,200)		53		-		53
Asset management and capital markets												
Goodman & Company, Investment Counsel Inc.		779		-		(1,738)		(959)		-		(959)
Dundee Securities Ltd.		25,932		(11,570)		(16,751)		(2,389)		-		(2,389)
Intersegment		(2,478)		-		2,478		-		-		-
	$	48,210	$	(16,549)	$	(6,161)		25,500		-		25,500
Income taxes								(5,550)		-		(5,550)
Earnings from discontinued operation, net of taxes								-		24,424		24,424
Non-controlling interest								1,282		(7,121)		(5,839)
NET EARNINGS ATTRIBUTABLE TO OWNERS OF DUNDEE CORPORATION							$	21,232	$	17,303	$	38,535

Segmented Net Assets as at September 30, 2013

	ASSETS				LIABILITIES			
	Cash	Investments	Other Assets	TOTAL	Corporate Debt	Deferred Income Taxes	Other Liabilities	TOTAL
Corporate and other portfolio holdings	$ 12,994	$ 1,349,255	$ 172,537	$ 1,534,786	$ (26,702)	$ (66,522)	$ (179,477)	$ (272,701)
Resource industry								
Dundee Energy Limited	235	-	165,991	166,226	(65,957)	8,692	(46,627)	(103,892)
Eurogas International Inc.	20	-	11,550	11,570	-	-	(486)	(486)
Nichromet Extraction Inc.	4,556	-	8,981	13,537	-	-	(726)	(726)
United Hydrocarbon International Corp.	8,531	-	150,165	158,696	-	-	(5,007)	(5,007)
Agriculture industry								
Blue Goose Capital Corp.	308	-	150,538	150,846	(45,742)	-	(12,059)	(57,801)
Asset management and capital markets								
Goodman & Company, Investment Counsel Inc.	307	-	14,594	14,901	-	2,059	(2,069)	(10)
Dundee Securities Ltd.	211,125	-	576,354	787,479	-	7,795	(593,943)	(586,148)
TOTAL	$ 238,076	$ 1,349,255	$ 1,250,710	$ 2,838,041	$ (138,401)	$ (47,976)	$ (840,394)	$ (1,026,771)

Segmented Net Assets as at December 31, 2012

	ASSETS				LIABILITIES			
	Cash	Investments	Other Assets	TOTAL	Corporate Debt	Deferred Income Taxes	Other Liabilities	TOTAL
Corporate and other portfolio holdings	$ 10,392	$ 1,698,615	$ 55,319	$ 1,764,326	$ (35,789)	$ (99,872)	$ (202,564)	$ (338,225)
Discontinued operations								
Dundee Realty Corporation	8,487	59,637	828,553	896,677	(233,573)	(67,669)	(179,706)	(480,948)
Resource industry								
Dundee Energy Limited	125	-	160,229	160,354	(62,633)	9,276	(49,308)	(102,665)
Eurogas International Inc.	8	-	10,373	10,381	-	-	(140)	(140)
Nichromet Extraction Inc.	1,377	-	7,198	8,575	-	-	(216)	(216)
Agriculture industry								
Blue Goose Capital Corp.	-	-	62,204	62,204	(1,067)	-	(3,535)	(4,602)
Asset management and capital markets								
Goodman & Company, Investment Counsel Inc.	-	-	20	20	-	854	(2,666)	(1,812)
Dundee Securities Ltd.	21,435	-	462,124	483,559	-	4,173	(446,512)	(442,339)
TOTAL	$ 41,824	$ 1,758,252	$ 1,586,020	$ 3,386,096	$ (333,062)	$ (153,238)	$ (884,647)	$ (1,370,947)

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