



MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

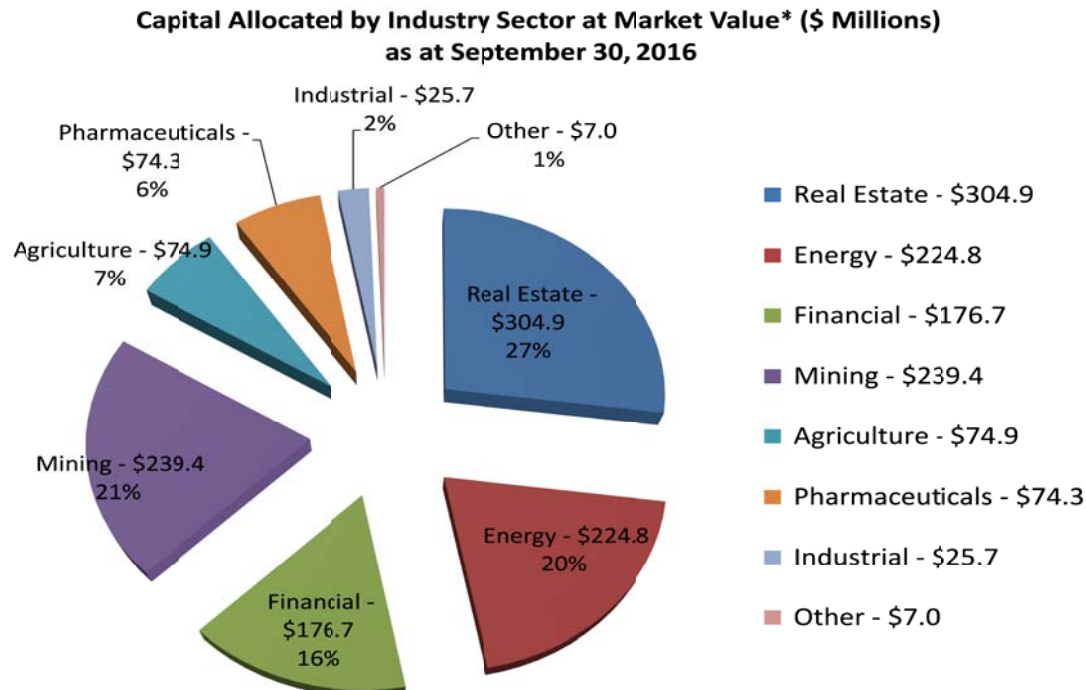
DUNDEE CORPORATION

Management's Discussion and Analysis

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

This Management's Discussion and Analysis (“MD&A”) has been prepared with an effective date of November 14, 2016 and provides an update on matters discussed in, and should be read in conjunction with the Corporation's audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2015 (the “2015 Audited Consolidated Financial Statements”), together with the accompanying MD&A for the year then ended, and with the unaudited condensed interim consolidated financial statements of the Corporation as at and for the three and nine months ended September 30, 2016 (the “September 2016 Interim Consolidated Financial Statements”), all of which have been prepared using International Financial Reporting Standards (“IFRS”). All amounts in this MD&A are in Canadian dollars unless otherwise specified. Tabular dollar amounts, unless otherwise specified, are in thousands of dollars, except for per share or per unit amounts. This MD&A contains forward looking statements that are based on certain estimates and assumptions and involve risks and uncertainties. Actual results may vary materially from management's expectations. See the “*Cautionary Note Regarding Forward Looking Statements*” section later in this MD&A for further information.

DUNDEE CORPORATION'S CAPITAL ALLOCATED BY INDUSTRY SECTOR



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

UNDERSTANDING THE ALLOCATION OF DUNDEE CORPORATION'S CAPITAL

		Carrying Value as at September 30, 2016	Market Value* as at September 30, 2016
1	Operating Subsidiaries Operating subsidiaries are not recorded as individual investments in the Corporation's consolidated financial statements. Instead, the accounts of the operating subsidiary are consolidated with those of the Corporation on a line-by-line basis. For example, the revenue generated by an operating subsidiary is reported as revenue of the Corporation in the consolidated statement of operations.	\$ 399,957	\$ 385,984
2	Equity Accounted Investments Investments that are accounted for using the equity method are separately disclosed in the Corporation's consolidated statement of financial position as "Equity accounted investments". These investments are initially recorded at the Corporation's cost of acquisition. Subsequently, the original cost is increased or decreased in proportion to the Corporation's share of earnings or losses generated by the investee.	169,484	169,495
3	Investments All other investments are designated as "Investments" in the Corporation's consolidated statement of financial position. These investments may include investments in equity or debt securities of public or private companies in a variety of sectors. These investments are reported in the Corporation's consolidated financial statements at their estimated fair value.	572,206	572,206
4	Corporate Account Balances Corporate account balances represent balances of the Corporation's capital that are not directly attributable to a particular investment. These balances include cash held by the Corporation directly, offset by the Corporation's direct obligations, including obligations in respect of its credit facilities.	(160,301)	(163,115)
	SHAREHOLDERS' EQUITY	\$ 981,346	\$ 964,570
	Less: Shareholders' equity attributable to holders of:		
	Preference Shares, series 2	(84,053)	(86,985)
	Preference Shares, series 3	(43,015)	(43,015)
	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO CLASS A		
	SUBORDINATE SHARES AND CLASS B SHARES OF THE CORPORATION	\$ 854,278	\$ 834,570
	Number of Class A Subordinate Shares and Class B Shares of the Corporation outstanding		
	Class A Subordinate Shares		55,535,423
	Class B Shares		3,115,134
			58,650,557
	SHAREHOLDERS' EQUITY ON A PER SHARE BASIS**	\$ 14.57	\$ 14.23

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

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

PERFORMANCE MEASURES

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

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

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

RESULTS OF OPERATIONS

Nine months ended September 30, 2016 compared with the nine months ended September 30, 2015

Consolidated Net Earnings

During the nine months ended September 30, 2016, the Corporation incurred a net loss attributable to owners of Dundee Corporation of \$35.2 million, or a loss of \$0.69 per share. In comparison, during the first nine months of the prior year, the Corporation incurred a loss attributable to owners of Dundee Corporation of \$404.2 million, or \$7.03 per share. Included in the prior year results was an impairment of \$215.2 million (\$132.9 million after adjusting for non-controlling interest) relating to the resource properties associated with the Corporation's investment in United Hydrocarbon International Corp. The following table summarizes the Corporation's net operating loss on a per segment basis.

<i>For the nine months ended September 30,</i>	2016	2015
Net loss before income taxes from:		
Goodman & Company, Investment Counsel Inc.	\$ (2,227)	\$ (2,108)
Dundee Securities Ltd.	(2,825)	(14,431)
Dundee Energy Limited	(17,309)	(6,579)
United Hydrocarbon International Corp.	(9,653)	(246,557)
Dundee Sustainable Technologies Inc.	(3,394)	(4,714)
Eurogas International Inc.	(483)	(571)
Blue Goose Capital Corp.	(18,358)	(13,688)
AgriMarine Holdings Inc.	(4,807)	(22,029)
Dundee 360 Real Estate Corporation	(35,079)	(11,728)
	(94,135)	(322,405)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments:		
Dundee Precious Metals Inc.	69,785	(134,212)
DREAM Unlimited Corp.	(865)	(54,956)
Other portfolio investments	42,356	(52,642)
Share of loss from equity accounted investments	(2,663)	(5,777)
Other items in the corporate and other portfolio holdings segment	(37,925)	(16,621)
Income tax (expense) recovery	(10,745)	73,331
Net loss for the period	\$ (34,192)	\$ (513,282)
Net loss attributable to:		
Owners of the parent	\$ (35,160)	\$ (404,190)
Non-controlling interest	968	(109,092)
	\$ (34,192)	\$ (513,282)

Operating results during the first nine months of 2016 benefited from improved market performance in certain of the Corporation's investments that are carried in the consolidated financial statements at fair value through profit or loss ("FVTPL"). Included as part of the "Corporate and other portfolio holdings" segment, these investments resulted in the recognition of a gain from investments of \$111.3 million in the current nine-month period, compared with a loss of \$241.8 million during the first nine months of 2015. Changes in the fair value of investments carried at FVTPL, which are determined by trends and information in equity and capital markets, are recorded in the Corporation's net earnings or loss and can cause substantial volatility in operating results. The Corporation cautions that the equity and credit markets do not always necessarily reflect the underlying value of certain assets.

A number of the Corporation's investments are accounted for using the equity method of accounting, which requires that the Corporation increase or decrease the carrying value of its investment by its proportionate share of the net earnings or loss of the underlying investee. This method of accounting further subjects the Corporation to significant volatility in its operating performance as the underlying net earnings or loss of the equity accounted investee may be subject to market forces or other events over which the Corporation does not exert control. During the first nine months of 2016, the Corporation recognized a loss from its equity accounted investments of \$2.7 million, compared with a loss of \$5.8 million in the same period of the prior year.

Year-to-date operating results also include charges related to Parq Holdings Limited Partnership ("Parq"), the developer of the casino and resort development project in Vancouver, British Columbia. During the second quarter of 2016, Parq and its affiliates entered into an amending agreement with the general contractor of the project, which culminated in an extension of the construction schedule, updating the completion of the project to the fall of 2017. The schedule extension required the concurrence of the project's lenders (see "*Dundee 360 Real Estate Corporation*" segment). In connection with the extension of the construction contract and the concurrent changes to the terms of the associated credit agreements, the development contract previously awarded to Dundee 360 was cancelled. Consequently, during the second quarter of 2016, Dundee 360 accelerated the depreciation of the value attributed to the development contract by \$3.5 million, and it further recognized an impairment of \$14.1 million against goodwill previously attributed to this project.

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

- Goodman & Company, Investment Counsel Inc. continues to grow its AUM, which increased to \$180.5 million at September 30, 2016, compared with AUM of \$88.2 million at the end of the prior year. Reflecting additional general and administrative expenses associated with the development stage of these operations, Goodman & Company, Investment Counsel Inc. incurred a net operating loss of \$2.2 million in the first three quarters of 2016, compared with a net operating loss of \$2.1 million incurred in the same period of the prior year.
- The capital markets division of Dundee Securities Ltd. incurred a net operating loss before taxes of \$2.0 million during the nine months ended September 30, 2016, compared with a net operating loss before taxes of \$6.0 million during the same period of the prior year. In April 2016, Dundee Securities Ltd. completed the sale of its retail division, previously branded as "Dundee Goodman Private Wealth" to Echelon Wealth Partners Inc. Included in operating results during the first nine months of 2016 is a gain of \$2.6 million relating to the transaction.
- Dundee Energy Limited's operating performance continues to be impacted by significant volatility in prices of oil and natural gas. As a result, Dundee Energy Limited reported a net operating loss before taxes of \$17.3 million during the first nine months of 2016, including an impairment of \$5.0 million on certain of its natural gas properties in southern Ontario. In comparison, Dundee Energy reported a net operating loss before taxes of \$6.6 million during the same period of the prior year.
- United Hydrocarbon International Corp. incurred a net operating loss before taxes of \$9.7 million during the first nine months of 2016, compared with a net operating loss before taxes of \$246.6 million during the same period of the prior year. Prior year results included an impairment of \$215.2 million related to its resource properties, and \$10.1 million of termination and shutdown costs incurred by this entity as it committed to reduce operating costs in response to lower commodity prices.
- Dundee Sustainable Technologies Inc. incurred a net operating loss of \$3.4 million during the first three quarters of 2016, compared with a net operating loss of \$4.7 million in the same period of 2015. Current year-to-date results include revenues of \$1.2 million from the sale of technical services to customers in the mining industry to evaluate processing alternatives using its proprietary technologies.
- Driven primarily by changes in the fair value of livestock, Blue Goose Capital Corp. incurred a net operating loss before taxes of \$18.4 million during the first nine months of 2016, compared with a net operating loss before taxes of \$13.7 million in the same period of the prior year.

- AgriMarine Holdings Inc. reported a net operating loss before taxes of \$4.8 million in the first nine months of 2016, compared with a net operating loss before taxes of \$22.0 million in the same period of the prior year. Prior year results included a \$13.6 million one-time charge against the carrying value of certain intangible assets.
- Dundee 360 Real Estate Corporation incurred a net operating loss before taxes of \$35.1 million during the first nine months of 2016, including depreciation of \$17.6 million relating to goodwill and other intangible assets associated with the Parq project. In addition, depreciation charges of \$5.8 million were incurred on the sale of certain hospitality services agreements following a restructuring of that business segment in June 2016. In comparison, operating losses before taxes in the first nine months of 2015 were \$11.7 million and had benefited from one-time revenue of \$4.0 million related to the termination of an asset management agreement.

OPERATING SUBSIDIARIES AS AT SEPTEMBER 30, 2016

		(000's)				Non-Controlling	Carrying	Market
	Ticker	# of Shares	Market	Percentage	Net Assets	Interests	Value	Value
	Symbol	Held	Price/Share	Ownership	(note 1)	(note 2)	as at September 30, 2016	as at September 30, 2016
Subsidiaries That Are Not Publicly Listed								
United Hydrocarbon International Corp.				85%	\$ 221,672	\$ (32,142)	\$ 189,530	\$ 189,530
Dundee Securities Ltd. (note 3)				100%	64,115	-	64,115	64,115
Blue Goose Capital Corp.				89%	59,700	(4,712)	54,988	54,988
Dundee 360 Real Estate Corporation				100%	39,331	(1,892)	37,439	37,439
AgriMarine Holdings Inc.				100%	18,614	-	18,614	18,614
Goodman & Company, Investment Counsel Inc.				100%	994	-	994	994
Subsidiaries That Are Publicly Listed								
Dundee Sustainable Technologies Inc.	DST	228,068.5	\$0.05	66%	3,966	2,919	6,885	11,403
Dundee Energy Limited	DEN	108,993.5	\$0.03	58%	41,047	(15,884)	25,163	2,725
Eurogas International Inc.	EI	16,646.8	\$0.01	53%	4	2,225	2,229	83
Amounts due from non-controlling interests (note 4)							-	6,093
TOTAL – OPERATING SUBSIDIARIES							\$ 399,957	\$ 385,984

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

Segmented Results of Operations

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

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

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

GCIC is the entity through which the Corporation intends to build out its Investment Counsel/Portfolio Management (“ICPM”) platform that is currently branded as “Dundee Global Investment Management” (“DGIM”). The ICPM strategy includes developing integrated and diversified financial products and services focused on the high-net-worth and ultra-high-net-worth markets. In furtherance of this, GCIC is actively executing its growth strategy on two fronts. The first is the continued focus on acquiring high-net-worth clients via an experienced advisory team and the other is to look for appropriate acquisition targets to add scale and accelerate the accumulation of assets under administration.

During the first nine months of 2016, GCIC accumulated approximately \$88.2 million in AUM under managed account arrangements for private clients and it successfully launched its most recent tax-sheltered limited partnership, *CMP 2016 Resource Limited Partnership*, which raised new capital of \$20.7 million. In addition, GCIC established its own series of investment products geared towards its high-net-worth client base with the launch of *Goodman & Co. Partners Strategy* and *Goodman & Co. Core Equity Strategy*, which collectively raised a further \$8.0 million.

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

Combined with market appreciation of \$24.9 million since January 1, 2016, and as a result of the preceding information, AUM increased by a net amount of \$92.3 million to \$180.5 million at September 30, 2016, compared with AUM of \$88.2 million at December 31, 2015.

	For the three months ended September 30, 2016	For the nine months ended September 30, 2016
AUM at beginning of the period	\$ 175,674	\$ 88,227
Transactions for the period ended September 30, 2016		
Additions	5,565	34,290
Redemptions	(3,785)	(18,365)
Distributions paid	-	(36,737)
Change in market values	657	24,903
Change in private client assets	2,399	88,192
Net change in managed assets	4,836	92,283
AUM at end of the period	\$ 180,510	\$ 180,510
AUM Breakdown		
Private clients		\$ 88,192
Tax sheltered investment products		42,074
Mutual funds		26,243
Alternative investment products		24,001
		\$ 180,510

GCIC’s management fee revenue is calculated and paid monthly, based on the fair value of AUM as determined on the last business day of each month. The average AUM for the first nine months of 2016 was \$166.1 million, compared with an average AUM of \$105.4 million during the same period of the prior year. The increase has led to a corresponding increase in management fee revenues earned, which increased to \$1.8 million during the first nine months of 2016, from revenue levels of \$1.5 million earned in the same period of the prior year.

Management fee revenues are also impacted by the management fee rate charged on AUM. During the nine months ended September 30, 2016, the average management fee rate earned on AUM was 1.4%, compared with an average management fee rate of 2.0% earned in the corresponding period of the prior year. The decrease in the average management fee rate reflects the mix of assets managed, with private client assets generally earning a lower management fee rate than tax sheltered investment products, mutual funds and closed-end investment products.

RESULTS OF OPERATIONS

As illustrated in the table below, GCIC incurred a net loss before income taxes attributable to owners of Dundee Corporation of \$2.2 million in the first nine months of 2016, compared with a pre-tax loss of \$2.1 million incurred in the same period of the prior year. Despite the increase in management fee revenues, GCIC's net operating performance has been impacted by higher levels of general and administrative expenses, which increased to \$4.3 million in the nine months ended September 30, 2016, compared with general and administrative expenses of \$3.7 million incurred during the same period of 2015, reflecting initiatives in the development of GCIC's business activities.

<i>For the nine months ended September 30,</i>	2016	2015
Revenues		
Management fees	\$ 1,829	\$ 1,547
Financial services	3	-
Interest, dividends and other	255	1
	2,087	1,548
Other items in net loss before taxes		
General and administrative	(4,313)	(3,656)
Interest expense	(1)	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (2,227)	\$ (2,108)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (2,227)	\$ (2,108)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (2,227)	\$ (2,108)

DUNDEE SECURITIES LTD.

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

RESULTS OF OPERATIONS

	Capital Markets		Retail & Other		TOTAL	
For the nine months ended September 30,	2016	2015	2016	2015	2016	2015
Revenues						
Management fees	\$ -	\$ -	\$ 3,464	\$ 12,472	\$ 3,464	\$ 12,472
Financial services						
Investment banking	18,800	20,267	-	-	18,800	20,267
Commissions	13,654	13,507	7,718	17,560	21,372	31,067
Principal trading	(3,739)	(2,573)	2,383	1,384	(1,356)	(1,189)
Foreign exchange trading	-	-	177	524	177	524
Interest, dividends and other	855	939	3,180	7,226	4,035	8,165
	29,570	32,140	16,922	39,166	46,492	71,306
Cost of sales						
Variable compensation	(14,447)	(15,583)	(6,771)	(18,793)	(21,218)	(34,376)
Other items in net loss						
Depreciation	(272)	(325)	(481)	(1,383)	(753)	(1,708)
General and administrative						
- direct	(11,987)	(18,529)	(5,442)	(18,141)	(17,429)	(36,670)
- allocated	(5,015)	(3,729)	(4,544)	(9,617)	(9,559)	(13,346)
Interest expense	(53)	(56)	(90)	(66)	(143)	(122)
Foreign exchange (loss) gain	202	82	(417)	403	(215)	485
Net loss attributable to Dundee Securities Ltd.	\$ (2,002)	\$ (6,000)	\$ (823)	\$ (8,431)	\$ (2,825)	\$ (14,431)
Net loss before taxes, Dundee Securities Ltd. attributable to:						
Owners of Dundee Corporation	\$ (2,002)	\$ (6,000)	\$ (823)	\$ (8,431)	\$ (2,825)	\$ (14,431)
Non-controlling interest	-	-	-	-	-	-
Net loss before taxes, Dundee Securities Ltd.	\$ (2,002)	\$ (6,000)	\$ (823)	\$ (8,431)	\$ (2,825)	\$ (14,431)

The Capital Markets Division

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

The Corporation believes that the ongoing success of Dundee Capital Markets requires an alignment of its interest with certain key employees. Accordingly, the Corporation continues to advance its process to provide equity ownership to these key employees. The Corporation’s current concept would see the Corporation providing sufficient capital, in the form of subordinated debt, to match the level of capital provided by these key employees as equity holders. The subordinated debt would be issued on normal commercial terms, and would be enhanced with a revenue-based royalty arrangement. The transaction is subject to the concurrence of the key employees, and will furthermore require regulatory approval. Completion of this transaction is expected in the fourth quarter of 2016.

Revenues from Activities in the Capital Markets Division

During the nine months ended September 30, 2016, the capital markets division generated revenues of \$29.6 million, an 8% decrease from revenues of \$32.1 million earned during the first nine months of the prior year. The decrease results primarily from reduced investment banking revenue, including new issues and advisory services fee revenue, which fell by 7% to \$18.8 million during the first nine months of 2016, compared with \$20.3 million earned in the same period of the prior year.

During the first nine months of 2016, Dundee Capital Markets participated in 86 public and private new issue transactions, compared with 101 transactions in the same period of the prior year. Correspondingly, new issue revenue decreased to \$14.9 million in the first nine months of 2016, compared with \$17.0 million of new issue revenue earned in the same period of the prior year. In addition to lower transaction levels, the decrease in revenue also reflects a decrease in the average size of financing transactions completed, as well as lower average percentage participation in those financings. In contrast, advisory fee revenue during the first nine months of 2016 was \$3.9 million, compared with \$3.3 million earned in the same period of the prior year. Advisory mandates are generally long-term in nature, and fees are earned only following the successful completion of a transaction, therefore, revenue from the provision of advisory fee services may be subject to significant volatility.

Institutional commission revenue increased marginally to \$13.7 million in the first nine months of 2016, compared with \$13.5 million earned in the same period of the prior year.

Principal trading losses were \$3.7 million in the first nine months of 2016, and include facilitation trading losses of \$5.9 million, offset by \$2.2 million of appreciation in the market value of certain securities held in this division. In comparison, during the first nine months of 2015, facilitation trading losses were \$2.9 million, offset by appreciation of \$0.3 million in the market value of securities held. The ratio of facilitation trading losses to associated institutional commission revenue increased to 43% in the first nine months of 2016, compared with 22% in the same period of the prior year.

Variable Compensation Expense

Variable compensation expense incurred by Dundee Capital Markets during the first nine months of 2016 was \$14.4 million (nine months ended September 30, 2015 – \$15.6 million), and represented approximately 50% (nine months ended September 30, 2015 – 48%) of related financial services revenue, resulting in contribution margins of 50% (nine months ended September 30, 2015 – 52%).

General and Administrative Expenses

Dundee Capital Markets incurred general and administrative expenses of \$17.0 million in the first nine months of 2016, compared with general and administrative expenses of \$22.3 million in the same period of the prior year. The decrease reflects cost savings initiatives implemented during 2015 that have resulted in lower employment, trade related, communication and professional fees.

The Retail Division and Other Division Activities

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

As is illustrated in the following table, Dundee Securities received cash consideration of \$9.3 million on the sale. In addition, Dundee Securities may receive up to another \$4.2 million in cash consideration, contingent on the retention of AUA by Echelon over a 12-month period from the completion of the sale. At completion of the transaction with Echelon, the fair value of the contingent consideration was estimated at \$3.7 million, resulting in a gain of \$2.6 million. The gain has been included in the September 2016 Interim Consolidated Financial Statements as a recovery of general and administrative expenses. Since closing of the transaction, Dundee Securities has estimated that the fair value of future consideration decreased to \$2.7 million at September 30, 2016, determined using an estimated level of advisor retention, as well as some level of market appreciation to the anniversary date of April 22, 2017. Changes in the fair value of future consideration are recorded in net earnings or loss.

In addition to proceeds received at closing, the transaction unlocked regulatory capital, enabling Dundee Securities to pay dividends of \$41.0 million to the Corporation.

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

As a result of the sale, revenue in the retail division decreased to \$16.9 million during the nine months ended September 30, 2016, compared with revenue of \$39.2 million generated in the same period of the prior year. Correspondingly, variable compensation expense incurred in the nine months ended September 30, 2016 was \$6.8 million (nine months ended September 30, 2015 – \$18.8 million), representing approximately 49% (nine months ended September 30, 2015 – 57%) of related financial services and management fee revenue, resulting in contribution margins of 51% (nine months ended September 30, 2015 – 43%). Consistent with lower business activity, the retail division incurred general and administrative expenses of \$10.0 million (net of the recognition of the \$2.6 million gain from sale of assets to Echelon), a decrease of \$17.8 million from general and administrative expenses of \$27.8 million incurred in the same period of the prior year.

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

CHANGES IN FINANCIAL CONDITION

Call Loan Facilities

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

DUNDEE ENERGY LIMITED

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

During the nine months ended September 30, 2016, Dundee Energy incurred a net loss before taxes of \$11.6 million attributable to owners of Dundee Corporation. This compares with a pre-tax net loss attributable to owners of Dundee Corporation of \$4.4 million incurred during the same period of the prior year.

RESULTS OF OPERATIONS

<i>For the nine months ended September 30,</i>	2016	2015
Revenues		
Oil and gas sales	\$ 14,377	\$ 20,112
Interest and dividends	(1,794)	1,028
	12,583	21,140
Cost of sales		
Production expenditures	(9,937)	(12,346)
Other items in net loss before taxes		
Depreciation and depletion	(11,831)	(8,958)
General and administrative	(4,132)	(3,185)
Loss on derivative financial instruments	(605)	-
Interest expense	(3,266)	(3,358)
Foreign exchange (loss) gain	(121)	128
Net loss before taxes, Dundee Energy Limited	\$ (17,309)	\$ (6,579)
Net loss before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	\$ (11,562)	\$ (4,370)
Non-controlling interest	(5,747)	(2,209)
Net loss before taxes, Dundee Energy Limited	\$ (17,309)	\$ (6,579)

Sales and Production Volumes

During the first nine months of 2016, sales of oil and natural gas, net of royalty interests, generated revenues of \$14.4 million, a decrease of \$5.7 million from revenues of \$20.1 million earned during the same period of the prior year. The decrease arose primarily from lower realized prices for the underlying commodities, which reduced revenues by \$3.8 million, as well as lower producing volumes that further reduced revenues by \$1.9 million.

During the nine months ended September 30, 2016, Dundee Energy realized an average price on sales of natural gas of \$3.31/Mcf, representing a 6% premium over the average benchmark price at the Dawn Hub, which Dundee Energy continues to benefit from because of the proximity of its assets to the greater Toronto market area. Despite the premium, the average realized price on sales of natural gas in the current period declined 23% from the average price of \$4.30/Mcf realized in the same period of the prior year.

Dundee Energy's average realized price for sales of oil during the first nine months of 2016 was \$50.88/bbl, a 19% decrease from the average price of \$62.78/bbl realized in the same period of the prior year. On a comparative basis, the US dollar-denominated West Texas Intermediate price for this commodity fell 19%, while the Edmonton Par average price for crude oil during the first nine months of 2016 fell by 16%.

<i>Average daily volume during the nine months ended September 30,</i>	2016	2015
Natural gas (Mcf/d)	11,026	11,785
Oil (bbls/d)	493	576
Liquids (bbls/d)	2	3
Total (boe/d)	2,333	2,543

Average daily natural gas production volumes decreased to 11,026 Mcf/d during the first nine months of 2016, compared with 11,785 Mcf/d in the first nine months of the prior year, reflecting scheduled downtime for maintenance at two of Dundee Energy's compressor stations. Oil production volumes decreased to 493 bbls/d, compared with 576 bbls/d in the first nine months of the prior year, reflecting the natural decline in these assets.

Field Level Cash Flows and Field Netbacks

For the nine months ended September 30,				2016	2015			
	Natural Gas	Oil and Liquids		Total	Natural Gas	Oil and Liquids		Total
Total sales	\$ 10,007	\$ 6,881	\$	16,888	\$ 13,830	\$ 9,887	\$	23,717
Royalties	(1,490)	(1,021)		(2,511)	(2,088)	(1,517)		(3,605)
Production expenditures	(6,541)	(3,396)		(9,937)	(7,285)	(5,061)		(12,346)
	1,976	2,464		4,440	4,457	3,309		7,766
Realized gain on derivative financial instruments	473	-		473	-	341		341
Field level cash flows	\$ 2,449	\$ 2,464	\$	4,913	\$ 4,457	\$ 3,650	\$	8,107

For the nine months ended September 30,				2016	2015			
	Natural Gas	Oil and Liquids		Total	Natural Gas	Oil and Liquids		Total
	\$/Mcf	\$/bbl		\$/boe	\$/Mcf	\$/bbl		\$/boe
Total sales	\$ 3.31	\$ 50.72	\$	26.42	\$ 4.30	\$ 62.57	\$	34.16
Royalties	(0.49)	(7.53)		(3.93)	(0.65)	(9.60)		(5.19)
Production expenditures	(2.17)	(25.03)		(15.55)	(2.26)	(32.03)		(17.78)
	0.65	18.16		6.94	1.39	20.94		11.19
Realized gain on derivative financial instruments	0.16	-		0.74	-	2.16		0.49
Field netbacks	\$ 0.81	\$ 18.16	\$	7.68	\$ 1.39	\$ 23.10	\$	11.68

CHANGES IN FINANCIAL CONDITION

Commodity Price Risk Management Contracts

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

For the nine months ended September 30,				2016	2015			
	Realized	Unrealized		Total	Realized	Unrealized		Total
	Gain	Loss			Gain	Loss		
Oil swaps	\$ -	\$ -	\$	-	\$ 341	\$ (341)	\$	-
Gas swaps	473	(1,078)		(605)	-	-		-
	\$ 473	\$ (1,078)	\$	(605)	\$ 341	\$ (341)	\$	-

Contract		Pricing	Strike Price		Remaining	Fair Value as at
Fixed Price Swap	Volume	Point	(\$/unit)	Currency	Term	September 30, 2016
Natural gas	2,000 mbtu/d	NYMEX	\$3.41	CDN	Oct 1/16 to Dec 31/16	\$ (98)
Natural gas	1,000 mbtu/d	NYMEX	\$3.48	CDN	Oct 1/16 to Dec 31/16	(43)
Natural gas	1,000 mbtu/d	NYMEX	\$3.64	CDN	Oct 1/16 to Dec 31/16	(28)
Natural gas	5,000 mbtu/d	NYMEX	\$2.70	USD	Jan 1/17 to Dec 31/17	(930)
						\$ (1,099)

Dundee Energy's derivative financial instruments at September 30, 2016 had a negative value of \$1.1 million.

Impairment of Natural Gas Properties

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

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

	Natural Gas Union Parkway CAD\$/ Mcf
Reserve Prices	
2016	4.05
2017	4.15
2018	4.20
2019	4.35
2020	4.55
Average five year forecast	4.26

Capital Expenditures

In response to the considerable decline in the price of oil and natural gas, Dundee Energy's work plan for 2016 will focus only on the maintenance of Dundee Energy's oil and natural gas land portfolio, which it anticipates will require approximately \$0.8 million. During the first nine months of 2016, Dundee Energy incurred \$0.5 million related to its land portfolio and \$0.2 million related to completion of prior year projects. In addition, Dundee Energy sold certain redundant equipment for \$0.1 million, resulting in a loss of approximately \$1.5 million.

Demand Revolving Credit Facility

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

On February 18, 2016, amounts available pursuant to the demand credit facility were reduced from \$70.0 million at December 31, 2015 to \$60.0 million, and amounts available will be further reduced to \$55.0 million before December 31, 2016. The credit facility is structured as a revolving demand loan, and is subject to a tiered interest rate structure based on the net debt to cash flow ratio, as defined in the credit facility. Draws on this credit facility currently bear interest at the bank's prime lending rate plus 3.5%. The demand credit facility is subject to a standby fee of 0.55% on undrawn amounts under the credit facility. The demand credit facility is subject to certain covenants, including maintenance of minimum levels of working capital. At September 30, 2016, Dundee Energy was in compliance with all such covenants. However, during the third quarter of 2016, lenders to Dundee Energy's subsidiary initiated discussions, expressing concerns regarding their valuation of the subsidiary's assets which have been pledged as security under the terms of the demand credit facility, and which have decreased in value as a result of corresponding decreases in the price of commodities. As a result, the lenders are currently requiring that Dundee Energy's subsidiary reduce its borrowings to below \$38 million by January 2017.

At September 30, 2016, Dundee Energy had cash of \$0.1 million on deposit with a Canadian Schedule I Chartered Bank and it had drawn \$57.2 million against its current credit facility. Dundee Energy's ability to continue its operations in the normal course of business is dependent upon, among other things, commodity prices. Prices for natural gas and crude oil remain low, and as a result, Dundee Energy's cash flows have been significantly reduced. In addition, as a reflection of lower commodity prices, the deemed value of Dundee Energy's natural gas and crude oil reserves has also declined. These conditions could, among other things, impede access to further borrowings, or increase the cost of borrowing, which would have an adverse effect on Dundee Energy's ability to access the financing necessary to fund its operations. There can be no assurance that Dundee Energy will be able to reduce its borrowings to the level requested by its lenders, or that Dundee Energy will have access to alternative capital, either on terms acceptable to Dundee Energy or at all.

UNITED HYDROCARBON INTERNATIONAL CORP.

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

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

As at September 30, 2016, the Corporation’s carrying value of its 85% interest in UHIC was \$189.5 million, and was net of an impairment of \$215.2 million recognized in the third quarter of the prior year. Additional information regarding UHIC may be accessed at www.unitedhydrocarbon.com.

CHANGES IN FINANCIAL CONDITION

Corporate Restructuring Transaction

In August 2016, UHIC completed a restructuring transaction with the Corporation which resulted in UHIC emerging with an essentially debt-free balance sheet and sufficient working capital to pursue its immediate objective of attracting a joint venture partner or investors to fund the further development of its resources. As part of the restructuring, the Corporation converted approximately \$322.8 million aggregate principal amount of debt into common shares of UHIC, and it forgave all associated and accrued interest on such debt. Upon completion of the transaction, UHIC had approximately 698.0 million common shares outstanding, of which approximately 85% were issued to the Corporation, with the remaining 15% issued to non-controlling shareholders.

UHIC is committed to finding ways to add value in a challenging environment for junior international oil and gas companies. In that regard, UHIC has engaged FirstEnergy LLP to seek financial or industry partners, and they have opened up a data room to service the informational needs of possible joint venture partners and investors, and which UHIC believes properly conveys the commercial opportunity. Non-binding bids were due in late October 2016, and are currently being assessed. More recently, and in order to assist with financing the costs of the data room and general overhead, UHIC completed a \$12.2 million offering of shares to its existing shareholder base at a price of \$0.10 per share. The Corporation took up \$10.0 million of the offering. Existing cash resources are expected to cover UHIC’s cash requirements through to March 2017.

Cash Resources

UHIC does not currently generate cash flows from its business activities, and it currently relies on its ability to raise funds through capital markets or through debt from the Corporation. UHIC will require additional funds to continue its exploration program and if successful, to develop and produce commercially viable discoveries. There can be no assurance that UHIC will be successful in raising the necessary funds to support future operations.

Compliance with the Requirements of the Production Sharing Contract

Under the terms of the PSC, UHIC was awarded an exploration permit with an initial term of five years expiring in May 2017, and with a renewal option for a period of an additional three years. In addition to ongoing normal course annual costs such as

land taxes and other miscellaneous administration fees associated with the PSC, the initial term of the PSC carried a minimum work commitment of US\$75.0 million, all of which has already been fulfilled by UHIC. During the renewal period, UHIC will have further work obligations of US\$5.0 million. Should there be a commercial discovery or discoveries, UHIC may apply for exploitation license(s) under the terms of the PSC. The exploitation license would have an initial term of 25 years, and may be renewed for an additional 10 years. A fee of US\$2.0 million would be payable to the government of the Republic of Chad upon the approval and issuance of each exploitation license.

RESULTS OF OPERATIONS

Following the suspension of drilling operations in early 2015, UHIC incurred contract cancellation costs and reduced its general and administrative costs to conserve cash, focus on the integration of all of the new scientific and technical data that had been collected into the development of UHIC's assets, and engage in a process to develop targeted plans for a multi-staged development strategy to establish production. As a result of the cost reduction initiatives, UHIC's general and administrative costs were reduced to \$2.7 million in third quarter of 2016 and \$9.3 million for the nine months ended September 30, 2016, compared with \$7.4 million in the third quarter of the prior year and \$30.5 million for the comparable nine month period of the prior year.

Operating results in the third quarter of the prior year include an impairment of \$215.2 million against the value of UHIC's resource properties.

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
General and administrative costs:				
Directly attributable to exploration activities, gross	\$ 1,115	\$ 3,102	\$ 3,732	\$ 16,503
Amounts capitalized	-	(512)	-	(4,314)
Directly attributable to exploration activities, net	1,115	2,590	3,732	12,189
Head office and other ongoing expenses	1,588	1,989	5,397	8,193
Employee termination costs	29	67	161	2,321
Shut-down and contract termination costs	-	2,755	-	7,769
	2,732	7,401	9,290	30,472
Other net costs	(590)	947	363	929
Net costs before impairment	2,142	8,348	9,653	31,401
Impairment	-	215,156	-	215,156
	\$ 2,142	\$ 223,504	\$ 9,653	\$ 246,557

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

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

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

In late 2015, Dundee Technologies commissioned a demonstration plant, enabling it to proceed with the demonstration phase of the project. At September 30, 2016, Dundee Technologies had expended \$18.4 million towards the construction and operation of the demonstration plant, and it intends to incur a further \$0.5 million in processing costs during the remainder of 2016.

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

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

In addition to the processing of concentrate received from Dundee Precious, in September 2015, Dundee Technologies announced that it had entered into an agreement with a Chilean mining company for the processing of gold concentrate using the chlorination process. In September 2015, Dundee Technologies received two tonnes of concentrate from the Chilean company to be processed initially at the pilot plant. In March 2016, Dundee Technologies announced that through the chlorination process, it achieved a gold recovery of 98.8% from its piloting campaign. These results enabled Dundee Technologies to move forward on the next stage of the arrangement with the Chilean company, which involved the processing of a larger quantity of material at the demonstration plant. This process was initiated in August 2016. As of September 30, 2016, a gold extraction yield of 97.3% was achieved at the outlet of the chlorination reactor. In the upcoming weeks, Dundee Technologies will complete the processing of this material in the demonstration plant. The intention is to initiate an independent technical-economic study, designed with the objective of building a processing facility in Chile.

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

In February 2016, Dundee Technologies entered into an agreement with an international gold mining company to evaluate the feasibility of integrating the arsenic stabilization process to arsenical matter produced by that company’s operations. The first stage of this agreement was completed during the third quarter of 2016 and confirmed that on a pilot plant scale, the technology can be implemented successfully on the matter targeted for stabilization by the gold mining company. This program demonstrated the stability of the produced glass, which contained up to 20.4% arsenic, by passing the United States Environmental Protection Agency’s toxicity characterization leaching procedure. Dundee Technologies is now in discussions with the gold mining company to evaluate the installation of an arsenic vitrification plant.

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

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

RESULTS OF OPERATIONS

During the nine months ended September 30, 2016, Dundee Technologies incurred a pre-tax net loss of \$2.0 million attributable to owners of Dundee Corporation, compared with a pre-tax net loss of \$2.7 million in the same period of the prior year.

For the nine months ended September 30,	2016	2015
Revenues		
Technical services	\$ 1,165	\$ -
Interest and dividends	-	6
	1,165	6
Cost of sales	(599)	-
Other items in net loss before taxes		
Depreciation and depletion	(1)	(46)
General and administrative	(3,739)	(4,607)
Interest expense	(233)	(52)
Foreign exchange gain (loss)	13	(15)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (3,394)	\$ (4,714)
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:		
Owners of Dundee Corporation	\$ (1,981)	\$ (2,710)
Non-controlling interest	(1,413)	(2,004)
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (3,394)	\$ (4,714)

Revenues were \$1.2 million in the first three quarters of 2016, during which Dundee Technologies sold technical services to customers in the mining industry to evaluate processing alternatives using its technologies.

General and administrative expenses include research and development expenses in respect of Dundee Technologies' chlorination and arsenic stabilization process. Included in general and administrative expenses, during the nine months ended September 30, 2016, is \$3.0 million (nine months ended September 30, 2015 – \$4.2 million) of research and development costs. These costs relate primarily to the operation of the chlorination process demonstration plant in this period, as compared with the construction of the plant in the comparative period of the prior year.

CHANGES IN FINANCIAL POSITION

At September 30, 2016, Dundee Technologies had cash of \$0.5 million, and it had obligations, other than obligations due to Dundee Corporation, of \$4.6 million. Dundee Technologies anticipates that it will require approximately \$3.0 million to \$5.0 million to complete the technical-economic studies for an industrial implementation of its technologies by the end of 2017. Dundee Technologies continues to pursue financing alternatives to fund its operations. Although there is no assurance that these efforts will be successful, Dundee Technologies believes that if its ongoing research and development activities provide favorable results, it will be able to secure the necessary financing through the issuance of debt or equity.

EUROGAS INTERNATIONAL INC.

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

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

During the three and nine months ended September 30, 2016, Eurogas International incurred a pre-tax loss of \$0.1 million and \$0.5 million, respectively, compared with a pre-tax loss of \$0.2 million and \$0.6 million, respectively in the same period of the prior year.

CHANGES IN FINANCIAL POSITION

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

BLUE GOOSE CAPITAL CORP.

Blue Goose Capital Corp. ("Blue Goose") is a privately-held Canadian company focused on the production, distribution and sale of organic, natural and conventional protein products, including beef, chicken and fish. At September 30, 2016, the Corporation held an 89% interest in Blue Goose. Additional information about Blue Goose and its product line may be accessed at www.bluegoosepurefoods.com.

RESULTS OF OPERATIONS

During the first nine months of 2016, Blue Goose incurred a net loss attributable to the owners of Dundee Corporation of \$16.2 million, compared with a net loss of \$12.0 million incurred during the same period of the prior year. Included in the results of the prior period is a \$4.4 million loss related to Blue Goose's divestiture of certain non-core assets. The change in operating performance is driven primarily by changes in the fair value of livestock, which is subject to significant variability from period to period due to changes in physical growth and market prices. During the nine months ended September 30, 2016, and reflective of both lower livestock inventory, and reduced market prices for beef, Blue Goose recognized a fair value loss of \$0.1 million, compared with a fair value gain of \$12.1 million in the first nine months of the prior year.

<i>For the nine months ended September 30,</i>	2016	2015
Revenues		
Sales	\$ 46,384	\$ 44,378
Interest and dividends	(1,772)	170
	44,612	44,548
Cost of sales	(53,479)	(54,537)
Other items in net loss before taxes		
Depreciation and depletion	(2,150)	(2,635)
General and administrative		
Loss on sale of net assets	-	(4,392)
Other general and administrative	(5,703)	(5,404)
Fair value changes in livestock	(48)	12,088
Interest expense	(1,588)	(3,359)
Foreign exchange (loss) gain	(2)	3
Net loss before taxes, Blue Goose Capital Corp.	\$ (18,358)	\$ (13,688)
Net loss before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	\$ (16,195)	\$ (11,988)
Non-controlling interest	(2,163)	(1,700)
Net loss before taxes, Blue Goose Capital Corp.	\$ (18,358)	\$ (13,688)

Contribution Margins

During the nine months ended September 30, 2016, Blue Goose incurred a negative contribution margin of \$7.1 million on total revenues of \$46.4 million, compared with a positive contribution margin of \$1.9 million on total revenues of \$44.4 million for the same period of the prior year. The gross margin before fair value adjustments was \$4.1 million during the first nine months of 2016, an improvement of \$2.8 million over the \$1.3 million of gross margin before fair value adjustments realized in the same period of the prior year.

<i>For the nine months ended September 30,</i>						2016
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 11,987	\$ 2,359	\$ 9,448	\$ 22,590	\$ -	\$ 46,384
Cost of sales, period costs	(9,977)	(1,805)	(9,340)	(21,192)	-	(42,314)
	2,010	554	108	1,398	-	4,070
Fair value changes						
Fair value changes in livestock	(983)	935	-	-	-	(48)
Cost of sales, fair value harvested	(8,776)	(2,389)	-	-	-	(11,165)
	(9,759)	(1,454)	-	-	-	(11,213)
Margin	\$ (7,749)	\$ (900)	\$ 108	\$ 1,398	\$ -	\$ (7,143)
Margin %	(70.4%)	(27.3%)	1.1%	6.2%	-	(15.4%)

<i>For the nine months ended September 30,</i>						2015
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 10,992	\$ 3,449	\$ 9,432	\$ 18,448	\$ 2,057	\$ 44,378
Cost of sales, period costs	(10,957)	(2,820)	(9,918)	(17,825)	(1,564)	(43,084)
	35	629	(486)	623	493	1,294
Fair value changes						
Fair value changes in livestock	10,179	1,909	-	-	-	12,088
Cost of sales, fair value harvested	(7,973)	(3,480)	-	-	-	(11,453)
	2,206	(1,571)	-	-	-	635
Margin	\$ 2,241	\$ (942)	\$ (486)	\$ 623	\$ 493	\$ 1,929
Margin %	10.6%	(17.6%)	(5.2%)	3.4%	24.0%	3.4%

Revenue from the sale of beef increased by \$1.0 million to \$12.0 million in the first nine months of 2016, compared with revenue of \$11.0 million in the same period of the prior year. The increase is attributable to higher volumes in both the sale of processed beef, as well as the sale of live animals. During the nine months ended September 30, 2016, period costs associated with the beef division were \$10.0 million and included costs of feeding, labour and other farm costs. This compares with period costs of \$11.0 million incurred during the same period of the prior year.

Revenue from fish sales decreased to \$2.4 million in the first nine months of 2016, compared with revenue of \$3.4 million in the first nine months of 2015, reflecting lower sales volumes. During the third quarter of 2016, Blue Goose further refined its harvest plan based on lower available biomass due to climate related issues. As a result, these lower volumes are expected to continue until the end of the third quarter before recovering to prior year volumes. Period costs associated with the fish division were \$1.8 million in the first nine months of 2016, compared with \$2.8 million in the same period of the prior year. While consistent with lower sales volumes, the decrease in period costs also reflects Blue Goose's higher margin sales strategy implemented in the third quarter of 2015 to sell whole fish, eliminating further processing costs.

Blue Goose chicken products are produced by third-party suppliers and are sold to major retailers and independent grocers. During the nine months ended September 30, 2016, revenue from the sale of chicken products was \$9.4 million, consistent with the same period of the prior year. Blue Goose continues to work with its processors and suppliers to address the supply constraints that prevent Blue Goose from achieving a higher rate of sales growth. Despite these constraints, the launch of higher margin processed chicken products, including chicken chili and chicken stock, as well as the reduction of certain overhead and processing costs, improved overall margins in this division by \$0.6 million.

Feed sales for the nine months ended September 30, 2016 were \$22.6 million (nine months ended September 30, 2015 – \$18.4 million), an increase of \$4.2 million over the prior period, reflecting higher volumes sold.

CHANGES IN FINANCIAL CONDITION

Changes in Livestock Carrying Values

	Cattle		Fish		Inventory and Supplies		TOTAL
Carrying value, beginning of the period	\$	30,332	\$	2,378	\$	2,276	\$ 34,986
Transactions during the nine months ended September 30, 2016							
Net additions		1,486		442		23,086	25,014
Herd growth - physical changes		3,422		939		-	4,361
Herd growth - price changes		(4,405)		(4)		-	(4,409)
Net of product processed		(8,776)		(2,389)		(22,664)	(33,829)
Carrying value, end of the period	\$	22,059	\$	1,366	\$	2,698	\$ 26,123

Blue Goose saw an increase in the size of its organic cattle herd of 958 head or 7%, compared with its herd count as of December 31, 2015, despite an overall decrease in the total weight of its cattle inventory due to the average maturity of the herd. The increase in herd count is the result of births and purchases, net of sales. Blue Goose will continue to increase the size of its organic cattle herd to support future sales growth through accretive strategic acquisitions. In June 2016, Blue Goose purchased Cache Creek Farms for \$2.2 million, and further purchased 200 head of cattle for \$0.4 million. The purchase also included 337 acres of hay producing land and a sub-finishing lot, plus related buildings and equipment, in close proximity to Blue Goose's current operations.

	Cattle herd as at	
(number of animals)	September 30, 2016	December 31, 2015
Breeding cattle and bulls	6,297	5,934
Immature livestock and feeder cattle	7,689	7,094
	13,986	13,028

Corporate Debt

Blue Goose and its subsidiaries have entered into several borrowing arrangements, pursuant to which Blue Goose has borrowed an aggregate of \$54.3 million as at September 30, 2016, including \$12.5 million raised in a private placement of convertible debentures completed in July 2016 (see "Acquisition of Poultry Processor"). A detailed description of the nature of each of Blue Goose's borrowing facilities is provided in note 20 to the 2015 Audited Consolidated Financial Statements, as amended in note 18 to the September 2016 Interim Consolidated Financial Statements.

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

Other than a \$10 million guarantee provided by a wholly-owned subsidiary of Dundee Corporation, the lending institutions to Blue Goose do not have recourse to Dundee Corporation or to any of Dundee Corporation's other subsidiaries in respect of any of the amounts borrowed under these arrangements.

Acquisition of Poultry Processor

In order to continue to expand its operations and further its vertical integration strategy, on October 17, 2016, Blue Goose completed the acquisition of the assets of the Burlington-based meat processing business of Tender Choice Foods Inc. Blue Goose believes that this strategic acquisition will be accretive to its existing poultry business, and that it will provide significant operational cost synergies, including efficiencies in labour and transportation costs. The acquisition is also expected to provide Blue Goose with additional processing capabilities, especially in the area of consumer packaged goods products.

The purchase price for the acquisition of the assets was \$59.0 million, and is subject to future contingent consideration based on the assets achieving certain earnings targets through to December 31, 2018. In order to fund the acquisition, Blue Goose raised \$12.5 million from a new strategic investor, through the issuance of a convertible debenture. The Corporation provided a further

\$7.5 million in the form of an equity injection to Blue Goose to fund the equity portion of the acquisition. The balance of the purchase price was funded through a debt facility from a Canadian bank.

The convertible debentures mature on July 20, 2021 and bear interest at 8% during the first two years of their term, increasing to 10% in the remaining three years. Subject to certain conditions as outlined in the terms of the convertible debentures, the convertible debentures may be converted, at any time and at the option of the holder of the convertible debentures, into common shares of Blue Goose at a price of \$7.25 per share. In addition to the \$12.5 million of convertible debentures which Blue Goose raised from a third party, the Corporation exchanged \$15.0 million of its unsecured debt owed by Blue Goose to the Corporation, into convertible debentures essentially on the same terms as the \$12.5 million convertible debentures issued to the third party. At the same time, the Corporation converted \$9.9 million of its unsecured debt into additional equity in Blue Goose at a price of \$6.00 per share. These restructuring transactions significantly improve Blue Goose's balance sheet and financial position. Amounts due from Blue Goose to the Corporation are eliminated in the consolidated financial results of the Corporation.

Fischer Feeds Sale

On October 4, 2016, Blue Goose completed the sale of the assets of its Fischer Feeds division. Total proceeds from the sale were \$13.5 million, of which \$6.7 million was used to repay debt associated with these operations. The balance of the proceeds will be used to further reduce corporate debt and for general working capital purposes.

AGRIMARINE HOLDINGS INC.

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

RESULTS OF OPERATIONS

During the nine months ended September 30, 2016, AgriMarine incurred a pre-tax net loss of \$4.8 million attributable to owners of Dundee Corporation, compared with a pre-tax net loss attributable to owners of Dundee Corporation of \$21.9 million in the same period of the prior year. The 2015 pre-tax loss includes a one-time charge of \$18.1 million against the carrying value of certain assets.

<i>For the nine months ended September 30,</i>	2016	2015
Revenues		
Sales	\$ 7,825	\$ 4,922
Interest, dividends and other	(53)	50
	7,772	4,972
Cost of sales	(8,431)	(6,122)
Other items in net loss before taxes		
Depreciation and depletion	-	(18,134)
General and administrative	(3,175)	(3,740)
Fair value changes in livestock	(902)	682
Interest expense	(69)	(15)
Foreign exchange (loss) gain	(2)	328
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,807)	\$ (22,029)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (4,807)	\$ (21,936)
Non-controlling interest	-	(93)
Net loss before taxes, AgriMarine Holdings Inc.	\$ (4,807)	\$ (22,029)

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

Contribution Margins

<i>For the nine months ended September 30,</i>	2016	2015
Revenues	\$ 7,825	\$ 4,922
Cost of sales	(8,753)	(4,960)
Contribution margin before fair value changes and writedowns	(928)	(38)
Fair value changes in livestock	(902)	682
Gain (writedowns)	322	(1,162)
	\$ (1,508)	\$ (518)

During the nine months ended September 30, 2016, AgriMarine generated revenue of \$7.8 million and negative contribution margins of \$0.9 million before fair value changes. At West Coast Fishculture, the volume of fish harvested during the first nine months of 2016 was 943,000 kilograms. Of this amount, approximately 792,000 kilograms were sold at an average selling price of \$7.85 per kilogram. The volume of fish sold, and the resulting cost of sales, was negatively impacted by an issue of premature maturation in some of the cohorts of the biomass experienced earlier in the year, which resulted in undersized, less-marketable fish that were not saleable. AgriMarine has since taken steps to control mortalities, as a result of which AgriMarine experienced improved operating results in the third quarter of the current year, with positive contribution margins of \$0.6 million.

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

CHANGES IN FINANCIAL CONDITION

	Biological Assets	Inventory and Supplies	TOTAL
Carrying value, beginning of the period	\$ 7,889	\$ 825	\$ 8,714
Transactions during the nine months ended September 30, 2016			
Net additions	2,323	(283)	2,040
Growth - physical changes	(900)	-	(900)
Growth - price changes	(2)	-	(2)
Net of product processed	(2,396)	-	(2,396)
Carrying value, end of the period	\$ 6,914	\$ 542	\$ 7,456

At September 30, 2016, the carrying value of AgriMarine's biological assets was \$6.9 million, compared with a carrying value of \$7.9 million at December 31, 2015. The decrease reflects a fair value adjustment of \$0.9 million stemming from the underlying value of smaller fish size, as well as the disposition of AgriMarine's Benxi subsidiary in China.

In the first nine months of 2016, AgriMarine has successfully expanded its fish containment facilities, and it has also increased its processing capabilities with the installation of new equipment to process a wider product range. During the nine months ended September 30, 2016, Dundee Corporation advanced \$1.1 million to AgriMarine in order to supplement working capital requirements and to fund certain capital expenditures. At September 30, 2016, AgriMarine had cash of \$0.1 million, and it had liabilities, other than liabilities due to Dundee Corporation, of \$2.4 million. There can be no assurance that AgriMarine will have access to the necessary cash to carry out its current business plan.

DUNDEE 360 REAL ESTATE CORPORATION

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

RESULTS OF OPERATIONS

During the nine months ended September 30, 2016, Dundee 360 incurred a net loss attributable to the owners of Dundee Corporation of \$35.0 million. This compares with a net loss attributable to owners of Dundee Corporation of \$11.7 million in the same period of the prior year. As described in more detail below, during the second quarter of 2016, Dundee 360 restructured its hospitality, asset management and real estate development divisions in order to focus on luxury real estate projects within Canada, and in order to achieve greater alignment with the services provided between Sotheby’s and DGIM. These restructuring activities resulted in one-time costs of \$23.4 million that were recognized during the second quarter of this year.

<i>For the nine months ended September 30, 2016</i>	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
Revenues					
Gross commission income	\$ 63,145	\$ -	\$ -	\$ -	63,145
Consulting and management fees	-	2,447	1,718	-	4,165
Sales and marketing fees	92	-	-	-	92
Other revenue	6,169	20	12	929	7,130
Interest, dividends and other	237	104	20	(3)	358
	69,643	2,571	1,750	926	74,890
Cost of sales	(57,060)	-	-	-	(57,060)
Other items in net loss before taxes					
Depreciation and depletion	(762)	(15,459)	(9,537)	(203)	(25,961)
General and administrative	(12,623)	(5,538)	(6,123)	(2,683)	(26,967)
Share of income from real estate joint ventures	-	-	152	-	152
Finance expense	(66)	-	(48)	(19)	(133)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$ (868)	\$ (18,426)	\$ (13,806)	\$ (1,979)	\$ (35,079)
Net loss before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ (868)	\$ (18,426)	\$ (13,691)	\$ (1,979)	\$ (34,964)
Non-controlling interest	-	-	(115)	-	(115)
Net loss before taxes, Dundee 360 Real Estate Corporation	\$ (868)	\$ (18,426)	\$ (13,806)	\$ (1,979)	\$ (35,079)

<i>For the nine months ended September 30, 2015</i>	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
Revenues					
Gross commission income	\$ 51,854	\$ -	\$ -	\$ -	51,854
Consulting and management fees	-	7,461	4,112	-	11,573
Sales and marketing fees	463	-	-	-	463
Other revenue	5,330	62	82	48	5,522
Interest, dividends and other	(8)	113	118	(191)	32
	57,639	7,636	4,312	(143)	69,444
Cost of sales	(47,235)	-	-	-	(47,235)
Other items in net loss before taxes					
Depreciation and depletion	(886)	(2,548)	(5,887)	(198)	(9,519)
General and administrative	(10,445)	(2,405)	(5,389)	(6,322)	(24,561)
Share of income from real estate joint ventures	-	-	143	-	143
Finance expense	-	-	-	-	-
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ (927)	\$ 2,683	\$ (6,821)	\$ (6,663)	\$ (11,728)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ (927)	\$ 2,683	\$ (6,765)	\$ (6,663)	\$ (11,672)
Non-controlling interest	-	-	(56)	-	(56)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ (927)	\$ 2,683	\$ (6,821)	\$ (6,663)	\$ (11,728)

Real Estate Brokerage and Sales and Marketing Activities

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

During the nine months ended September 30, 2016, Sotheby’s has sold over \$3.4 billion worth of residential real estate, compared with \$2.7 billion in the same period of the prior year. Gross commission revenues for the listing, marketing and selling of real estate assets during the nine months ended September 30, 2016 were \$63.1 million. Commissions paid to associated brokers and agents in respect of this revenue stream were \$57.1 million, providing Dundee 360 with a contribution margin of \$6.0 million or 10%. This compares with a contribution margin of \$4.7 million or 9% in the same period of the prior year. The increase in contribution margin is attributable to organic growth of Sotheby’s realtor base as well as favorable market conditions in Vancouver and Ontario. In addition to commission revenues, this division also earned \$6.2 million from its network of brokers and agents for the provision of marketing, administrative and support services.

Hospitality and Asset Management Activities

Hospitality and asset management activities have encompassed the management and operations of international hotel, resort, residential and commercial properties. During the nine months ended September 30, 2016, Dundee 360 generated total revenues of \$2.6 million from hospitality and asset management activities. This compares with \$7.6 million of revenues generated in the same period of the prior year, which included a \$4.0 million termination payment received from Ivanhoé Cambridge for the termination of an asset management agreement.

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

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

In connection with the extension of the construction schedule for the Parq Resort (see “*Significant Investments Accounted for Under the Equity Method – Significant Developments in Equity Accounted Investments*”), Dundee 360 reassigned its participation in the asset management agreement pursuant to which Dundee 360 was to provide management services when the Parq Resort commenced operations. As a result of this amendment, the Corporation incurred impairment charges of \$10.4 million associated with goodwill acquired as part of the acquisition of Dundee 360, all of which was recognized in the second quarter of 2016.

Real Estate Development Activities

During the nine months ended September 30, 2016, Dundee 360 earned revenues of \$1.8 million from its real estate development activities. This compares with \$4.3 million of revenues generated in the same period of the prior year, which included development fees earned for the construction of the Parq Resort. A comprehensive description of each of Dundee 360's real estate development projects is provided on pages 47 and 48 of the MD&A accompanying the 2015 Audited Consolidated Financial Statements.

Consistent with depreciation charges incurred in the hospitality and asset management division, during the second quarter of 2016, Dundee 360 incurred non-recurring depreciation charges of \$3.5 million on the reassignment of its participation in the development management agreement associated with the Parq Resort and \$3.7 million of associated goodwill. Furthermore, included in general and administrative expenses of the real estate development division is \$1.2 million of accrued development fees that Dundee 360 surrendered as part of the extension of the construction contract.

CHANGES IN FINANCIAL CONDITION

Real Estate Debt

During the nine months ended September 30, 2016, the Corporation advanced \$3.7 million to Dundee 360 in order to supplement working capital requirements and to advance the development of its real estate projects. At September 30, 2016, Dundee 360 had cash and receivables of \$9.8 million and its current liabilities, other than amounts due to Dundee Corporation, were \$10.2 million. Dundee 360 is currently exploring strategies to monetize various international real estate development interests and to create potential financing vehicles to allow Dundee 360 to continue growing its business. Without the financial support of the Corporation, there can be no assurance that Dundee 360 will have access to the necessary funding to carry out its current business plan.

SIGNIFICANT INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

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

At September 30, 2016, the Corporation accounted for nine of its investments using the equity method, including eight investments in private companies and one minor investment in a publicly listed company. These investments had an aggregate carrying value at September 30, 2016 of \$169.5 million (December 31, 2015 – \$172.7 million).

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

Equity Accounted Investments

As at		September 30, 2016			December 31, 2015		
Trade			Carrying	Market		Carrying	Market
Symbol	Investment	Ownership	Value	Value (i)	Ownership	Value	Value (i)
Publicly Listed Equity Accounted Investment							
ODX	Odyssey Resources Limited	31%	\$ 46	\$ 57	31%	\$ 163	\$ 227
			46	57		163	227
Privately Held Equity Accounted Investments							
	Union Group International Holdings Limited	40%	63,546	63,546	40%	68,007	68,007
	Paragon Holdings (Smithe Street) ULC (ii)	50%	57,644	57,644	50%	54,174	54,174
	Android Industries, LLC	20%	25,712	25,712	20%	28,265	28,265
	Cambridge Medical Funding Group II, LLC	50%	11,022	11,022	50%	11,507	11,507
	Dundee Sarea Acquisition I Limited Partnership	33%	13,257	13,257	33%	9,756	9,756
	Dundee Sarea Limited Partnership	25%	538	538	34%	356	356
	Dundee Acquisition Ltd.	98%	(2,281)	(2,281)	98%	444	444
	Escal UGS S.L. (iii)	14%	-	-	14%	-	-
			169,438	169,438		172,509	172,509
			\$ 169,484	\$ 169,495		\$ 172,672	\$ 172,736

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

Continuity in the Corporation’s Portfolio of Equity Accounted Investments

	For the three months ended September 30, 2016	For the nine months ended September 30, 2016
Carrying value of equity accounted investments, beginning of period	\$ 169,254	\$ 172,672
Transactions during the period ended September 30, 2016		
Cash invested in equity accounted investments	2,475	4,550
Share of loss from equity accounted investments	(3,803)	(2,663)
Share of other comprehensive income (loss) from equity accounted investments	1,607	(4,796)
Other	(49)	(279)
Carrying value of equity accounted investments, end of period	\$ 169,484	\$ 169,484

Significant Developments in Equity Accounted Investments

Union Group International Holdings Limited (“Union Group”)

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

Union Group is currently developing approximately 700 megawatts (“MW”) of new hydropower capacity in Peru, distributed across a portfolio of more than 15 run-of-river projects at various stages of development. In May 2016, Union Group brought its first hydropower plant, Canchayllo, into operation at approximately 5.3 MW. Two further hydropower plants, El Carmen and 8 de Agosto, are in their final stages of development, and are expected to add a further 27 MW of power when operations commence. However, during the third quarter of 2016, landslides and flash floods caused delays in the construction schedule and the start of operations is now expected in June 2017. Union Group and its financing partners are currently in talks to arrange financing for the incremental costs associated with these disruptions.

In April 2016, Union Group acquired a 50% interest in International Cannabis Corp. (“ICC”) (www.intcannabiscorp.com), one of the two licensed producers and sellers of cannabis and its derivative products in Uruguay. In December 2013, Uruguay became the first country to regulate cannabis for recreational, medicinal and industrial uses. The selling of recreational cannabis by ICC through the pharmacy channel is expected to commence in the first quarter of 2017. In September 2016, ICC raised \$10 million pursuant to a private placement. These funds are currently in escrow and will be released upon completion of a transaction that

would result in the public listing of the shares of ICC on the TSX Venture Exchange (“TSX-V”). Such public listing is subject to customary regulatory approvals, including approvals of the TSX-V and approval of ICC shareholders.

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

During the third quarter of 2016, the real estate division of Union Group completed the sale of two properties, generating revenues of US\$1.4 million, offset by a US\$1.6 million writedown in its agricultural businesses based in Uruguay. As a result Union Group reported losses of approximately US\$7.5 million in the nine months ended September 30, 2016 (nine months ended September 30, 2015 – US\$2.3 million). The Corporation’s share of these losses was \$2.0 million (nine months ended September 30, 2015 – \$1.2 million) and it recognized a small dilution loss of \$0.2 million. During the first nine months of the prior year, the Corporation also recognized a dilution gain of \$10.9 million that resulted from a US\$25.0 million equity investment by a European bank into Union Group’s power segment subsidiaries.

Paragon Holdings (Smithe Street) ULC (“Paragon Holdings”)

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

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

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

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

During the third quarter of the current year, the existing ownership group made an additional investment into Parq in the form of preferred units totalling \$13.9 million, the proceeds of which were primarily used to fund a completion guarantee. Of this amount, \$9.0 million was made in the form of Class C Preferred Units as described above, and with \$4.9 million being made into securities to be designated as “Class D Preferred Units”. Class D Preferred Units will be similar in form to the Class C Preferred Units, but carry certain liquidity and redemption preferences. The Corporation’s share of this additional investment was \$2.5 million, all of which was invested in Class D Preferred Units.

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

of Paragon Gaming Inc. and PBC. Once construction of the Parq Resort is completed and operations commence, ongoing asset management will be provided jointly by affiliates of Paragon Gaming Inc., PBC and Dundee Corporation.

Construction during the third quarter of 2016 progressed to the hotel towers that will host the JW Marriott and Douglas hotels at the property. The pouring of concrete on the shorter of the towers will be completed on November 15, 2016 for the Douglas hotel and on November 16, 2016 for the JW Marriott south tower, which represented the top-off of these towers. The top-off of the taller JW Marriott north tower is scheduled to occur in January 2017. Parq remains on schedule to open in the fall of 2017.

Paragon Holdings reported net income before taxes of \$11.2 million during the nine months ended September 30, 2016 (nine months ended September 30, 2015 – loss of \$39.4 million), including operating income of \$7.8 million related primarily to its casino operations (nine months ended September 30, 2015 – \$8.4 million), and \$3.4 million of foreign exchange amounts related to the translation of its US dollar denominated debt and associated hedging instruments (nine months ended September 30, 2015 – loss of \$47.9 million). After-tax income in the first three quarters of 2016 was \$9.4 million. Cash flow generated from casino operations is retained within Parq and is utilized as a source of funds to fund development costs of the project.

During the nine months ended September 30, 2016, the Corporation recognized \$3.5 million of equity earnings from its investment in Paragon Holdings (nine months ended September 30, 2015 – loss of \$14.5 million).

Android Industries, LLC (“Android”)

The Corporation holds a 20% interest in Android (www.android-ind.com), a private company and leading high technology-enabled assembler and sequencer of complex assemblies for the automotive industry operating out of the state of Michigan, United States.

In response to demand from some of the world’s largest automobile and light truck manufacturing companies, Android continues to expand through both geographic expansion, as well as through technical innovation. During the past nine months, new plants have been strategically opened in Mexico, Turkey, Canada, Brazil, Italy and the United States in order to support new multi-year production contracts. Continuing investment in research and development has resulted in further improvements in supply-chain management and the implementation of proprietary ‘next-generation’ tire-wheel assembly cells, which brings further refinement, flexibility, and efficiency to Android’s customers.

During the nine months ended September 30, 2016, Android reported net earnings of US\$1.4 million (nine months ended September 30, 2015 – US\$13.4 million) and is net of US\$12.0 million in costs associated with new business start-ups and other non-recurring expenses (nine months ended September 30, 2015 – US\$5.7 million). During the nine months ended September 30, 2016, the Corporation reported a nominal loss of \$0.1 million from its investment in Android, which is net of its share of tax distributions of \$0.3 million received during that same period. In the same period of the prior year, the Corporation’s share of earnings from its investment in Android was \$1.6 million.

As a tier-one automotive manufacturer, Android faces significant competition and challenges on an ongoing basis. New multi-year production contracts and renewals of maturing contracts are normal course occurrences, and are highly dependent on quality of production. In turn, Android is reliant on its partners to provide quality inputs to its assembly of products. These risks may affect Android’s current profitability and its ability to expand its customer base. Furthermore, these contracts are based on the requirements of Original Equipment Manufacturers which, in many cases, cannot be predetermined. Depending on the size and scale of the contracts, the capital outlay to undertake a new or renewing contract can be substantial. Often, cash flow from operations can be impacted in the first year of a sizable new contract, or over the life of contracts when volumes are below original expectations.

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

Cambridge Medical is a private, U.S. based consortium with a focus on funding and acquiring the rights to the proceeds of specialty medical receivables and processing those receivables using proprietary software. Cambridge Medical provides a highly specialized finance solution for hospitals, surgical centers, and medical providers. In 2014, the Corporation invested US\$10.0 million to acquire a 50% interest in Cambridge Medical. In 2015, the Corporation advanced a further US\$1.0 million to

Cambridge Medical to assist with short-term working capital requirements as Cambridge Medical expanded its funded base of medical claims.

During 2015 and 2016, Cambridge Medical continued to invest and make significant advancements in its proprietary software. Called “RETE”, the software is a comprehensive platform that is designed to allow Cambridge Medical to cost-effectively increase its funding and collection activities through the acquisition of new clients and portfolios. Operationally, management is seeking to continue to improve margins and the velocity of capital by focusing on an improved mix of financial services that involves less capital, lower risk, and quicker collection periods. Further, the team is actively pursuing new opportunities in selective states in the U.S., as a result of recent changes to health-care related regulations.

During the nine months ended September 30, 2016, the Corporation recognized losses from Cambridge Medical of US\$0.3 million (nine months ended September 30, 2015 – US\$0.1 million), of which its share was approximately \$0.2 million (nine months ended September 30, 2015 – \$0.1 million of earnings).

Dundee Sarea Limited Partnership (“Dundee Sarea LP”)

Dundee Sarea LP (www.dundeesarea.com) is a private equity firm that currently provides investment management to Dundee Sarea Acquisition I Limited Partnership, its inaugural investment fund. Dundee Sarea LP invests in special situations requiring a constructive, long-term partner to drive change and growth. Through its inaugural investment fund, Dundee Sarea LP intends to make equity investments in mid-market companies experiencing challenging situations such as financial restructurings, turnarounds and succession issues. Dundee Sarea LP provides active involvement in realigning strategy and improving performance.

During the nine months ended September 30, 2016, the Corporation recognized earnings of \$0.2 million from its 25% interest in Dundee Sarea LP.

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

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

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

The Corporation advanced a further \$4.6 million to Dundee Sarea LP during the first nine months of 2016, bringing its total allotment to this venture to \$15.9 million, or approximately 42% of its committed amount.

During the nine months ended September 30, 2016, Dundee Sarea Fund reported a net loss of \$3.1 million. The Corporation’s share of these losses was \$1.0 million.

During the first nine months of the prior year, Dundee Sarea Fund reported a loss of \$0.8 million. The Corporation reported earnings of \$1.3 million from its investment in Dundee Sarea Fund during that period, including a loss of \$0.3 million corresponding to its share of losses, offset by dilution gains of \$1.6 million resulting from the raising of partnership capital from third-parties.

Dundee Acquisition Ltd. (“Dundee Acquisition”)

On March 5, 2015, the Corporation created Dundee Acquisition (www.dundeeacquisition.com), a special purpose acquisition corporation (“SPAC”), which was incorporated for the purpose of effecting a qualifying acquisition of one or more businesses or assets, by way of a merger, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination.

On August 25, 2016, Dundee Acquisition announced that it had entered into a definitive arrangement agreement with CHC Student Housing Corp., a pure-play publicly listed student housing company in Canada (TSX-V:CHC) (www.chcstudenthousing.com), to effect a business combination by way of a court approved plan of arrangement (the “Arrangement”) and that Dundee Acquisition had concurrently entered into a series of agreements to acquire additional student housing properties from various third party vendors. The proposed transaction would constitute Dundee Acquisition’s qualifying acquisition and is subject to approval of Dundee Acquisition shareholders, and certain other closing conditions including the approval of the Ontario Court of Justice and applicable regulatory approvals including the Ontario Securities Commission and the Toronto Stock Exchange. Subsequent to September 30, 2016, Dundee Acquisition filed a non-offering preliminary prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with the completion of the proposed transaction. Subject to satisfying applicable conditions, Dundee Acquisition expects that the proposed transaction will close in December 2016.

The pro forma company will own an interest in up to 18 properties with over 4,400 student housing beds with an average proximity to universities and colleges of approximately 0.7 km in 12 cities across Canada. The resulting issuer is expected to be renamed Canadian Student Living Group Inc. and will continue to be led by the management team at CHC.

During the nine months ended September 30, 2016, Dundee Acquisition reported losses of \$2.8 million, the Corporation’s share of which was \$2.7 million. This compares with losses of \$5.9 million reported in the first three quarters of the prior year, of which the Corporation’s share was \$5.8 million, partially offset by a dilution gain of \$0.9 million.

Escal UGS S.L. (“Escal”)

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

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

Earnings and Losses from Equity Accounted Investments

<i>For the nine months ended</i>	September 30, 2016			September 30, 2015		
	Equity Earnings (Losses)	Dilution (Loss) Gains	Total	Equity Earnings (Losses)	Dilution Gains	Total
Paragon Holdings (Smithe Street) ULC	\$ 3,470	\$ -	\$ 3,470	\$ (14,492)	\$ -	\$ (14,492)
Union Group International Holdings Limited	(1,980)	(198)	(2,178)	(1,153)	10,888	9,735
Android Industries, LLC	(349)	278	(71)	1,622	-	1,622
Cambridge Medical Funding Group II, LLC	(173)	-	(173)	(63)	92	29
Dundee Sarea Acquisition I Limited Partnership	(1,049)	-	(1,049)	(287)	1,545	1,258
Dundee Sarea Limited Partnership	274	(92)	182	827	-	827
Dundee Acquisition Ltd.	(2,725)	-	(2,725)	(5,756)	871	(4,885)
Others	(119)	-	(119)	(103)	232	129
	(2,651)	(12)	(2,663)	(19,405)	13,628	(5,777)
Real estate joint venture investments	152	-	152	143	-	143
	\$ (2,499)	\$ (12)	\$ (2,511)	\$ (19,262)	\$ 13,628	\$ (5,634)

For the three months ended			September 30, 2016			September 30, 2015		
	Equity Earnings (Losses)	Dilution Gains	Total			Equity Earnings (Losses)	Dilution Gains	Total
Paragon Holdings (Smithe Street) ULC	\$ (1,245)	\$ -	\$ (1,245)	\$		\$ (8,415)	\$ -	\$ (8,415)
Union Group International Holdings Limited	(1,182)	-	(1,182)			(347)	-	(347)
Android Industries, LLC	(121)	49	(72)			(4)	-	(4)
Cambridge Medical Funding Group II, LLC	(281)	-	(281)			(260)	-	(260)
Dundee Sarea Acquisition I Limited Partnership	(82)	-	(82)			(190)	575	385
Dundee Sarea Limited Partnership	194	-	194			806	-	806
Dundee Acquisition Ltd.	(1,113)	-	(1,113)			326	1	327
Others	(22)	-	(22)			(11)	-	(11)
	(3,852)	49	(3,803)			(8,095)	576	(7,519)
Real estate joint venture investments	163	-	163			161	-	161
	\$ (3,689)	\$ 49	\$ (3,640)	\$	(7,934)	\$ 576	\$	(7,358)

In addition to its share of earnings or loss of its equity accounted investments, during the first nine months of 2016, the Corporation recognized \$4.8 million in comprehensive losses relating to these investments (nine months ended September 30, 2015 – \$28.7 million of comprehensive income), including foreign currency translation amounts on the translation of the operations of certain equity accounted investments that are denominated in other than Canadian currency.

OTHER PORTFOLIO INVESTMENTS

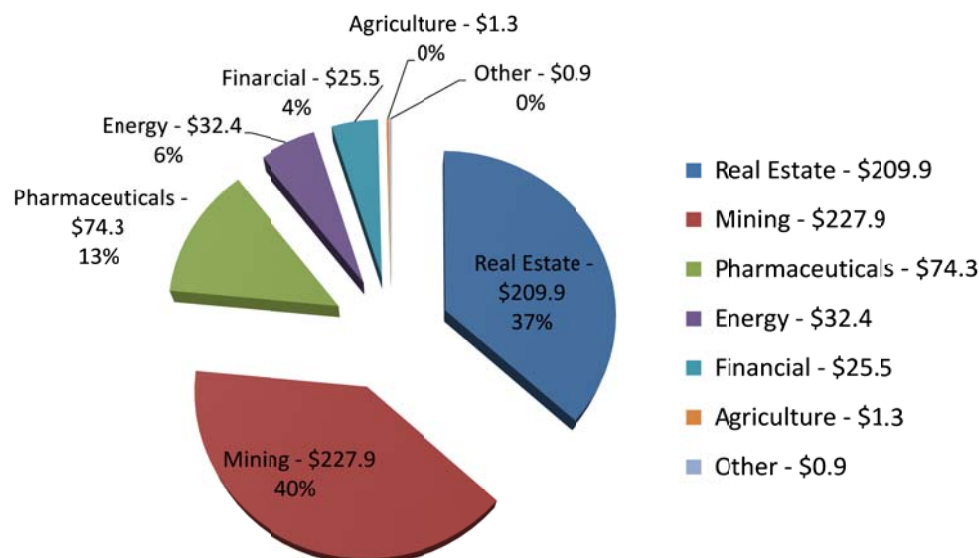
Portfolio of Investments at September 30, 2016

	Ownership	Ticker Symbol	(000's) # of Shares Held	Per Share Price	Market Value as at September 30, 2016
Publicly Traded Securities					
DREAM Unlimited Corp.	28%	DRM	21,636.3	\$7.23	\$ 156,430
Dundee Precious Metals Inc.	23%	DPM	36,381.6	\$3.24	117,876
Others					93,668
					367,974
Private Investments (note 1)					
TauRx Pharmaceuticals Ltd.	4%				73,958
Parq Equity Limited Partnership - Class C and Class D Preferred Units	n/a				43,151
Red Leaf Resources Inc.	2%				11,263
Pan African Minerals Limited	11%				721
Others					32,040
					161,133
Mutual Funds and Other Short Term Investments					
DMP Resource Class			8.6	\$10.76	92
					92
Debt Securities					
Publicly Traded Debt Securities					11,435
Debt Securities Owing from Public Enterprises (note 1)					4,875
Debt Securities Owing from Private Enterprises (note 1)					26,329
					42,639
Warrants and Options (note 1)					
Warrants or options on shares of publicly listed enterprises					368
					368
TOTAL – PORTFOLIO INVESTMENTS				\$	572,206

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

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

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



At September 30, 2016, the estimated market value of the Corporation's portfolio of investments designated as financial instruments at FVTPL was \$572.2 million, an increase of \$133.6 million from an estimated market value of these investments of \$438.6 million at December 31, 2015.

	For the three months ended September 30, 2016	For the nine months ended September 30, 2016
Market value of portfolio investments, beginning of period	\$ 556,463	\$ 438,628
Transactions during the period ended September 30, 2016		
New investments	11,176	54,233
Proceeds from sales of investments	(3,770)	(30,179)
Changes in market values		
Dundee Precious Metals Inc.	5,889	69,785
DREAM Unlimited Corp.	(15,794)	(865)
Others	17,853	42,356
Other transactions	389	(1,752)
Market value of portfolio investments, end of period	\$ 572,206	\$ 572,206

During the first nine months of 2016, the Corporation invested \$54.2 million into its portfolio of investments at FVTPL, including \$43.2 million invested in Class C and Class D Preferred Units associated with the Corporation's Parq Resort (see "*Significant Investments Accounted for Under the Equity Method*") and \$2.5 million invested in Dundee Precious in connection with a non-brokered private placement. These acquisitions were partially funded through proceeds generated from the sale of certain other investments, including \$12.0 million received on the sale of the Corporation's interest in Newfoundland Capital Corporation and \$8.6 million of distributions received on the wind-up and termination of Goodman Gold Trust.

Changes in market values during the first nine months of 2016 increased the value of the Corporation's portfolio of investments at FVTPL by \$111.3 million, including appreciation of \$69.8 million relating to the Corporation's investment in Dundee Precious.

Investment in DREAM Unlimited Corp. (“DREAM”)

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

Dundee Corporation currently holds a 28% interest in DREAM, with a market value at September 30, 2016 of \$156.4 million. Additional information regarding DREAM is available at www.dream.ca.

Dundee Precious Metals Inc.

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

In July 2016, Dundee Precious completed a financing of \$54.65 million at \$3.00 per share. Concurrent with the financing, the Corporation purchased 840,000 common shares of Dundee Precious pursuant to a non-brokered private placement at an equivalent price of \$3.00 per share. At September 30, 2016, Dundee Corporation held a 23% interest in Dundee Precious, with a market value of \$117.9 million.

Investment in TauRx Pharmaceuticals Ltd. (“TauRx”)

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

TauRx recently completed and announced results of the first two of three studies in its Phase III clinical trial program designed to test the efficacy of LMTX™ in patients with mild to moderate AD and behavioral variant Frontotemporal Dementia (“bV-FTD”). The headline results for both Study TRx 015 (mild-moderate AD in 890 subjects) and Study TRx 007 (bV-FTD in 220 subjects) were negative as LMTX™ failed to slow cognitive or functional decline in the total population of treated subjects.

A sub-group analysis of the TRx 015 data, however, shows that patients who received LMTX™ as their only AD medication (LMTX™ as a monotherapy) demonstrated significant reductions in disease progression. Initial findings from the third study in the program, study TRx 005 (mild AD in 800 subjects), confirm these positive findings and TauRx plans to discuss the study results with the regulatory authorities in Europe and USA to determine its next steps. TauRx anticipates a requirement to corroborate the positive findings from 015/005 in a trial that is fully randomized from the outset to test for clinically meaningful and statistically significant differences between monotherapy and add-on therapy groups.

TauRx will be raising additional financing to fund these drug validation and market development initiatives.

At September 30, 2016, the Corporation held a 4% interest in TauRx with a fair value of \$74.0 million. In determining the fair value of its interest, the Corporation applied a value per share of US\$55.50, the equivalent of the average price of shares issued from treasury during 2015. Additional information regarding TauRx may be accessed at www.taurx.com.

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

Red Leaf is a privately held oil and gas technology company. Red Leaf’s patented technology, EcoShale, is a next generation oil and gas recovery technology focused on unlocking oil reserves in oil shale deposits. EcoShale extracts oil with relatively low energy consumption, low emissions and low water utilization when compared with other oil shale technologies currently deployed in the world. In March 2015, Red Leaf announced the suspension of the ramped up construction of the Early Production System (“EPS”) in order to re-engineer the design.

To date Red Leaf has completed the new pre-FEED (Front End Engineering and Design) study for the commercial EPS related to the Seep Ridge shale oil project. The company has now approved the use of the pre-FEED study to complete a “Basis of Design”

study for the EPS, which is expected to be completed by March 2017. This will lay out the engineering design and cost parameters for the EPS which should then be constructed over the remainder of 2017 and 2018. Complete production ramp up and testing is projected for 2018 and early 2019, ready for a full commercial production decision in mid-2019. As part of the suspension in development of the first EPS, Red Leaf negotiated an agreement with its joint venture partner, Total E&P USA Oil Shale, LLC, who will fund operations of Red Leaf for two years through to the second half of 2017, at which time the development schedule will be re-addressed as required.

Dundee Corporation holds a 2% interest in Red Leaf with a market value of \$11.3 million at September 30, 2016. Additional information regarding Red Leaf may be accessed at www.redleafinc.com.

Investment in Pan African Minerals (“Pan African”)

Pan African is a privately held, mineral exploration and development company focused on the acquisition, exploration and development of mineral assets in western Africa. Pan African’s principal assets are currently comprised of the 90%-owned Tambao manganese project in Burkina Faso and the 70%-owned Mount Klahoyo magnetite iron ore project in Ivory Coast. Pan African also has uranium exploration licenses in Niger. The government of Burkina Faso has suspended the activities of Pan African at its Tambao facility and Pan African is currently in mediation regarding re-establishing development activities. The Corporation has downgraded the valuation of Pan African pending resolution of the license issues.

Dundee Corporation currently owns an 11% interest in Pan African with a market value of \$0.7 million at September 30, 2016.

OTHER CONSOLIDATED BALANCES AND CAPITAL STRUCTURE

General and Administrative Expenses

Generally, head office costs, including costs associated with corporate governance and related public company costs, are accumulated and reported as head office costs and are not allocated to other operating segments. During the nine months ended September 30, 2016, the Corporation reported head office general and administrative expenses of \$23.9 million, compared with \$19.2 million of head office general and administrative costs incurred during the same period of the prior year.

<i>For the nine months ended September 30,</i>	2016		2015	
Direct compensation	\$	12,084	\$	12,531
Stock based compensation arrangements		1,653		(3,435)
		13,737		9,096
Corporate and professional fees		3,891		4,921
Other		6,307		5,225
	\$	23,935	\$	19,242

Salary and salary related expenses represented \$13.7 million or 57% of total head office general and administrative expenses during the first nine months of 2016, compared with \$9.1 million or 47% of total head office general and administrative expenses incurred during the same period of the prior year. In connection with a transaction completed in 2013, the Corporation has determined that certain stock based compensation arrangements constitute a liability to the Corporation, the amount of which will vary in correlation to the market price of a class A subordinate voting share of DREAM, with changes in the market price reported in net earnings or loss. These arrangements are more fully described in note 27 to the 2015 Audited Consolidated Financial Statements. During the first nine months of 2016, stock based compensation expense including changes in the market value of these liabilities was \$1.7 million, compared with a recovery amount of \$3.4 million in the same period of the prior year.

Corporate Interest Expense

Corporate interest expense was \$9.3 million during the first nine months of 2016, a \$1.6 million increase from the \$7.7 million of interest expense incurred during the same period of the prior year. Included in interest expense is \$2.7 million relating to the Corporation’s credit facilities (nine months ended September 30, 2015 – \$3.2 million) and dividends of \$6.6 million incurred on the Corporation’s preference shares that are classified as debt (nine months ended September 30, 2015 – \$4.0 million). Lower interest amounts paid on credit facilities reflect lower average amounts borrowed during the respective periods, offset by a higher

dividend rate paid on the Corporation's preference shares classified as debt following a reorganization of the Corporation's preference shares outstanding in early 2016 (see "Share Capital – Preference Shares" below).

Income Tax Expense

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

Net Deferred Income Tax Assets

The Corporation's net deferred income tax assets at September 30, 2016 were \$12.4 million, and represented deferred income tax assets of \$90.4 million, offset by deferred income tax liabilities of \$78.0 million. This compares to net deferred income tax assets of \$22.1 million at December 31, 2015. Net deferred income tax assets decreased as a result of changes in the fair value of the Corporation's investments. Components of the Corporation's net deferred income tax assets are detailed in note 27 to the September 2016 Interim Consolidated Financial Statements.

The Corporation's aggregate income tax loss carry forwards at September 30, 2016 were \$524.4 million (December 31, 2015 – \$588.1 million). Included in the Corporation's net deferred income tax balances is a tax benefit of \$65.0 million (December 31, 2015 – \$77.0 million) in respect of these tax losses.

Corporate Debt

	Revolving Term Credit Facilities				TOTAL
	\$250 million Corporate*	Dundee Energy Debt	Blue Goose Debt	Dundee 360 Debt	
Balance, December 31, 2015	\$ 73,639	\$ 58,802	\$ 41,936	\$ 746	\$ 175,123
Draws (Repayments)	20,193	(1,602)	12,384	5	30,980
Balance, September 30, 2016	\$ 93,832	\$ 57,200	\$ 54,320	\$ 751	\$ 206,103

* In addition, the Corporation has issued letters of credit in the amount of \$3.5 million that may be drawn under certain circumstances.

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

In addition to restrictions customary to these types of arrangements, including restrictions on the existence of other secured indebtedness, the Corporation's \$250.0 million credit facility required the maintenance of certain financial ratios between the fair value of certain of the Corporation's investments relative to amounts borrowed. Therefore, the Corporation's borrowing availability increased or decreased, reflecting corresponding increases or decreases in the Corporation's investments. At September 30, 2016, the Corporation was in compliance with all debt covenants under the terms of the credit facility.

At September 30, 2016, the Corporation had drawn \$93.8 million against the facility and it had issued letters of credit to support certain of its investments for an additional €2.4 million (CAD\$3.5 million). At September 30, 2016, the Corporation had cash and bank debt availability of \$62.9 million in its corporate and other portfolio holdings segment.

Subsequent to September 30, 2016, the Corporation entered into discussions with its lenders regarding its current credit facility. The Corporation and its lenders are continuing to discuss longer term arrangements, given the restructuring of the Corporation

and its current business strategy. In the interim, the Corporation and the lenders have agreed to extend the current lending arrangements until March 14, 2017. The terms and conditions of the extension remain essentially unchanged from those under the Corporation's existing credit facility, other than that the Corporation has reduced its total borrowing capacity to \$125.0 million consistent with the Corporation's borrowing history and projected cash requirements.

Debt of Subsidiaries

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

Share Capital

Preference Shares

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

Trade		# of Shares	Face Value	Total		
Symbol	Series	Outstanding	per Share	Face Value	Coupon Rate	Carrying Value
DC.PR.B	Series 2	3,479,385	\$25.00	\$86,985	5.688% - 5-year fixed rate	\$84,053 equity instrument
DC.PR.D	Series 3	1,720,615	\$25.00	\$43,015	4.65% - quarterly floating rate	\$43,015 equity instrument
DC.PR.E	Series 5	3,598,203	\$25.00	\$89,955	7.50% - fixed rate	\$87,141 debt instrument

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

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

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

In connection with the exchange of the Preference Shares, series 4 for Preference Shares, series 5 and Subordinate Share Warrants, an aggregate of 314,501 Preference Shares, series 4 were submitted pursuant to dissent rights under the plan of arrangement. During the third quarter of 2016, the Corporation paid \$5.5 million to settle these dissent rights and fully extinguish the holders' rights pursuant to the dissent terms.

Common Shares

As at September 30, 2016, there were 55,535,423 Class A subordinate voting shares and 3,115,134 Class B common shares outstanding. In addition, the Corporation has 1,421,124 outstanding warrants. Each warrant may be exercised to acquire one Class A subordinate voting share at an exercise price of \$6.00 per share. At November 14, 2016, there were 55,557,797 Class A outstanding subordinate voting shares, 3,114,936 outstanding Class B common shares and 1,421,124 outstanding warrants.

At September 30, 2016, the Corporation had awarded 1,382,046 deferred share units under its deferred share unit plan, each deferred share unit of which tracks the value of the Corporation's Class A subordinate voting shares and 1,285,079 deferred share units that track the value of a Class A subordinate voting share of DREAM. In addition, and under the terms of the Corporation's

share incentive arrangements, at September 30, 2016, the Corporation has awarded an aggregate of 1,134,297 Class A subordinate voting share bonus rights under its share bonus plan, each of which is subject to certain vesting criteria. The terms of the Corporation's share based compensation arrangements are summarized in note 27 to the Corporation's 2015 Audited Consolidated Financial Statements and is updated in note 25 to the September 2016 Interim Consolidated Financial Statements.

Subsequent to September 30, 2016, the Corporation issued 22,176 Subordinate Shares in settlement of obligations pursuant to its share incentive arrangements.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, the Corporation reported cash of \$86.1 million at September 30, 2016, compared with cash of \$233.7 million at December 31, 2015, including cash of \$21.8 million that was classified as held-for-sale. The following tables illustrate the Corporation's consolidated cash flow on a segmented basis, including net cash flow movements between Dundee Corporation and each of its operating segments.

	Opening	Operating	Investing	Financing		Closing
<i>For the nine months ended September 30, 2016</i>	Cash	Activities	Activities	Activities	Intersegment	Cash
<i>Corporate and other portfolio holdings</i>	\$ 49,190	\$ (30,188)	\$ (27,251)	\$ (4,419)	\$ 23,832	\$ 11,164
<i>Asset management and capital markets</i>						
Goodman & Company, Investment Counsel Inc.	1,273	(2,953)	(1,000)	-	2,801	121
Dundee Securities Ltd.	171,519	136,232	(198,428)	-	(42,087)	67,236
<i>Resource industry</i>						
Dundee Energy Limited	86	1,109	(153)	(1,602)	619	59
United Hydrocarbon International Corp.	2,716	(7,324)	(341)	-	7,122	2,173
Dundee Sustainable Technologies Inc.	1,679	(1,313)	-	-	160	526
Eurogas International Inc.	26	(291)	-	-	266	1
<i>Agriculture industry</i>						
Blue Goose Capital Corp.	992	23,970	(28,340)	1,540	2,529	691
AgriMarine Holdings Inc.	731	(1,181)	(524)	-	1,084	110
<i>Real Estate industry</i>						
Dundee 360 Real Estate Corporation	5,475	(6,613)	1,506	5	3,674	4,047
	233,687	111,448	(254,531)	(4,476)	-	86,128
Less: Assets held for sale	(21,786)	-	-	-	-	-
	\$ 211,901	\$ 111,448	\$ (254,531)	\$ (4,476)	\$ -	\$ 86,128

Included in the Corporation's consolidated cash balance is \$67.4 million of cash used in the operating businesses of the Corporation's wealth management and brokerage subsidiaries. These subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets, in accordance with such regulatory requirements. The amount of capital that exists within these regulated entities may dictate the level of business operations, including margin lending, securities trading and corporate finance commitments. Furthermore, the ability to transfer cash resources out of these regulated subsidiaries may be limited by their requirement to comply with regulatory capital requirements. At September 30, 2016 and December 31, 2015, the Corporation's regulated subsidiaries exceeded their minimum regulatory capital requirements.

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

Significant Cash Flows – Operating Activities

For the nine months ended September 30,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2016	2015
Operating activities:								
Adjusted net loss*	\$ (29,709)	\$ (4,360)	\$ (8,447)	\$ (1,631)	\$ (7,598)	\$ (11,595)	\$ (63,340)	\$ (79,786)
Changes in client account balances	-	142,619	-	-	-	725	143,344	(30,085)
Changes in agricultural inventory	-	-	-	22,664	-	(656)	22,008	27,705
Changes in other working capital amounts	(593)	(1,765)	1,123	2,869	630	6,857	9,121	16,108
Changes in income taxes	114	(262)	-	68	355	40	315	(12,055)
Cash provided from (used in) operating activities	\$ (30,188)	\$ 136,232	\$ (7,324)	\$ 23,970	\$ (6,613)	\$ (4,629)	\$ 111,448	\$ (78,113)

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

- Changes in cash related to the Corporation's brokerage activities, including changes in client account balances and brokerage securities owned and sold short will vary significantly on a day-to-day basis to reflect the underlying business activities undertaken in that period and do not necessarily reflect any meaningful change in the subsidiaries' financial position. Changes in these balances during the first nine months of 2016 resulted in net cash inflows of \$143.3 million (nine months ended September 30, 2015 – net cash outflows of \$30.1 million).
- During the nine months ended September 30, 2016, changes in the balances of agricultural inventory resulted in net cash inflows of \$22.0 million (nine months ended September 30, 2015 – \$27.7 million).

Significant Cash Flows – Investing Activities

For the nine months ended September 30,	Corporate	Dundee Securities	UHIC	Blue Goose	Dundee 360	Other	Total 2016	2015
Investing activities:								
Net proceeds from (acquisitions) dispositions of portfolio investments	\$ (27,604)	\$ -	\$ -	\$ -	\$ 1,571	\$ (1,000)	\$ (27,033)	\$ 148,838
Net investment in resource properties	-	-	41	-	-	(153)	(112)	(15,881)
Net investment in livestock and other agricultural assets	-	-	-	(24,745)	-	-	(24,745)	(33,749)
Net investment in real estate	-	-	-	-	-	-	-	(157)
Cash (used in) generated from business combinations/dispositions	-	(197,485)	-	-	8	(819)	(198,296)	23,997
Other investment activities	353	(943)	(382)	(3,595)	(73)	295	(4,345)	(16,846)
Cash (used in) provided from investing activities	\$ (27,251)	\$ (198,428)	\$ (341)	\$ (28,340)	\$ 1,506	\$ (1,677)	\$ (254,531)	\$ 106,202

- Cash required or derived from trading in the Corporation's investment portfolio, including equity accounted investments, will vary from period to period and is dependent on trading activity and strategies that may evolve in response to global market conditions or otherwise. During the first nine months of 2016, the Corporation incurred net cash outflows of \$27.0 million from trading in its investment portfolio, including its \$43.2 investment in the Parq casino and resort development project (nine months ended September 30, 2015 – net cash inflows of \$148.8 million).
- During the nine months ended September 30, 2016, the Corporation expended \$0.1 million on its resource properties, compared with \$15.9 million invested in the same period of the prior year. The reduction reflects the curtailment of expenditures in response to current economic conditions and volatility in the price of oil and natural gas.
- In an effort to expand its inventory of livestock and meet demand, Blue Goose invested \$24.7 million in agricultural assets during the first nine months of 2016, compared with \$33.7 million in the same period of the prior year.
- Dundee Securities transferred net cash of \$198.3 million, largely representing client cash balances, to Echelon as part of the sale of its retail division in April of the current year. In the comparative nine-month period of the prior year, the Corporation's agriculture subsidiaries generated cash of \$24.0 million from the sale of certain non-core assets.

Significant Cash Flows – Financing Activities

			Dundee		Blue	Dundee		Total	
For the nine months ended September 30,	Corporate	Securities	UHIC	Goose	360	Other	2016	2015	
Financing activities:									
Change in corporate debt	\$ 20,193	\$ -	\$ -	\$ 1,540	\$ 5	\$ (1,602)	\$ 20,136	\$ (6,921)	
Issuance of Class A subordinate shares, net of issue costs	(20)	-	-	-	-	-	(20)	11,587	
Acquisition of Class A subordinate shares, net of costs	-	-	-	-	-	-	-	(536)	
Redemption of Preference Shares, series 4	(5,504)	-	-	-	-	-	(5,504)	-	
Redemption of Preference Shares, series 5	(11,474)	-	-	-	-	-	(11,474)	-	
Issue costs, Preference Shares, series 5	(2,415)	-	-	-	-	-	(2,415)	-	
Dividends paid on Preference Shares, series 2 and series 3	(5,199)	-	-	-	-	-	(5,199)	(5,253)	
Net cash from transactions with non-controlling interests	-	-	-	-	-	-	-	1,680	
Cash (used in) provided from financing activities	\$ (4,419)	\$ -	\$ -	\$ 1,540	\$ 5	\$ (1,602)	\$ (4,476)	\$ 557	

- Net amounts drawn against credit facilities available to the Corporation and to its subsidiaries during the first nine months of 2016 were \$20.1 million (nine months ended September 30, 2015 – \$6.9 million repaid).
- Proceeds from the exercise of options during the first nine months of the prior year were \$11.6 million.
- The Corporation paid \$5.5 million to retire Preference Shares, series 4 under dissent arrangements.
- On June 30, 2016, the Corporation redeemed 458,969 Preference Shares, series 5, at a cost of \$25.00 per share or a total of \$11.5 million in aggregate.
- Cash outflows during the first nine months of 2016 include dividends of \$5.2 million (nine months ended September 30, 2015 – \$5.3 million) paid by the Corporation on its outstanding Preference Shares, series 2 and Preference Shares, series 3. The Corporation has not paid dividends on its Class A subordinate voting shares or on its common shares.

Cash Requirements

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

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

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

RESULTS OF OPERATIONS

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

Consolidated Net Earnings

During the third quarter of 2016, the Corporation incurred a net loss attributable to owners of Dundee Corporation of \$16.4 million, or a loss of \$0.31 per share. This compares with a loss of \$235.9 million or \$4.05 per share incurred during the same quarter of the prior year. As previously discussed, during the third quarter of the prior year, the Corporation recognized an impairment of \$215.2 million (\$132.9 million after adjusting for non-controlling interest) relating to resource properties associated with the Corporation's investment in UHIC.

For the three months ended September 30,	2016	2015
Net loss before income taxes from:		
Goodman & Company, Investment Counsel Inc.	\$ (770)	\$ (933)
Dundee Securities Ltd.	(460)	(9,992)
Dundee Energy Limited	(3,091)	(2,709)
United Hydrocarbon International Corp.	(2,142)	(223,504)
Dundee Sustainable Technologies Inc.	(757)	(1,443)
Eurogas International Inc.	(143)	(175)
Blue Goose Capital Corp.	(7,146)	(1,304)
AgriMarine Holdings Inc.	(672)	(6,099)
Dundee 360 Real Estate Corporation	(1,056)	(4,011)
	(16,237)	(250,170)
Adjusted for the corporate and other portfolio holdings segment:		
Changes in the market value of investments:		
Dundee Precious Metals Inc.	5,889	(12,769)
DREAM Unlimited Corp.	(15,794)	(57,552)
Other portfolio investments	17,853	(20,344)
Share of loss from equity accounted investments	(3,803)	(7,519)
Other items in the corporate and other portfolio holdings segment	(9,414)	863
Income tax recovery	1,211	22,112
Net loss for the period	\$ (20,295)	\$ (325,379)
Net loss attributable to:		
Owners of the parent	\$ (16,430)	\$ (235,898)
Non-controlling interest	(3,865)	(89,481)
	\$ (20,295)	\$ (325,379)

Income related to the market performance of the Corporation's portfolio of investments at FVTPL was \$7.9 million in the third quarter of 2016, compared with a loss of \$90.7 million in the third quarter of the prior year. A more detailed discussion of operating results of each of the Corporation's business segments during the third quarter of 2016 is provided below.

Segmented Results of Operations

GOODMAN & COMPANY, INVESTMENT COUNSEL INC.

During the three months ended September 30, 2016, GCIC incurred a net loss of \$0.8 million (three months ended September 30, 2015 – \$0.9 million) attributable to owners of Dundee Corporation. GCIC continues to execute on its strategy of expanding its wealth management business.

RESULTS OF OPERATIONS

For the three months ended September 30,	2016	2015
Revenues		
Management fees	\$ 566	\$ 473
Financial services	2	-
Interest, dividends and other	90	-
	658	473
Other items in net loss before taxes		
General and administrative	(1,427)	(1,406)
Interest expense	(1)	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (770)	\$ (933)
Net loss before taxes, Goodman & Company, Investment Counsel Inc., attributable to:		
Owners of Dundee Corporation	\$ (770)	\$ (933)
Non-controlling interest	-	-
Net loss before taxes, Goodman & Company, Investment Counsel Inc.	\$ (770)	\$ (933)

DUNDEE SECURITIES LTD.

RESULTS OF OPERATIONS

	Capital Markets		Retail & Other		TOTAL	
For the three months ended September 30,	2016	2015	2016	2015	2016	2015
Revenues						
Management fees	\$ -	\$ -	\$ -	\$ 4,485	\$ -	\$ 4,485
Financial services						
Investment banking	7,561	3,930	-	-	7,561	3,930
Commissions	4,246	3,066	894	4,860	5,140	7,926
Principal trading	(1,085)	(1,734)	362	(832)	(723)	(2,566)
Foreign exchange trading	-	-	27	200	27	200
Interest, dividends and other	321	269	711	2,719	1,032	2,988
	11,043	5,531	1,994	11,432	13,037	16,963
Cost of sales						
Variable compensation	(6,169)	(3,302)	(641)	(5,608)	(6,810)	(8,910)
Other items in net (loss) earnings						
Depreciation	(89)	(98)	(68)	(541)	(157)	(639)
General and administrative						
- direct	(2,709)	(6,282)	(1,814)	(6,214)	(4,523)	(12,496)
- allocated	(1,655)	(1,450)	(280)	(3,565)	(1,935)	(5,015)
Interest expense	(42)	(19)	(10)	(19)	(52)	(38)
Foreign exchange (loss) gain	-	19	(20)	124	(20)	143
Net (loss) earnings attributable to Dundee Securities Ltd.	\$ 379	\$ (5,601)	\$ (839)	\$ (4,391)	\$ (460)	\$ (9,992)
Net (loss) earnings before taxes, Dundee Securities Ltd. attributable to:						
Owners of Dundee Corporation	\$ 379	\$ (5,601)	\$ (839)	\$ (4,391)	\$ (460)	\$ (9,992)
Non-controlling interest	-	-	-	-	-	-
Net (loss) earnings before taxes, Dundee Securities Ltd.	\$ 379	\$ (5,601)	\$ (839)	\$ (4,391)	\$ (460)	\$ (9,992)

The Capital Markets Division

Revenues from Activities in the Capital Markets Division

During the three months ended September 30, 2016, the capital markets division generated revenues of \$11.0 million, essentially two times the revenues of \$5.5 million earned during the same quarter of the prior year. The increase results both from increased investment banking revenue, which improved to \$7.6 million during the third quarter of 2016 from \$3.9 million earned in the same period of the prior year, and from higher institutional commission revenue which increased to \$4.2 million in the three months ended September 30, 2016, compared with \$3.1 million earned in the same period of 2015.

Principal trading losses were \$1.1 million in the third quarter of 2016 and include facilitation trading losses of \$2.6 million, offset by \$1.5 million of appreciation in the fair value of securities held. In comparison, during the third quarter of 2015, facilitation trading losses were \$0.8 million, compounded by losses of \$0.9 million in the market value of securities held. The increase in

facilitation losses is primarily due to increased volatility in the price of oil, and correspondingly around the market value of shares in the energy sector.

Variable Compensation Expense

Corresponding to increases in revenue levels, during the three months ended September 30, 2016, variable compensation expense increased to \$6.2 million (three months ended September 30, 2015 – \$3.3 million), representing approximately 58% (three months ended September 30, 2015 – 63%) of related financial services revenue, resulting in contribution margins of 42% (three months ended September 30, 2015 – 37%).

General and Administrative Expenses

Dundee Capital Markets incurred general and administrative expenses of \$4.4 million in the third quarter of 2016, compared with general and administrative expenses of \$7.7 million in the same period of the prior year. The decrease reflects cost savings initiatives implemented during 2015 that have resulted in lower employment, trade related and travel expenses.

The Retail Division and Other Activities

Reflective of the sale of substantially all of the retail division of Dundee Securities to Echelon in April of the current year, revenues in this division fell to \$2.0 million in the third quarter of 2016, compared with \$11.4 million earned in the same period of the prior year. Correspondingly, variable compensation expense in the current period decreased to \$0.6 million (three months ended September 30, 2015 – \$5.6 million), representing approximately 50% (three months ended September 30, 2015 – 63%) of related financial services and management fee revenue, resulting in contribution margins of 50% (three months ended September 30, 2015 – 37%). As a result of reduced business activity in this division, general and administrative expenses decreased to \$2.1 million in the third quarter of this year, compared with \$9.8 million incurred in the same period of the prior year.

DUNDEE ENERGY LIMITED

During the three months ended September 30, 2016, Dundee Energy incurred a net loss of \$2.0 million (three months ended September 30, 2015 – \$1.8 million) attributable to owners of Dundee Corporation.

RESULTS OF OPERATIONS

<i>For the three months ended September 30,</i>	2016	2015
Revenues		
Oil and gas sales	\$ 5,449	\$ 6,400
Interest and dividends	(699)	95
	4,750	6,495
Cost of sales		
Production expenditures	(3,283)	(4,380)
Other items in net loss before taxes		
Depreciation and depletion	(2,292)	(2,893)
General and administrative	(1,440)	(952)
Gain on derivative financial instruments	269	-
Interest expense	(1,082)	(1,096)
Foreign exchange (loss) gain	(13)	117
Net loss before taxes, Dundee Energy Limited	\$ (3,091)	\$ (2,709)
Net loss before taxes, Dundee Energy Limited attributable to:		
Owners of Dundee Corporation	\$ (1,983)	\$ (1,796)
Non-controlling interest	(1,108)	(913)
Net loss before taxes, Dundee Energy Limited	\$ (3,091)	\$ (2,709)

During the third quarter of 2016, sales of oil and natural gas, net of royalty interests were \$5.4 million, a decrease of \$1.0 million from the \$6.4 million earned in the same period of the prior year. Decreases in production volumes accounted for approximately \$0.3 million of the decrease in revenues, with the remaining \$0.7 million decrease resulting from lower realized commodity prices. Production volumes decreased in the third quarter of 2016 to an average of 2,403 boe/d, compared with an average of

2,496 boe/d produced in the same period of 2015. The decline in production was less than historical natural declines due to summer maintenance work completed in the third quarter of 2016, which improved production volumes in the current quarter.

Field Level Cash Flows and Field Netbacks

For the three months ended September 30,			2016	2015		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	\$ 3,869	\$ 2,545	\$ 6,414	\$ 4,481	\$ 3,061	\$ 7,542
Royalties	(585)	(380)	(965)	(672)	(470)	(1,142)
Production expenditures	(2,328)	(955)	(3,283)	(2,935)	(1,445)	(4,380)
	956	1,210	2,166	874	1,146	2,020
Realized loss on derivative financial instruments	(75)	-	(75)	-	-	-
Field level cash flows	\$ 881	\$ 1,210	\$ 2,091	\$ 874	\$ 1,146	\$ 2,020

For the three months ended September 30,			2016	2015		
	Natural Gas \$/Mcf	Oil and Liquids \$/bbl	Total \$/boe	Natural Gas \$/Mcf	Oil and Liquids \$/bbl	Total \$/boe
Total sales	\$ 3.69	\$ 55.07	\$ 29.01	\$ 4.17	\$ 60.66	\$ 32.85
Royalties	(0.56)	(8.23)	(4.37)	(0.63)	(9.31)	(4.97)
Production expenditures	(2.22)	(20.67)	(14.85)	(2.73)	(28.63)	(19.08)
	0.91	26.17	9.79	0.81	22.72	8.80
Realized loss on derivative financial instruments	(0.07)	-	(0.34)	-	-	-
Field netbacks	\$ 0.84	\$ 26.17	\$ 9.45	\$ 0.81	\$ 22.72	\$ 8.80

Field level cash flows in the third quarter of 2016, before adjustments related to risk management contracts, were \$2.2 million, a 7% increase from field level cash flows of \$2.0 million generated in the third quarter of the prior year. Despite declines in commodity prices, field level cash flows increased on a quarter-over-quarter basis, due to reduced discretionary spending and the prioritization of maintenance activities while commodity prices remain at these low levels. As a result, field netbacks in the third quarter of 2016 increased to \$9.79/boe, compared with \$8.80/boe in the third quarter of the prior year.

DUNDEE SUSTAINABLE TECHNOLOGIES INC.

During the three months ended September 30, 2016, Dundee Technologies incurred a net loss of \$0.4 million (three months ended September 30, 2015 – \$0.9 million) attributable to owners of Dundee Corporation. The net loss during the third quarter of 2016 was partially offset by revenues of \$0.6 million, resulting from the sale of technical services to customers in the mining industry to evaluate processing alternatives, including those provided by Dundee Technologies.

RESULTS OF OPERATIONS

For the three months ended September 30,		2016	2015
Revenues			
Technical services	\$ 611	\$ -	
Interest and dividends	-	6	
	611	6	
Cost of sales	(305)	-	
Other items in net loss before taxes			
Depreciation and depletion	-	(15)	
General and administrative	(965)	(1,384)	
Interest expense	(97)	(44)	
Foreign exchange loss	(1)	(6)	
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (757)	\$ (1,443)	
Net loss before taxes, Dundee Sustainable Technologies Inc. attributable to:			
Owners of Dundee Corporation	\$ (415)	\$ (864)	
Non-controlling interest	(342)	(579)	
Net loss before taxes, Dundee Sustainable Technologies Inc.	\$ (757)	\$ (1,443)	

General and administrative expenses include research and development expenses in respect of Dundee Technologies' chlorination and arsenic stabilization process. During the three months ended September 30, 2016, Dundee Technologies incurred \$0.8 million (three months ended September 30, 2015 – \$1.4 million) in research and development costs. Consistent

with year-to-date results, these costs relate primarily to the operation of the chlorination process demonstration plant in this quarter, as compared with the construction of the plant in the comparative quarter of the prior year.

BLUE GOOSE CAPITAL CORP.

During the third quarter of 2016, Blue Goose incurred a net loss attributable to owners of Dundee Corporation of \$6.3 million, compared with a net loss of \$1.1 million incurred in the same period of the prior year. Consistent with operating results on a year to date basis, changes in physical growth of livestock, compounded with lower market prices for beef, resulted in a loss from fair value changes in livestock of \$0.9 million in the third quarter of 2016, compared with a gain from changes in fair value of livestock of \$4.3 million in the third quarter of the prior year.

RESULTS OF OPERATIONS

<i>For the three months ended September 30,</i>	2016	2015
Revenues		
Sales	\$ 13,878	\$ 14,031
Interest and dividends	(1,343)	91
	12,535	14,122
Cost of sales	(14,946)	(16,896)
Other items in net loss before taxes		
Depreciation and depletion	(726)	(762)
General and administrative	(2,248)	(1,722)
Fair value changes in livestock	(880)	4,312
Interest expense	(882)	(358)
Foreign exchange gain	1	-
Net loss before taxes, Blue Goose Capital Corp.	\$ (7,146)	\$ (1,304)
Net loss before taxes, Blue Goose Capital Corp. attributable to:		
Owners of Dundee Corporation	\$ (6,262)	\$ (1,144)
Non-controlling interest	(884)	(160)
Net loss before taxes, Blue Goose Capital Corp.	\$ (7,146)	\$ (1,304)

Revenues in the third quarter of 2016 were \$13.9 million, essentially unchanged from revenues of \$14.0 million earned in the third quarter of the prior year.

Contribution Margins

<i>For the three months ended September 30,</i>	2016					
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 3,111	\$ 543	\$ 3,001	\$ 7,223	\$ -	\$ 13,878
Cost of sales, period costs	(2,732)	(610)	(2,907)	(6,847)	-	(13,096)
	379	(67)	94	376	-	782
Fair value changes						
Fair value changes in livestock	(1,208)	328	-	-	-	(880)
Cost of sales, fair value harvested	(1,339)	(511)	-	-	-	(1,850)
	(2,547)	(183)	-	-	-	(2,730)
Margin	\$ (2,168)	\$ (250)	\$ 94	\$ 376	\$ -	\$ (1,948)
Margin %	(113.9%)	(28.7%)	3.1%	5.2%	-	(15.0%)

<i>For the three months ended September 30,</i>						2015
	Beef	Fish	Chicken	Feed	Other	Total
Sales	\$ 3,813	\$ 1,115	\$ 2,898	\$ 6,205	\$ -	\$ 14,031
Cost of sales, period costs	(2,932)	(1,021)	(2,972)	(5,962)	-	(12,887)
	881	94	(74)	243	-	1,144
Fair value changes						
Fair value changes in livestock	3,492	820	-	-	-	4,312
Cost of sales, fair value harvested	(2,919)	(1,090)	-	-	-	(4,009)
	573	(270)	-	-	-	303
Margin	\$ 1,454	\$ (176)	\$ (74)	\$ 243	\$ -	\$ 1,447
Margin %	19.9%	(9.1%)	(2.6%)	3.9%	-	7.9%

Revenue from the sale of beef decreased to \$3.1 million in the third quarter of 2016, compared with \$3.8 million of revenue generated in the same period of the prior year. In the third quarter of 2016, sales of live animals were lower by 567 head, compared with the same quarter of the prior year resulting in lower revenues. During the three months ended September 30, 2016, period costs associated with the beef division were \$2.7 million, compared with period costs of \$2.9 million in the same period of the prior year.

Revenue from fish sales decreased to \$0.5 million during the third quarter of 2016, compared with revenue of \$1.1 million in the third quarter of the prior year, reflecting Blue Goose's revised harvest plan, which resulted in lower available biomass due to climate related issues in the quarter. Period costs associated with the fish division were \$0.6 million in the three months ended September 30, 2016, compared with \$1.0 million in the same period of the prior year as a result of the elimination of processing costs in the distribution chain.

During the three months ended September 30, 2016, revenue from the sale of chicken products was \$3.0 million, a marginal increase from revenues of \$2.9 million generated in the same period of the prior year. These sales generated positive margins in the current period, reflecting improved operating efficiencies.

AGRIMARINE HOLDINGS INC.

During the three months ended September 30, 2016, AgriMarine incurred a net loss of \$0.7 million attributable to owners of Dundee Corporation, compared with a net loss of \$6.1 million attributable to owners of Dundee Corporation incurred during the three months ended September 30, 2015.

RESULTS OF OPERATIONS

<i>For the three months ended September 30,</i>	2016	2015
Revenues		
Sales	\$ 2,522	\$ 2,073
Interest, dividends and other	(56)	53
	2,466	2,126
Cost of sales	(2,118)	(2,848)
Other items in net loss before taxes		
Depreciation and depletion	-	(4,523)
General and administrative	(651)	(1,282)
Fair value changes in livestock	(336)	267
Interest expense	(33)	(11)
Foreign exchange gain	-	172
Net loss before taxes, AgriMarine Holdings Inc.	\$ (672)	\$ (6,099)
Net loss before taxes, AgriMarine Holdings Inc. attributable to:		
Owners of Dundee Corporation	\$ (672)	\$ (6,099)
Non-controlling interest	-	-
Net loss before taxes, AgriMarine Holdings Inc.	\$ (672)	\$ (6,099)

Following steps that AgriMarine implemented earlier in 2016 to control mortalities, during the three months ended September 30, 2016, AgriMarine generated revenue of \$2.5 million and a positive contribution margin of \$0.6 million before fair value changes, although AgriMarine continued to experience negative fair value changes in its biomass of \$0.3 million due to lower processing yields from small fish. At West Coast Fishculture, the volume of fish harvested during the third quarter of 2016 was approximately 324,000 kilograms, of which approximately 298,000 kilograms were sold at an average selling price of \$7.63 per kilogram.

Contribution Margins

For the three months ended September 30,	2016	2015
Revenues	\$ 2,522	\$ 2,073
Cost of sales	(1,885)	(1,795)
Contribution margin before fair value changes and writedowns	637	278
Fair value changes in livestock	(336)	267
Writedowns	(233)	(1,053)
	\$ 68	\$ (508)

DUNDEE 360 REAL ESTATE CORPORATION

During the three months ended September 30, 2016, Dundee 360 incurred a net loss attributable to the owners of Dundee Corporation of \$1.0 million (three months ended September 30, 2015 – \$3.9 million). The decrease in the net loss is the result of realtor growth and favorable market conditions for the sales and marketing division, the organizational restructuring of the hospitality, asset management and real estate development divisions and the continued efforts by management in general and administrative cost reductions.

RESULTS OF OPERATIONS

For the three months ended September 30, 2016	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
Revenues					
Gross commission income	\$ 25,769	\$ -	\$ -	\$ -	25,769
Consulting and management fees	-	83	732	-	815
Sales and marketing fees	43	-	-	-	43
Other revenue	2,654	20	3	-	2,677
Interest, dividends and other	146	4	23	(3)	170
	28,612	107	758	(3)	29,474
Cost of sales	(23,516)	-	-	-	(23,516)
Other items in net (loss) earnings before taxes					
Depreciation and depletion	(255)	-	(362)	(128)	(745)
General and administrative	(4,262)	(305)	(866)	(950)	(6,383)
Share of income from real estate joint ventures	-	-	163	-	163
Finance expense	(22)	-	(23)	(4)	(49)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ 557	\$ (198)	\$ (330)	\$ (1,085)	\$ (1,056)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ 557	\$ (198)	\$ (305)	\$ (1,085)	\$ (1,031)
Non-controlling interest	-	-	(25)	-	(25)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ 557	\$ (198)	\$ (330)	\$ (1,085)	\$ (1,056)

	Sales and Marketing	Hospitality and Asset Management	Real Estate Developments	Other	Total
<i>For the three months ended September 30, 2015</i>					
Revenues					
Gross commission income	\$ 20,995	\$ -	\$ -	\$ -	20,995
Consulting and management fees	-	656	1,571	-	2,227
Sales and marketing fees	32	-	-	-	32
Other revenue	2,411	-	7	21	2,439
Interest, dividends and other	(14)	39	(37)	(227)	(239)
	23,424	695	1,541	(206)	25,454
Cost of sales	(19,161)	-	-	-	(19,161)
Other items in net loss before taxes					
Depreciation and depletion	(296)	(149)	(1,957)	(53)	(2,455)
General and administrative	(3,682)	(715)	(1,901)	(1,744)	(8,042)
Share of income from real estate joint ventures	-	-	161	-	161
Finance expense	32	-	-	-	32
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ 317	\$ (169)	\$ (2,156)	\$ (2,003)	\$ (4,011)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation attributable to:					
Owners of Dundee Corporation	\$ 317	\$ (169)	\$ (2,083)	\$ (2,003)	\$ (3,938)
Non-controlling interest	-	-	(73)	-	(73)
Net (loss) earnings before taxes, Dundee 360 Real Estate Corporation	\$ 317	\$ (169)	\$ (2,156)	\$ (2,003)	\$ (4,011)

During the three months ended September 30, 2016, Sotheby's sold over \$1.4 billion worth of residential real estate, compared with \$1.0 billion in the same period of the prior year. Gross commission revenues for the third quarter of 2016 were \$25.8 million (three months ended September 30, 2015 – \$21.0 million). Associated commissions paid to brokers and agents were \$23.5 million (three months ended September 30, 2015 – \$19.2 million), resulting in a net contribution margin of \$2.3 million or 9%, compared with \$1.8 million or 9% in the same period of the prior year.

Following the June 30, 2016 sale of Dundee 360's principal subsidiary in the hospitality division, revenues from these activities decreased to \$0.1 million in the third quarter of 2016, compared with \$0.7 million earned in the same period of the prior year. Correspondingly, general and administrative expenses decreased from \$0.7 million in the third quarter of the prior year to \$0.3 million in the current quarter.

Revenues from real estate development activities decreased to \$0.8 million in the third quarter of 2016, compared with \$1.5 million earned in the same period of the prior year, with a corresponding decrease in general and administrative charges of \$1.0 million. The variances are mainly attributable to fees and costs no longer being incurred from the development management agreement associated with the Parq Resort.

As a result of restructuring and cost reduction initiatives, Dundee 360 incurred \$1.0 million in general and administrative costs from other activities, a decrease when compared with general and administrative costs of \$1.7 million in the same period of the prior year.

CONSOLIDATED QUARTERLY BUSINESS TRENDS

	2016			2015				2014
<i>For the three months ended</i>	30-Sept	30-Jun	31-Mar	31-Dec	30-Sept	30-Jun	31-Mar	31-Dec
Net gain (loss) from investments	\$ 7,948	\$ 52,216	\$ 51,112	\$ (37,765)	\$ (90,665)	\$ (135,620)	\$ (15,525)	\$ (178,264)
Share of earnings (loss) from equity accounted investments	(3,640)	1,243	(114)	41,399	(7,358)	(513)	2,237	15,130
Other items in net loss attributable to owners of the parent	(20,738)	(66,121)	(57,066)	(58,562)	(137,875)	(5,133)	(13,738)	(15,090)
Net loss attributable to owners of the parent	\$ (16,430)	\$ (12,662)	\$ (6,068)	\$ (54,928)	\$ (235,898)	\$ (141,266)	\$ (27,026)	\$ (178,224)
Loss per share								
Basic and diluted	\$ (0.31)	\$ (0.25)	\$ (0.13)	\$ (0.97)	\$ (4.05)	\$ (2.44)	\$ (0.50)	\$ (3.20)

- Operating results during the second quarter of 2016 include accelerated depreciation charges of \$23.8 million relating to Dundee 360, including depreciation of goodwill and other assets associated with the Parq casino and resort development project, as well as the depreciation following the sale of certain hospitality services arrangements. In the same quarter, Dundee Energy recognized an impairment of \$5.0 million against certain natural gas properties in southern Ontario.

- Operating results during the third quarter of 2015 include an impairment charge of \$215.2 million against resource properties associated with the Corporation's investment in UHIC.
- Included in net earnings or loss are amounts reflecting changes in the fair value of the Corporation's direct investments in public and private securities. As previously noted, changes in the fair value of investments are determined by equity and credit markets and are expected to result in significant fluctuations in net earnings or loss. The Corporation believes that equity and credit markets do not necessarily correctly reflect the underlying value of certain assets. As a consequence, management of the Corporation believes that the amount of unrealized gains or losses that will be included in net earnings or loss in any given period typically provides little analytical or predictive value to the readers of the Corporation's financial information.
- The Corporation's share of earnings or losses from equity accounted investments is included in the Corporation's net earnings or loss for each quarter. As with changes in the fair value of the Corporation's investment portfolio, earnings or losses from each equity accounted investee and dilution gains and losses from these investments will fluctuate from period to period and may depend on market forces or other operating conditions that are not necessarily under the Corporation's direct control.

OFF-BALANCE SHEET ARRANGEMENTS, COMMITMENTS AND CONTINGENCIES

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

RELATED PARTY TRANSACTIONS

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

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

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

CONTROLS AND PROCEDURES

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

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Corporation in the reports it files or submits under securities legislation is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and reported to management, including the Corporation's Chief Executive Officer and Chief

Financial Officer, as appropriate, to allow required disclosures to be made in a timely fashion. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as at September 30, 2016, the Corporation's disclosure controls and procedures were effective.

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

MANAGING RISK

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

A number of risks, uncertainties and other factors may cause actual results to differ materially from the forward looking statements contained in this MD&A, including, among other factors, those referenced in the section entitled "Risk Factors" in the Corporation's Annual Information Form, which include, but are not limited to, general economic and market conditions; the Corporation's ability to execute strategic plans including the ability to complete acquisitions and dispositions effectively; the Corporation's ability to meet financial obligations; the performance of the Corporation's principal subsidiaries; the Corporation's ability and the ability of its investee companies to raise additional capital; the availability of equity and debt financing and/or refinancing on acceptable terms; risks relating to trading activities and investments; competition faced by the Corporation; regulation of the Corporation's businesses; successful integration of the Corporation with acquired businesses and the realization of any anticipated synergies; risks associated with the Corporation's operating businesses and the Corporation's investment holdings in general, including risks associated with oil and gas and mining exploration, risks of operating in foreign jurisdictions, development and production activities, environmental risks, inflation, changes in interest rates, commodity prices and other financial exposures; the availability and adequacy of insurance coverage for the Corporation and its subsidiaries; maintenance of minimum regulatory capital requirements for certain of the Corporation's subsidiaries; potential liability of the Corporation and its subsidiaries under securities laws and for violations of investor suitability requirements; and the ability of the Corporation and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as at November 14, 2016.

Forward looking statements contained in this MD&A are based upon assumptions about the future performance of the Canadian, European and United States economies, which were material factors considered by management when setting Dundee Corporation's strategic priorities and objectives. In determining expectations for economic growth in the financial services,

energy, resource, agriculture and real estate sectors, the Corporation considered historical economic data provided by the Canadian government and its agencies, and market and general economic conditions, which factors are unpredictable and may impact the Corporation's performance.

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

INFORMATION CONCERNING DUNDEE CORPORATION

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

Toronto, Ontario
November 14, 2016