2007 Annual Report

DUNDEE CORPORATION

Chairman's Report

"The real voyage of discovery consists not in seeking new landscapes but in having new eyes."

Marcel Proust

The distractions of the last several months that attach, both to persistent issues in world credit markets and, closer to home, a press release of September 26, 2007, presenting an unsolicited expression of interest to offer to acquire all the shares in DundeeWealth Inc., have obscured much of the very real success we realized at Dundee Corporation in nearly every area of our activities.

Dundee Corporation recommended to the Board of DundeeWealth that a "process" of due diligence should be established as a result of the proposed acquisition. The undertaking of the process proved to be a difficult time for employees of DundeeWealth. It was no easier for the Board members of either company.

Notwithstanding, our Board and controlling shareholder were absolutely committed to ensuring that the interests of individual minority shareholders were appropriately considered. No matter how uncomfortable it was, an open process of confidential examination by qualified purchasers was essential. The leadership and discipline displayed by everyone involved throughout these months has been inspiring.

Elsewhere in our operations 2007 has proved to be an important year of transition at Dundee Corporation. As he forecast at the outset of the year, our Chief Executive Officer, Ned Goodman, turned very early to shift the focus of the Corporation, moving away from the holding company model to something more recognizable as an asset manager. At the centre of this initiative is a concerted effort to free our stock from the burden of the discount that a holding company invariably carries. As the pages that follow make clear, Ned has made great progress toward this goal – in spite of his tireless involvement in the pressing matters that affected DundeeWealth in 2007.

Whether you consider the achievements within our real estate holdings or our continued strength in the resource sector or the continued growth of DundeeWealth as a leading Canadian investment manager, the future of Dundee Corporation has never looked more exciting.

At the end of every year we take time to thank our employees for their tireless commitment to the business of the Company. But this has been an unusual year and much more than simply our thanks, we extend to employees across the entire Dundee Group our heartfelt appreciation for their dedication and unwavering support of management and of the Board throughout a very challenging period in our corporate history.

Finally, warm thanks and appreciation go to my fellow Board members who were consistently present, vigilant, thoughtful and wise throughout a year that will definitely go down in our books as some kind of a record.

Sincerely,

Harold (Sonny) Gordon
Chairman
May 2, 2008

Dear Fellow Shareholders:

As I sit down to write this year's Annual Report message, I am reminded of the saying, "it was the best of times, it was the worst of times". That's how 2007 unfolded for me as the leader of our Company.

This also happens to be the day that the International Monetary Fund ("IMF") released a 208-page treatise: "Global Financial Stability Report". From the very first pages of this report, one gets a quick oversight of the well-advertised current credit crisis that outlines the "worst of times". The IMF makes it quite clear that the background of the current credit turmoil is truly a significant event that deserves to be called a crisis of confidence rather than a crisis of liquidity.

This crisis of confidence has brought the US Federal Reserve and the US Treasury Secretary to the scene in an all-out rescue mode. This is not merely a liquidity event, it is not a Long-Term Capital event, and it is not an event equivalent to the Savings and Loans problems of the early 1990s. The IMF report outlines the emergence of very weak capital bases and financial balance sheets unbecoming to a host of the world's major financial institutions.

The report predicts a $945 billion banking loss estimate of which we have only seen about $250 billion so far. The report shows that the credit crisis is not only related to the problem of sub-prime mortgages and the bursting of the housing bubble.

The study makes a good case that the environment and the effect of the ongoing critical global deleveraging has created, and will continue to create, reduced lending abilities across the entire global financial institution base. The overall result of the current process will have negative consequences on economic activity in places not yet recognized. The great sucking sound being heard is from the deleveraging of preordained negativity.

Notwithstanding the soothing words that recently came from Hank Paulson, Ben Bernanke, Jamie Dimon, Mark Mobius, John Mack and Lloyd Blankfein, the effects on economic activity and the stock market are likely to take longer to correct than they are preaching. From a stock market point of view in particular, there will be some long-lasting memory effects from how the investment community will value a large number of lending organizations that have taken on the look and feel of hedge funds. Hedge funds that are using a 30:1 debt to equity ratio rather than that of the staid highly regulated banks we thought that they were.

Those positive market statements that Mobius, Mack, Blankfein and Dimon made together, fly in the face of the basic fact that the deleveraging process has the magnitude and the consequences that are as yet unknown. I have been, and remain, a perennial bull on the long-term prospects of the global economy as well as the stock market, both related to the growth of infrastructure projects on a global basis. But, it will be some time before normalcy returns to the investment process. We are undergoing a large macro shift in thinking.

The overweight inclusion of financial companies or businesses in virtually every stock market index worldwide, means that equity stock indices will, for quite some time, have a problem advancing beyond the range that has existed since 2002. We are entering a great time for those of us who believe in active management, those who do not try to stay close to index investing. These will be good times for professional asset managers looking to acquire great businesses at historically low valuations.

In 1992, when I wrote the first CEO message for our Company, I described us as an asset management company, which regards the report to shareholders as the "single most important avenue of communication between management and shareholders". We promised to report in a clear and candid manner to allow shareholders to glean insight into the nature of the Company and the character and integrity of the people who manage it.

From my report last year, shareholders received a view of our various interests and why we thought that the stock market should be valuing our Company as an asset management company and not a holding company that trades at a discount. I must unfortunately report that the elimination of the discount has not *yet* happened. Today, with approximately one share of DundeeWealth Inc. behind each share of Dundee Corporation, both companies trade at the same price per share. This means that the investment community gives no value to our extensive real estate holdings with commercial properties located in Alberta as well as vast undeveloped land holdings in Saskatchewan – Canada's truly "have" province. And as usual, the value of our resource holdings is totally disregarded. Both issues were elements of a new focus that was planned for 2007 and designed to eliminate this discount in our share price. Other events, however, proved to be distracting; and we have now refocused.

Despite the overall corporate problems that had to be overseen during the latter half of 2007, it is still our desire to raise funds for a Global Resource Fund for sophisticated investors. We remain convinced that something deeply structural and secular in nature has been happening in the world of commodities. Over the last ten years, while savings in the United States have been forgotten, almost all emerging markets – especially China and India – have been undergoing an unprecedented increase in savings. There have been enormous levels of foreign exchange reserves ($US) put into savings by most Asian and other emerging market countries.

In most recent years, the emergence of an insatiable demand for raw materials by China has underwritten the financial solvency for a host of previously fragile countries in Africa, Latin America and the Middle East. Today, these are the very countries in dire need of the basic modern infrastructure that will allow their citizens to acquire the standards of living and lifestyle that the developed world takes for granted.

As a result, for investment purposes, we are living in the "best of times" that is at the cusp of what, when history eventually reports, will probably be the biggest boom in infrastructure spending that the world has ever seen. The boom includes new construction in emerging countries of roads, airports, rail, refineries, sewage systems, power plants, housing, hotels, commercial real estate, etc., as well as the repair and renewal of existing infrastructure in the developed world.

The dollar amount of global infrastructure investments could exceed US$15 to 20 trillion over the next 10 to 15 years. To put that in perspective, the Gross Domestic Product of the US, Canada and Mexico in 2007 was $16.5 trillion.

We expect a continuing build-up in global infrastructure that should extend the now well-known bull market in commodities for at least another decade. The positive impact on the prices of most metals, all energy and almost all agriculture products, which is currently being experienced, is not over.

For the last five years, the resource industry has both caused, and been fraught with, volatile currency markets along with strong demand for commodity products. But, more importantly, the industry is faced with inflationary escalation in their costs to produce, as well as the capital expenditure, to provide the world's necessary increase in supply. Successful resource companies are obliged to think very long-term in their decision about providing future supply.

The likelihood is that if global politics can remain under control, the world will continue to go through a sustained growth period. The need for infrastructure investment at all levels and in all countries will cause a continuation of economic growth rates in excess of that seen before.

To quote a recent report from highly regarded GaveKal Research in France, "if Ricardian growth is the growth attributable to a better utilization of either capital or labour, then the big increase in infrastructure spending across the developing world should trigger one of the strongest periods of Ricardian growth ever witnessed in history. Indeed as the law of comparative advantage allows anyone to have a higher standard of living simply by specializing in what one is best at, then the increase in infrastructure should offer individuals all around the world, choices their forefathers never had. This is great news."

This is how we can go from "the worst of times" to "the best of times".

My old friend Don Coxe of Harris Bank in Chicago has loaned his name and acumen to a new fund, which is just being marketed right now. Don has been unbelievably correct in his forecasting of a commodity boom for over five years. He has repeatedly told his clients and us, "there will be a continued strong demand for global commodities, driven by the needs of the growing middle class of the developing and emerging market economies." In a keynote speech given this year, the title of his presentation was, "For Miners – The Best Is Yet To Come".

I am proud to say that he and I were among very few who were early in our agreement of the birth of a new secular direction in the resource market. For over five years, Don and I have agreed that, "the demand for base metals should continue to be strong as the economies of China and other developing and emerging market countries expand and their populations become wealthier."

Using the metal copper as but one example of why we favour resources, we know that the price of copper has increased in the last five years from 80 cents/lb to $4.00/lb; yet the demand for copper in China has barely begun to reflect the rebuilding of the nation's electricity network. The substantial growth in demand for infrastructure in general and particularly from China and India, suggests that the annual global demand growth for copper can be sustained at around 4% for at least a decade and possibly a generation. To satisfy this demand, the world may have to produce as much copper over the next 25 years as throughout history to date.

Our long-term bullish view for resources is based on global infrastructure's future growth and assumes full knowledge and expectation that lead times to create raw materials from profitable mining operations are measured in years. There are many examples of projects that because of political, regulatory or environmental reasons are delayed for ten to twelve years. Expected investment returns have to be built in for these inevitable events.

This has been the rationale for what has been the lagging third leg of our corporate investment stool – resources. We participate in infrastructure and energy exploration directly through our controlling position in Eurogas Corporation. Breakwater gives us an exposure to zinc, lead and silver metals and Dundee Precious Metals to copper and gold as well as exploration excitement in molybdenum. These and other investments mean that we are invested directly and indirectly in 11 countries. While we have not yet funded our Global Resource L.P. with third-party investors, we have been investing our own money as if we were a fund that includes other sophisticated investors.

Our resource strategy is to invest in those opportunities that provide superior risk-adjusted returns. We wish to be an investor in early stage exploration and development opportunities as well as take advantage of the merchant banking opportunities that often arise amongst intermediate and senior companies. We are prepared to invest in a variety of ways including debt, equity or royalties but always with a view to attaining a long-term equity position at an acceptable valuation.

We are well aware that businesses that produce commodities are those that produce a product that has no value added; a product that is usually customer undifferentiated in any important way by factors such as performance, appearance, service or even support. These kinds of businesses have generally been thought to have cyclic profit troubles unless prices or costs are insulated from the normal market forces.

If costs and prices are determined by full-borne competition and there is more than ample capacity, the buyer cares little about whose product or distribution service he or she uses and industry economics are almost certain to be unexciting. They may in fact, from time to time, be disastrous. As a result, the determinate level of long-term profitability in the commodity business is directly linked to whether we have related supply tight or supply ample markets.

Our case is that we are currently looking forward to capacity tight and supply constrained conditions during a time when demand for commodities will be at growth rates that are higher than normal. This set of events was not expected by the global resource industry; and as a result, the current situation is likely to last for an extended period of time. We are living through a time of a perfect storm for the commodity businesses because the addition of new capacity requires high-risk exploration discoveries that have not yet been attained, as well as significant lead times for planning and construction to install any capacity to service the growth in demand.

The management of our Global Resource portfolio is an undertaking of our Dundee Resources subsidiary headed by myself as Executive Chairman and Murray John as President. Murray has put together a first class team of mining practitioners whom we rely upon for in-house expertise. The entire team has been at work for over one year and we look forward to continuing success.

We have developed a proven network of resource business relationships through our other resource activities. We have provided over $4 billion of exploration dollars to the Canadian industry over the last 25 years through the asset management of the CMP flow-through investments, which we continue to oversee as a sub-advisor to DundeeWealth.

Corporately, our only direct investment is through our 50% interest in American International Trading Company, Inc., a Barbados domiciled company ("AITCO Barbados"). Dundee Resources acquired its interest in AITCO Barbados in November 2006 by purchasing a US$5 million equity investment and entering into an agreement to provide AITCO Barbados with a US$6 million line of credit. To the end of 2007, our investment was US$11.5 million in AITCO Barbados. Under Dundee Resources' management, AITCO Barbados has been involved in pursuing tin projects in Bolivia. Notwithstanding some exploration success and a tin price that has more than doubled since November 2006, our Bolivia venture has been stalled because we are faced with a less than acceptable political situation in Bolivia. As a result, we discontinued our funding for this project during the third quarter of 2007, but we do continue to provide limited funds for care and maintenance in the hope that we will be able to retain the better projects.

Within Bolivia our projects are well located with relatively easy road access. We have two projects, both of which are now operated on a very small scale by local artisanal miners' cooperatives. Our initial involvement was to reassess and expand.

Our drilling program in 2006 showed the "arm wave" potential for 15 to 20 million tonnes of profitable open pit tin mineralization. Initial mapping at the adjacent project showed the potential for a similar sized open pit resource. If the political situation in Bolivia was more transparent, then the next stage of exploration of development on these projects was to involve a significant follow-up drill program and scoping study.

Results of our work to date will be archived and AITCOBOL S.R.L., the local Bolivian subsidiary, will be kept in good standing. If the political situation improves, we will hopefully be able to reactivate the projects. We have written off our entire investment and loan in AITCO Barbados.

In May 2007, we acquired a 6% holding in Consolidated Thompson Iron Mines Limited at $3.16 a share. The purchase was made to give us an initial exposure to an undervalued company that held one of the few significant development stage iron ore projects located in Canada. The investment was made shortly after the company had completed a Feasibility Study on their Bloom Lake project. Bloom Lake is a $500 million project that will produce seven million tonnes per year of high-quality iron concentrate for 34 years. Since our investment, Consolidated Thompson has raised $379 million of new equity at prices between $4.75 and $7.80 per share, which caused our interest to be reduced to 2.5%.

The book cost of our purchase of over two million shares of Consolidated Thompson is $6.5 million. The market value of these shares on March 31, 2008 was $16.5 million. We think that there still remains a further upside for our investment and we remain invested. We had hoped to make Consolidated Thompson a more significant core holding with a much larger position.

We own 27.1% of Corona Gold Corporation with a book cost of $2.4 million and a current market value of $3.2 million. Corona has entered into an agreement to sell its property interests in Thunder Lake to a subsidiary of Laramide Resources Ltd. for $15 million and has begun a drilling program on its Harte property in Ontario. Corona is a cash rich company listed on the Toronto Stock Exchange and is managed by Dundee Resources.

We own 8.1% of Helio Resource Corporation, with a book cost of $2.6 million and a market value at March 31, 2008 of $3.5 million. We purchased 3.5 million units of Helio Resource Corp. in January 2008 at a price of $0.75 per unit., which included a common share and one-half of a share warrant.

The main asset of the company is the Saza Gold Project located in the Lupa Goldfields area in southwestern Tanzania. Helio also has a number of other exploration projects in Namibia, Zambia and Mozambique that are essentially grass roots and/or conceptual projects for various commodities.

Helio has been working on the Saza Gold project in Tanzania since 2006. The company has completed sufficient work to show that there is significant resource potential on the property and that gold mineralization associated with shear zones is widespread.

The project is contained within four contiguous concession areas that cover approximately a 27 km strike length of the Saza Shear Zone, a large regional structure. Gold mineralization occurs along the entire structure and a number of artisanal mines were previously developed. The management of Helio are our partners as they hold approximately 37% of the company.

We own 12.7% of Iberian Minerals Corp. with a book cost of $31 million and market value, assuming conversion of our convertible debenture, of $36.4 million. Iberian has started construction of a new 1.7 million tonnes per annum underground mine and milling facility at its 100% owned Aguas Teñidas Project in Portugal. The Aguas Teñidas mine by itself is a very good stand-alone long life mine with excellent potential for greater size and longer life.

Trafigura Beheer B.V. is our shareholder partner in Iberian with a 40% holding. Trafigura recently acquired this increased holding by vending in their operating mine in Lima, Peru – Condestable.

With Trafigura as a 40% shareholder, Aguas Teñidas as a core asset and Condestable providing immediate cash flow, Iberian is well positioned to take advantage of additional growth opportunities.

We own 1.7% of Mirabela Nickel Limited at a book cost of $1.2 million and a market value at March 31, 2008 of $13.1 million. Mirabela is an Australian domiciled company that is developing the Santa Rita sulphide nickel project located in Bahia State, Brazil. Mirabela has a current market capitalization of approximately $800 million. In May 2007, Mirabela completed a $183 million equity issue at $5.30 per share. This financing will provide the company with all the equity required to construct the US$263 million Santa Rita project.

Santa Rita is a very large, low-grade nickel/copper disseminated sulphide ore body. Project construction has started, and initial production is expected in mid to late 2009. The December 2007 resource statement shows an open pit measured and indicated resource of 90 million tonnes at 0.60% nickel and an additional 10.7 million tonnes of inferred resource grading 0.60% nickel that lies within the open pit limits. It is our view that Mirabela is the best undeveloped sulphide nickel project in the world.

We own 12.6 million shares of Dundee Precious Metals at a per share book cost of $5.63 and a market value at March 31, 2008 of $6.71 per share. Dundee Precious currently owns the Chelopech Mine, a gold/copper concentrate producer and the Krumovgrad Gold Project, a mining development project, both located in Bulgaria, as well as 95% of the Kapan Mine, a gold/copper/zinc concentrate producer in southern Armenia. In addition, Dundee Precious Metals holds significant exploration and exploitation concessions in some of the larger gold/copper/silver mining regions in Serbia and is developing the Back River gold exploration project in Nunavut, Canada.

President Jonathan Goodman started his Annual Report message with a quote from Friedrich Nietzsche, "that which does not kill us makes us stronger." He went on to say that, "I am proud to report that the management team at Dundee Precious Metals is now much stronger. It has taken us over two years to complete an agreement with the government of Bulgaria regarding the Chelopech Mine and we are now working to reach an agreement on our Krumovgrad project as well." In a robust market, the company's two Bulgarian operations should provide significant profits. After over two years of struggle, the company is now in a position where the Bulgarian assets are expected to go forward with profitability.

Dundee Precious Metals' extensive exploration program in Serbia has continued to outline ore grade intercepts in porphyry copper and gold deposits, as well as high sulphidation systems like Chelopech and Carlin-style gold mineralization. Programs this year will continue to focus the company's exploration efforts towards defining a Serbian economic deposit. They appear to have outlined a major system of molybdenum and rhenium that has the potential to be one of the largest in the world. Serbia has a ten-year tax-free holiday, excellent infrastructure, a tradition of mining and a free trade agreement with both the European Union and Russia.

The company's Back River project in Nunavut, northern Canada, continues to be under development, being fully funded by flow-through shares, an issue in which we participated last year. This project has unique characteristics that demonstrate the potential to become a very significant asset. The 2008 program will consist of infill drilling as well as definition drilling, which is designed to improve the quality of the resource.

It has been almost four years since we converted Dundee Precious Metals from an investment company to an operating company. While the company's path towards success has had many challenges, all of their projects are exhibiting potential. The excellent management team is fully dedicated towards delivering results. As the major shareholder, we agree with Dundee Precious Metals' management that the stock price does not reflect the company's true value.

We own 25.3% of Breakwater with a book cost of $58.6 million. At March 31, 2008 our position had a market value of $123.1 million and we likewise regard Breakwater as significantly undervalued.

In 2007, Breakwater continued to execute its long-term business plan of investing capital for development of and exploration on existing properties. This program is necessary because of the many years previous when investment for the future had been stalled. The objective is to secure the long-term profitability for the assets that warrant investment and grow the production profile. That the plan is working is evident as mineral reserves have grown by 35% and the measured and indicated resources grew by 22% without a significant reduction in inferred resources. This growth is largely due to the results of the very successful programs at Toqui in Chile and Langlois in Quebec, which have confirmed the belief in the organic growth opportunities of Breakwater assets. These results do not yet reflect the exploration success the company has had with its joint venture partner, Virginia Mines Inc. at the Coulon project in northern Quebec.

Breakwater grew its production profile this year with the achievement of commercial production at Langlois as scheduled at the end of June. This operation was brought on stream with higher production than anticipated.

During the year, Breakwater's Mochito mine in Honduras experienced a setback with a tear in its new tailings impoundment facility. However, this situation was well managed to a very satisfactory outcome. The remediation is progressing on schedule and the tailings facility will be augmented with a paste plant which, when combined with other design changes, should result in the elimination of any future failures. The company's continued investment in Mochito reflects the importance of the operation to Breakwater and the belief in the long-term prospects of the property. It is expected that exploration efforts will secure a robust future for Mochito.

At Breakwater's Toqui mine in Chile, operational and exploration results were on target. The growth in the size of the resource confirms the tremendous potential of this asset. The company at Toqui is working within a very large geological system and is quickly adding to the understanding of the mineral endowment of the region. A pre-feasibility study is underway to determine if the operation can be expanded to one million tonnes per year, and is expected to be delivered shortly.

The Myra Falls mine in British Columbia continues to present challenges. The level of expenditure dropped during the year as the operation failed to deliver on its operating and exploration plan. The mine model was overly focused on reducing unit costs through increasing tonnage and therefore throughput. This plan was not successful and consequently, the company has refocused on mining fewer tonnes at higher grade. The future of the site continues to lie with the development of the western extensions of the mine, which are currently being accessed. The carrying value of Myra Falls was written down in recognition of the high operating costs and limited exploration success to date.

While not comparable to copper, the long-term fundamentals for zinc look very positive. There simply are not enough good zinc projects in advanced exploration or development stages to feed the projected global demand. Zinc markets will likely remain volatile in the shorter term but the company is debt free, has positive cash flow and cash on its balance sheet, which bodes well for the ability to execute on its long-term growth plans. Breakwater is well positioned to continue to grow through increases in production and through exploration success as well as by acquisition. We are a long-term shareholder and look forward to benefitting from the success.

Dundee Corporation owns 53% of Eurogas Corporation. The company has a market capitalization of approximately $150 million and we have a carrying book cost of approximately $55 million.

In December 2006, Julio Poscente, its then President and my co-founder of Eurogas, passed away. With his passing, Dundee became more involved in the management of the company. During 2007, we have been successful in bringing the two major international projects that Julio had started, and which the company has been working on for the last ten years, much closer to fruition.

Eurogas has a 73% interest in Castor Limited Partnership which was the operator of the gas storage project in offshore Spain. Eurogas' management oversaw the infrastructure planning and feasibility study to convert the former Amposta oil field in the Mediterranean on the east coast of Spain, into a significant natural gas storage facility – the Castor Underground Natural Gas Storage Facility.

We took the project to the completion of the Front End Engineering and Design Study and discovered that the cost of construction and development had increased from an initial $800 million to approximately $2 billion. This information surfaced just when we were obliged to prepare and arrange for date-certain engineering procurement and construction estimates. Given the growing cost of the project and the credit crisis in global financial markets, we concluded that the best course of action was to invite politically and financially important Spanish partners into the project.

Accordingly, after significant negotiations during the last half of 2007, in December, we entered into agreements with ACS Group and Enagas, S.A., two of the largest companies in Spain, for the development of the Castor project. The transaction allows Eurogas to retain significant ownership and receive reimbursement of most of the capital investment incurred to date without further funding requirements through completion of the underground gas storage facility. The agreements require that the Castor development Royal Decree concession be granted by the Spanish government prior to June 20, 2008, or the transaction could be reversed. At the time of writing this report, the concession had not yet been granted.

During the project's current development phase ACS controls and covers financing for all facets of the project's implementation.

Upon the granting of the concession by the government, Eurogas will receive over $40 million as reimbursement of past costs and repayment of loans from our minority partners.

At the end of the day, assuming the granting of the concession and in whatever form ACS and Enagas fund the project, Eurogas and its partners will have the right to 33.33% of the operating facility's distributable cash flows, including equity and any loan returns to the operator. Eurogas' direct interest will be approximately 24.6% of the entire project.

By cementing the participation of ACS, Spain's number one construction company and bringing onboard one of Spain's key energy utilities, we have likely assured that the largest underground gas storage project in what has been Europe's fastest growing natural gas market will be granted the Royal Decree to be built and enter service as a regulated utility generating cash flows for decades to come. With the recovery of past investment, Eurogas will have minimal investment in the project and will have no further capital obligations.

A project that started more than a decade ago as a concept of transforming a depleted oil reservoir off the northeast coast of Spain into a useful component of the national energy infrastructure has now been brought to the cusp of implementation. While moving the project forward on the technical and regulatory levels, the strategic objective was always to achieve the maximum value accretion. This project has been fraught with regulatory risk and complexity, technical scope and rapidly growing cost. However, at the same time our Castor project has also enjoyed an improving profile as we were able to demonstrate to a host of non-believers that gas storage in an offshore depleted oil field can work. In addition, the Spanish government discovered its urgent need for natural gas storage as energy security. Over the years, we have elevated Castor to become a key component of the natural gas storage plans for Spain. With 1.9 billion cubic metres (67 billion cubic feet) of storage capacity and a daily retrieval rate of 25 million cubic metres (880 million cubic feet), Castor will be able to fulfill one-third of Spain's requirement for natural gas storage volume and daily balancing.

Our partners are significant Spanish and global entities: ACS is the largest construction company in Spain, with annual revenues of approximately €20 billion. It is a global leader in the construction and operation of infrastructure, including in the areas of oil and natural gas, liquefied natural gas, regasification and installation of offshore platforms and infrastructure topsides. ACS has the strengths needed to lead the engineering and construction phases and to arrange the financial resources required to meet the completion date target.

Enagas is Spain's largest natural gas transportation, regasification and storage company and the technical manager of Spain's natural gas system. Its facilities include over 7,600 km of high-pressure natural gas pipeline and three regasification plants with total storage capacity of 1.3 billion cubic metres. Enagas manages two underground natural gas storage facilities and was recently awarded the concession for the exploitation of another onshore gas storage facility. Enagas brings operating expertise and political depth to the ownership group.

These new strategic alliances align Eurogas' interests with those of key players in Spain's natural gas infrastructure and, importantly, with the future evolution and growth of the Spanish gas industry.

At the time of the founding of Eurogas, it was Julio's purpose, and mine, to seek large-scale, high-impact international energy projects. We started with a position in a very large Russian oil and gas concession, which was sold. Over the years, we increased our involvement in Tunisia and in 2004, we acquired the one million acre Sfax permit in offshore Tunisia in the Mediterranean Sea. Eurogas owned a 45% working interest that was acquired in a partnership in 2004.

During 2005, Eurogas and 55% partner, Atlas Petroleum Exploration Worldwide Ltd. ("APEX"), converted the Sfax prospecting permit to an exploration permit, which included a commitment to drill one well and acquire seismic data. Over the past three years, we have taken the Sfax permit from the initial evaluation stage, through 3D seismic and detailed prospect development, to the point where the only thing left was to drill our Ras El Besh and Jawhara projects. The much larger (900^2 km) and barely explored surrounding area holds many other intriguing features that have been defined by a seismic survey recently acquired.

On April 8 of this year, along with APEX, we entered into a farmout agreement with Delta Hydrocarbons B.V. ("Delta") covering the entire permit area. Under the agreement, Delta is committed to spend US$125 million on Sfax development for a 50% participation in the Sfax permit. The partners have agreed to a work program that includes drilling the Ras El Besh 3, as the first of a three-well drilling program, which is scheduled to commence in June or July 2008. After the completion of two wells on the Ras El Besh prospect, the drilling rig will move to the Jawhara prospect and drill an appraisal well. Included in the US$125 million and as part of the transaction, Eurogas and APEX will be entitled to repayment of past exploration costs incurred on the Sfax permit, of which approximately US$11 million is net to Eurogas.

Upon Delta spending the committed amount of US$125 million, Eurogas will own a 22.5% participating interest in the permit; APEX would have a 27.5% participating interest and Delta would own a 50% participating interest. APEX will continue to serve as operator. After Delta has expended US$125 million, the project reverts to joint venture participation for future expenditures and Eurogas will be responsible for its 22.5% share.

Thanks are due to a host of people both at Eurogas and Dundee, but in particular, our Dundee Corporation Chairman, Sonny Gordon, for the Castor project negotiation. Management in Spain showed dedicated commitment and solid efforts in bringing the company's world-class gas storage project towards clear readiness to provide value accretion to shareholders.

At the Board meeting that followed the annual general meeting of DundeeWealth Inc. on June 26, 2007, I resigned as the Chief Executive Officer of the company and became the non-executive Chairman. At the same meeting, the Board elected David Goodman to succeed me as Chief Executive.

Not very long after these appointments were made, a major Canadian bank refused to recognize its liquidity obligation to an asset-backed commercial paper ("ABCP") conduit sponsored by a company called Coventree. Our Dundee Bank of Canada was the holder of $379 million of this type of short-term commercial paper, raising for DundeeWealth, immediate concerns over the liquidity of its 100% owned chartered bank.

Very little time had passed since the Dundee Bank of Canada was transferred from Dundee Corporation to DundeeWealth. The Bank opened its doors in September 2006 and by August 2007, had quickly gathered in excess of two billion dollars of deposits – the fastest-growing bank in Canada. But what was delivered as a deposit by a client was immediately a liability of the Bank and as such, it was an indirect liability of the Bank's 100% owner, DundeeWealth. David Goodman's first days on the job were to oversee the worst nightmare in the company's history, and it was a true test of his leadership.

Fortunately, he remembered the words from the song that made Kenny Rogers famous, which David learned as a young man as part of his early education and our family's Darwinian quest for paternal security and survival:

"If you're gonna play the game, boy, ya gotta learn to play it right
You gotta know when to hold 'em, know when to fold 'em
Know when to walk away
And know when to run"

In the weeks following August 13, we were wholly involved in solving the problems of our Bank and its asset-backed investments. As a unit, including Dundee Corporation as the controlling shareholder, we were concerned about the clients of the Bank and the potential negative impact that could occur on our total wealth management business. Our concern related to the possibility of any severe negative consequences that may occur due to the illiquid nature of the asset-backed securities held by the Bank.

I am very proud, especially in retrospect of what subsequently occurred on Wall Street and to Bear Stearns. Our team was capable of unwinding from our banking problem in about 36 days, days of 24/7 activity. By September 18, the sale of $379 million of asset-backed paper from the Bank to the DundeeWealth corporate account had been completed and the sale of 100% of Dundee Bank of Canada took place. Both Dundee Corporation and Scotiabank financially assisted to allow this to happen.

It is interesting that while we were working during those 36 days, I could not help but remember the previous impact that a book written by Alan "Ace" Greenberg ("Memos from the Chairman") had on both David and myself. Ace was the Chairman of Bear Stearns from 1978 to 1991, and his humorous but philosophical book was well read by both of us. The book includes a memo he wrote to his partners on January 25, 1984 wherein he outlined the simple rules laid down by his "Dean of Business Philosophers, Haimchinkel Malintz Anaynikal":

1. "Stick to thine own business
2. Watch thy shop
3. Limit thy losses
4. Watch thy expenses like a hawk
5. Stay humble, humble, humble
6. When dealing with a new account, know thy customer and know thy customer's money is up"

Bear Stearn's previous Chairman from 1936 to 1978 was Salim Lewis and he had passed along to Ace another basic rule:

"Close out a losing bet within a month".

Those 36 days, a little more than a month, between the Coventree announcement and the morning of September 18 were tough for our Company and particularly for David and I. They were also a source of intense media speculation, most of it very wrong.

I have always believed that companies that enjoy enduring success do so because of good culture, core values and a vision that remains fixed while they work to keep their business strategies sufficiently flexible to adapt to a changing world. While this was our mantra, we knew that while we could never have total control over the cards that we are dealt, we can and should be prepared and adept at how we play them. There was never an intention to spend five years and five million dollars in legal fees to be allowed to set up and own the 19th chartered bank in Canada, only to turn around and sell within one year of opening our doors.

Similarly, we have been consistent in our statements of the fact that we are not sellers of Dundee's ownership of DundeeWealth. The Caisse de Dêpot was a major shareholder of DundeeWealth for many years and we bought them out. In playing the ABCP cards that we were dealt, David elected to sell our bank and we accepted Scotiabank as a significant shareholder partner in DundeeWealth. We are satisfied and comfortable in that position, but DundeeWealth was not and is not for sale. Indeed, since January 18, 2008, Dundee Corporation has purchased 5.3 million shares of DundeeWealth Inc. in the market.

Our objective in all our Dundee businesses is to establish a core ideology that provides the glue that holds our Company and its people together as we grow, expand locally and globally, diversify, integrate, and maintain a comfortable diverse workplace. Our vision demands a consistency of belief in the organization such that the core values maintain a system of guiding principles and tenets held by all. Our core purpose, we have always said, is to gather assets under management ("AUM"). That is the fundamental reason for the existence of the Dundee Group of Companies – to gather AUM.

Nevertheless, when on September 26, CI Financial issued a press release presenting an unsolicited expression of interest to purchase our company at a significant premium to its asset-backed commercial paper knocked-down stock market price, we were placed in the position of being required to do the right thing. Doing the right thing as the major shareholder of a company is to take into consideration the interests of those minority shareholders who have purchased shares in good faith for long-term growth.

Accordingly, as the controlling shareholder, we requested that DundeeWealth be put into a "process" that consisted of allowing the independent directors of DundeeWealth to study the publicized opportunity on behalf of the minority shareholders. We did not think that just saying "no", without a "process" of review would be sufficient, particularly coming from a controlling shareholder with significant ownership buttressed by multiple voting shares.

We informed the independent committee that our ownership of the company was not for sale, but in view of the interest at that time of two non-solicited potential buyers, we felt that they were obliged to seek out the answer that would provide the knowledge for a fair response. In this respect, the independent committee had to receive a bid that was other than just a press release.

The committee hired independent legal counsel and an independent financial advisor and a due diligence process began. Three companies went through the due diligence process, including both Scotiabank and CI Financial. Scotiabank asked for special access in case a situation arose such that they would have to consider the exercise of their "right to match", which is part of their Shareholder's Agreement with Dundee Corporation.

The final results of the due diligence process that was reported to the independent committee, was that the unnamed third party decided not to participate. CI Financial, on the other hand, as an Income Trust, was not capable of presenting a transaction that would keep them in accordance with the new SIFT rules for Income Trusts. Many weeks went by with many lawyers being in discussion as CI Financial attempted to resolve their problem.

Throughout the total "process" DundeeWealth was micro-analyzed by many journalists; the stock was accumulated by arbitrage players and the entire population of our DundeeWealth core workplace was put in disarray, worry and concern about their jobs and their share ownership.

Finally, without a bona fide buyer providing an offer that could be considered, we ended discussions. Unfortunately, this whole process took a full four months to unwind. On January 16, 2008, I asked the independent committee to end the process. DundeeWealth was then required to go into a new process. A process of convincing all stakeholders that our core values and purpose remained intact.

David as the totally tried, and now tired, new CEO of DundeeWealth announced that DundeeWealth was in business as usual, which required him to rebuild the confidence of clients, employees and shareholders, all this a full six months after becoming the CEO; almost six months of unbelievable tension and stress unrelated to the regular business of the company. He had to set out immediately to reiterate the vision and core values of our "Business Family Company", turning those many previously understood words, which were now almost forgotten, into current pictures and vivid descriptions in order to elicit the essential passion, emotion, conviction and commitment from his executive management and Dynamic portfolio managers. Many were happy with the end of the process, but some with stock ownership had mixed feelings.

It is absolutely amazing that despite the five months of corporate hell from August 13 to January 16, DundeeWealth was capable of:

- Enjoying a fantastic 50th anniversary party with a great keynote speech from Dynamic's original founder and my former partner, Austin Beutel
- Exceeded $1 billion of annual revenue for the first time
- Increased its mutual fund market share by 12%
- Grew assets under management from $23.8 billion to $28.2 billion, an increase of 18%
- Grew pre-performance fee EBITDA by 41%, despite taking on almost $400 million of toxic ABCP, and ended the year with limited debt against a $500 million line of credit
- Coming in at #1 in the Environic Call Centre ranking
- Achieving unparalleled leadership in product and performance with the most 5-star Morningstar funds for a record breaking 19 consecutive months with 78% of assets in the 1st or 2nd quartile of performance
- Winning Canadian Lipper Fund Awards for: Best Equity Fund Family; five funds taking top spots
- Canadian Investment Awards for:
  - "Advisors' Choice Fund Company of the Year"
  - Two funds named "Fund of the Year"

DundeeWealth today has a strong balance sheet, significant performance fee generating assets ($7.2 billion), along with a further $21 billion of AUM, a dedicated distribution force, a realigned Capital Markets division; and is operating as one company with one leader – David Goodman.

Having undergone "the worst of times and the best of times" and successfully surviving, I think that we have proven that the "Business Family Corporate Culture" that we aspire towards at Dundee will continue to provide long-term success. Why would we sell this company?

In the Board's passing of the CEO's job from me to my son, he assured the Board that the vision and culture of DundeeWealth would not change from the manner in which he conducted himself as the very successful leader of Goodman & Company and Dynamic Funds. He, even more than I, believes that renewal is the driving thrust of our company. We have been a company thriving on renewal, causing the generation of a proliferation of new and creative financial service ideas. DundeeWealth has been, and under David Goodman's leadership, will continue to be, innovative, with a dedication and commitment to the promise that new ideas will thrive in conjunction with preemption of jettisoning of the old and ineffective services.

David has the advantage of the proprietary knowledge of our family's experience buttressed by his own specific training and experience, to cumulatively progress. Old learning in essence has been, and will be, used to augment and develop new industry-leading offerings. This has been, and of course, remains, DundeeWealth's core mission along with the view that the enterprise must not rest on its laurels.

Being driven by innovation has been our family's personal mission and business mission in developing ideas and enterprise that can possibly change our company while making life better for the financial advisory community that we serve, along with the clients that they serve. I am proud to include herein David's commentary to our former and current employees and many friends on October 18, 2007, at the celebration of the 50th anniversary since the founding of Dynamic Funds.

> "It is so much easier to know where you are going if you have a sense of where you came from. Austin Beutel, one of the founding members of Dynamic Funds, put his finger on the genesis of the unique blend of business and family that lies at the centre of this extraordinary enterprise: mutual respect and friendship. The culture that shapes our business success today has deep roots and I think I speak for everyone when I say how much we appreciate that – particularly today.
>
> As we celebrate the last 50 years let me reflect for a moment on the last 100 days – my first 100 days as CEO of DundeeWealth. It has been quite a ride.
>
> - we had a massive liquidity crisis that left us with $400 million in asset-backed commercial paper, the value of which was uncertain.
> - we elected to sell the Bank but not before purchasing all that paper at par and removing it from the Bank's books.
> - we elected to sell an equity interest in the Company, one that essentially freed us from the constraints of massive debt.
> - and then…we become the focus of an unsolicited offer to acquire the Company.
>
> Challenges are the bricks upon which this business is built. It is too easy to forget the 50 years of sweat and tears that sit as a prologue to today's performance numbers. Beutel Goodman was founded without a road map. It was one of the first money managers in the country. What we are faced with today and what we have been faced with in the past is not new. We are not strangers to adversity.
>
> The point that I am trying to make is that the challenges before us are really no different than those with which we have had to deal in the past. Over the course of our last 50 years we have faced real business adversity including the reality of our new attractiveness to others. But what got us through all these challenges and obstacles was our culture and an unfailing belief in ourselves.
>
> I have often stated that we seek to combine the entrepreneurial values of the individual with the values that define good families and that our business was not so much a family business as it is much more, a business family. We are a business family committed to excellence in everything we do, including the determination to remain a business family anxious to grow in every way we possibly can.
>
> The cultural fabric raised in Austin's recollections, the blend of mutual respect and friendship is the fabric that makes us strong today. It is that fabric that will make us strong tomorrow. It is that fabric that exists in all of you and everything you do."

Moving on to the real estate activities of Dundee Corporation, I have to report that at the beginning of 2007, Michael Cooper and I were frustrated with the various legislative changes that were affecting the way we could run our Dundee Realty operations. Specifically, we wanted to make our business more conservative financially, build up an asset management business and wanted to take advantage of the high valuations for Canadian commercial properties. We are very proud of being able to achieve our strategic plan in 2007.

Our Dundee Realty subsidiary earned net operating income in excess of $100 million for the first time in 2007. Our sale of Dundee REIT units delivered a further $95.9 million and the monthly distribution from the REIT provided an even further $14.7 million.

Our interest in real estate has come a long way since its start in 1996. It is now almost ten years ago, after our acquisition of the Lehndorf Group, that Michael Cooper, the talented CEO and partner of our real estate operation, reported these encouraging words to me in a reflective mood: "Now when we open a closet, a skeleton doesn't always fall out".

Our darkest days in real estate were at the end of 1998. The Lehndorf acquisition created a terrible morale problem being that it was fraught with over 100 legal claims that disallowed us to deliver our budgeted financial performance. But, it was during that time that we established the culture, the value and the strategic direction that today defines Dundee real estate and its management team that is mostly original and still in place.

Upon a more recent reflection, Michael has noted that, notwithstanding that it has turned out to be totally correct he was very bold to pronounce at that time in 1998 that we were building a fantastic foundation for the next 20 or 30 years. And so we have.

In my comments to the shareholders in last year's Annual Report, I said that we had changed our view of the value of our Dundee REIT assets, feeling that the assets were more valuable than the market price and even more valuable than we had previously thought. I went on to say that Dundee REIT is well positioned to grow its organic cash flow.

At the time of writing those comments, I did not know that GE would enter the picture and prove us correct with regard to valuation, providing us with a price per unit of $47.50, a full 20% higher than the REIT's then-trading price. The growth in the organic cash flow that I mentioned in the Annual Report was mostly related to our ownership of the western Canada commercial properties of the REIT. These properties remain in the Dundee REIT of which GE purchased a 16% interest to match Dundee Corporation's similar percentage ownership.

Since the GE transaction, credit markets have become tight and the trading prices of most other REITs have retreated. Our sale was timely and good for unitholders. We remain today with a continuing ownership in the most attractive commercial real estate located in the resource-rich areas of western Canada, primarily in the hottest market of Calgary.

Sam Zell of Equity Office and Equity Residential fame once said that: "When you look back in history in the real estate business there is only one issue that's really relevant – and that is supply." The lack of supply of core commercial real estate in Canada allowed us to sell our $2.3 billion REIT portfolio at a compelling valuation. However, the most compelling part of the GE transaction is that it allowed us to achieve our objective of creating a significant real estate asset management base for Dundee Corporation.

In the new Dundee REIT, we have created a modern day more aggressive REIT that operates under the new SIFT rules imposed by the Canadian Government on August 31, 2006. To achieve increased flexibility, we have negotiated an external asset management contract consisting of the assets of Dundee REIT as well as other clients. These assets allow us to be asset managers of approximately $5 billion of real estate with a fee structure that, in some instances, includes a performance incentive. These assets are managed by Dundee Real Estate Asset Management, known internally as DREAM. When added to those assets managed by our DundeeWealth subsidiary, it means that as a company, Dundee Corporation oversees approximately $33 billion of AUM, as well as $32 billion of other assets under administration.

The creation of DREAM was the beginning of a process, which was mentioned at last year's annual meeting where I said this transition should allow us to benefit from the opportunity to enhance our investment holding returns by generating recurring management fees.

As part of that thrust to expand our asset manager business, we know from a lifetime of experience that asset management income is very valuable and we are very excited about the future growth potential of our DREAM.

To dwell on Sam Zell's wisdom again, the lack of supply for developed housing lots in western Canada, particularly in Calgary, Edmonton, Regina and Saskatoon, is continuing to provide the growth impetus for our land business.

Saskatchewan has led Canada in housing price appreciation with an almost 60% increase in Saskatoon and 30% in Regina. These increases were generated by the very much improved economic performance of the province.

Despite these increases, Saskatchewan remains affordable. With secular increased prices for potash, gold, oil and gas, wheat, and uranium, Saskatchewan has become a rich "have" province with long-term attractive growth prospects. In 2007, our cash flow from Saskatchewan land and housing more than doubled from 2006.

With this new environment in Saskatchewan, we remain well positioned to provide over 50% of the housing lots in each of the two major cities, Regina and Saskatoon, without running out of land until they have achieved growth in excess of 25%, which is likely to be over the next many years.

We acquired our land in Saskatchewan in 1994, and for a long time this asset was regarded by many shareholders, particularly those outside of Canada, as a joke. We were always asked, "where is Saskatchewan?" Today we find ourselves as the dominant player in what has become a very attractive market. We are confident that our investment philosophy of being long-term holders of assets that we find attractive, in spite of the view of many others, will hold us in good stead. We have substantially added to our land position in the last few years at prices that look attractive, even in today's market. Land development in Western Canada will continue to be a major driver of our future financial results.

We are very pleased with how our real estate business is positioned. Our land development business is in excellent shape. Our asset management business is growing and has a very strong base cash flow with room to grow from performance fees, the natural growth of the REIT, and attracting more clients and new funds.

The GE transaction provided unitholders with $1.4 billion in cash just before a liquidity crisis. We sold one of the largest real estate portfolios ever in Canada at a very attractive capitalization rate. The "new" Dundee REIT continues to trade well against its peers, and the change in the management structure has launched our DREAM – asset management business. As time passes, it is clear that the GE transaction was very well timed and executed. A nice top off accolade was winning "Deal of the Year" for this transaction at the National Association of Industrial and Office Properties Awards.

Our real estate business is in substantially better shape than it ever has been previously, and is worth substantially more than it was at the beginning of 2007. We are one of the most competitive real estate platforms in Canada and are now in a much better position to create more value in the future. Congratulations to Michael Cooper and the entire staff of Dundee Realty.

If you have read this far into my message, you would probably agree with a common query given to me by interested shareholders and others as to how we can keep track of the many decision points in the many operations that Dundee Corporation owns and/or controls.

We ask our division leaders and portfolio managers to follow our overall corporate culture, vision and the agreed-upon strategy laid out to get there. Then they have to make the vision come alive by living it and breathing it. While we do not wait on disasters to occur in our business, we ask our leaders to be aware that they may be ready to stand for the unexpected.

Our Dundee Group investment performance has been unique in our industry and many ask what the secret is. The answer is not complex but likewise is not simple. We take care of our performers and encourage them to take more freedom. We encourage free latitude in job scope and career paths within our organization but most importantly, we allow extremely talented and intelligent individuals the latitude to perhaps fail, without concern about retribution. We promote self-actualization, initiative and innovation at their jobs without worry about hierarchy and bureaucracy.

As a group, our management provides bold, independent leadership within an energized collaborative corporate culture with familial values. Effective growth of all of our asset management businesses requires especially talented, creative people who are keen to develop their ideas to work alongside those of their colleagues who have the expertise to implement the sales and service that will make them, and our Company, successful.

Many companies equate innovation and growth with risk taking. But getting to the future first is not simply a matter of taking more risk. We do not make risky heroic investments. We make long-term innovative and strategic decisions where we have the capability of using our existing internal resources to de-risk our lofty ambitions. We know that unless we can remove the feeling that a growth ambition is linked to being risky, we will never achieve the necessary management commitment to establish the global leadership and growth to which we aspire.

Throughout the Dundee enterprise, we foster cohesiveness and encourage innovators to motivate their colleagues both to use their initiative to spawn new ideas as well as collaborate in their commercialization.

To foster and create innovation from a control position, be it via special share structures or 100% ownership, often demands a blend of foresight, unorthodox thinking, speed and the comfort about risk that comes because of the corporate independence that we can provide. Pressures provided by shortsighted or arbitrage shareholders and technical analysts, who only look weeks or months ahead, are accepted politely, but are not allowed to interfere with the long-term vision and culture of our Company. We have the freedom to innovate and we use it to grow our Company for the long-term.

Nevertheless, getting results from a large and larger company is not an easy task. We work hard to capture Steven Covey's 8th Habit in the recognition that people are whole people – "body, mind, heart and spirit". The concept of using the voice of a business family allows our key people to make the necessary choices that expand their own influence by inspiring others to likewise find their voice. The freedom and power of choice not only creates enough comfort to reduce concern about a mistake, but also allows the freedom to solve those unexpected challenges that do arise from time to time. Leadership at Dundee is a choice rather than a position. This allows leadership to be distributed throughout the Company on the basis that every human being is precious in his or her own right and is endowed with potential and capacity.

Covey tells us that the pathway to enlarging that potential and capacity is to magnify each of those recognized gifts and talents. He then says that "almost like a flower blooming in the spring, additional gifts and talents are given or opened up to us and our 'hardwired' capacities in all four areas are unleashed to lead a balanced, integrated, powerful life. Great organizations, like successful families, are only sustainable when they serve each other's human needs." He goes on to say that, "Service above self ----- is the true DNA of success." It is not about "what's in it for me?" but about "what can I contribute?" It only works if everyone is on the same bus going in the same direction. It's my responsibility to make sure that the right people are on the bus, set the direction, and be ready to change it if necessary.

We know that the only way to sustain our good performance is to act in the best long-term interest of the Company and all of its stakeholders – our employees, our clients and our shareholders. We go forward with courage.

I end this long annual message with yet another paraphrased quote from my favourite philosopher, 12th Century Maimonides, who in referring to biblical Abraham as "an un-heroic hero" said he was one who, "does what is right because it is right and not for the sake of popularity or fame". Warren Buffett is quoted as saying that the best advice he ever received was, "you are right not because others agree with you but because your facts are right." In our modern corporate world, Maimonides would have agreed with Buffett and said that it is more important to be true to the call of the sensible long-term, rather than the noise of the day.

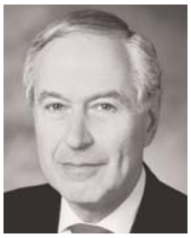
Sincerely,

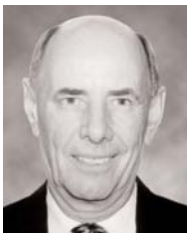
Ned Goodman, CFA
President and Chief Executive Officer
Written during the days of April 9 to 24, 2008

Corporate Directory

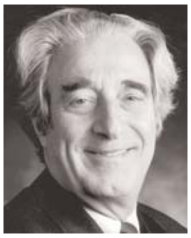
Board of Directors

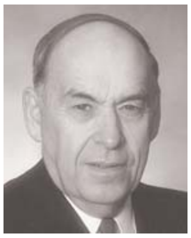

Ned Goodman


Harold (Sonny) Gordon

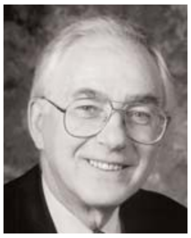

K. Barry Sparks


Normand Beauchamp


Dr. Frederick H. Lowy


Harry R. Steele


Jonathan Goodman


Garth A.C. MacRea


Robert McLeish

Officers

Harold (Sonny) Gordon
Chairman

Ned Goodman
President & Chief Executive Officer

Joanne Ferstman
Executive Vice-President,
Chief Financial Officer &
Corporate Secretary

Lucie Presot
Vice-President & Controller

Lili Mance
Assistant Corporate Secretary

Executive Office

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Stock Listing

The Toronto Stock Exchange

Stock Symbol

DC.A

Shareholders' Annual & Special Meeting

June 20, 2008 at 10:00 a.m. (ET)
TSX Gallery
130 King Street West
Toronto, Ontario M5X 1J2

Dundee Place
1 Adelaide Street East
Suite 2800
Toronto, Canada
M5C 2V9