



## **Dundee Corporation to Acquire Remainder of Dundee Capital Markets**

TORONTO, December 21, 2011 – Dundee Corporation (DC.A:TSX) and Dundee Capital Markets Inc. (DCM:TSX) jointly announced today that they have entered into an arrangement agreement under which DC will acquire all of the outstanding common shares of DCM not currently held by DC at a price of \$1.125 per share by way of a court approved plan of arrangement under the *Business Corporations Act* (Ontario). The price to be received by DCM common shareholders represents a premium of 40.6% over the closing price of DCM common shares on December 20, 2011.

The Board of Directors of DCM formed a Special Committee of its independent directors which supervised the preparation of and obtained a formal valuation from Ernst & Young LLP ("E&Y"). E&Y concluded that the fair market value of DCM common shares was in the range of \$1.10 and \$1.20 per share. E&Y also provided DCM's board with an opinion to the effect that the proposed transaction is fair from a financial point of view to minority shareholders of DCM. The Special Committee and the Board of Directors of DCM are recommending that minority shareholders vote in favour of the arrangement.

In connection with the arrangement, DC entered into a voting agreement with The Bank of Nova Scotia, the largest minority shareholder of DCM. Scotiabank has agreed to vote its shares (representing approximately 18% of the outstanding common shares) in favour of the arrangement.

The arrangement is subject to the approval of (i) at least two-thirds of the votes cast by DCM shareholders and (ii) a simple majority of the votes cast by minority shareholders, at a special meeting of DCM shareholders which is expected to be held on January 31, 2012. Completion of the arrangement is also subject to the receipt of all other necessary regulatory and third party approvals, other customary conditions and the approval of the Ontario Superior Court of Justice.

### About Dundee Capital Markets Inc.

DCM is a publicly traded full-service Canadian investment dealer with offices in Toronto, Montreal, Vancouver, Calgary and London, England and whose principal businesses include investment banking, mergers and acquisitions, institutional sales and trading, investment, research, private client financial advisory and management of investment products. DCM focuses on specific sectors, namely, resources, real estate, infrastructure, agriculture and other special situations. DCM is the asset manager of the CMP™ and Canada Dominion Resources flow-through limited partnerships as well as CMP Gold Trust.

### About Dundee Corporation

DC is an independent publicly traded Canadian asset management company. DC's asset management activities are focused in the areas of DC's core competencies and include real estate and infrastructure as well as energy and resources. Asset management activities are carried out by Ned Goodman Investment Counsel Limited, a registered portfolio manager and exempt market dealer across Canada and an investment fund manager in the province of Ontario, and by DREAM, the asset management division of Dundee Realty Corporation. Asset management activities are supported by DC's 49% interest in DCM which is also the asset manager of DC's flow-through limited partnership business carried out through the "CMP", "CDR" and "Canada Dominion Resources" brands. DC also owns and manages direct investments in these core focus areas, through ownership of both publicly listed and private companies. Real estate operations are carried out through DC's 70% ownership in Dundee Realty Corporation, an owner,

developer and manager of residential and recreational properties in North America. Energy and resource operations include DC's 57% investment in Dundee Energy Limited (formerly Eurogas Corporation), an oil and natural gas company with a mandate to create long-term value through the development of high impact energy projects. DC also holds several investments in the resource sector for which it uses equity accounting.

Forward-looking statements:

This document includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). These statements include statements regarding DC's or DCM's intent, or the beliefs or current expectations of DC's or DCM's officers and directors. Such statements are typically identified by words such as "believe", "anticipate", "estimate", "project", "intend", "expect", "may", "will", "plan", "should", "would", "contemplate", "possible", "attempts", "seeks" and similar expressions. Forward-looking statements may relate to DC's or DCM's future outlook and anticipated events or results.

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond DC's or DCM's control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: (a) the inability of DCM to obtain (i) approval of the arrangement by the court and the other regulatory approvals, and (ii) approval of the arrangement by the shareholders at a special meeting of DCM shareholders; and (b) the occurrence of any other event, change or other circumstance that could give rise to the termination of the arrangement agreement, or the delay of consummation of the arrangement or failure to complete the arrangement for any other reason.

Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, neither DC nor DCM assume any obligation to update, or to publicly announce the results of any change to, any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

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