



DUNDEE
CORPORATION

2010 THIRD QUARTER REPORT

DUNDEE CORPORATION

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of November 12, 2010 and should be read in conjunction with the audited consolidated financial statements of Dundee Corporation, including the notes thereto, as at and for the year ended December 31, 2009 (the "2009 Audited Consolidated Financial Statements") and the interim unaudited consolidated financial statements as at and for the three and nine months ended September 30, 2010 (the "September 2010 Interim Consolidated Financial Statements"). Financial data has been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") unless otherwise specified. All amounts are in Canadian dollars, unless otherwise specified.

Dundee Corporation (the "Company" or "Dundee Corporation") is an independent publicly traded Canadian asset management company with its core focus in the areas of wealth management, real estate and resources. Wealth management activities are carried out by its 61% controlled subsidiary, DundeeWealth Inc. ("DundeeWealth"). Third party asset management and sub-advisory activities are carried out by Ned Goodman Investment Counsel Limited ("NGIC"), a registered portfolio manager and exempt market dealer across Canada, and an investment fund manager in the province of Ontario, and by Dundee Real Estate Asset Management ("DREAM"), the asset management division of Dundee Realty Corporation ("Dundee Realty"), our 70% owned subsidiary. In addition to our third party asset management activities, Dundee Corporation also owns and manages its own direct investments in these same core focus areas, both directly through its real estate operations in Dundee Realty and resource operations in its 54% owned subsidiary, Eurogas Corporation ("Eurogas"), as well as indirectly through holdings in publicly listed and private companies. Dundee Corporation is listed on the Toronto Stock Exchange ("TSX") under the symbol DC.A.

The Company holds direct investments in various industry sectors and its ownership interest in these investments is established through different entities and structures that create differing accounting treatments. Investments are accounted for as follows:

- (i) Controlled subsidiaries are not recorded as individual investments. Instead, these subsidiaries are consolidated in the Company's financial statements, such that 100% of the subsidiaries' accounts are recorded on a line-by-line basis in the consolidated balance sheets and consolidated statements of operations, and are then subject to non-controlling interest.
- (ii) The carrying values of investments that are classified as equity accounted investees are adjusted by the Company's share of earnings or losses in the investee, and by any dilution in its ownership interest. The Company's share of earnings or losses from equity accounted investees, as well as any gain or loss resulting from a dilution in its ownership interest, is reported in the consolidated statements of operations as "Share of earnings of equity accounted investees". The Company may recognize a fair value adjustment against the carrying values of equity accounted investees if their fair value falls below their carrying value and the Company determines that the decrease in fair value is other-than-temporary in nature.
- (iii) Available-for-sale ("AFS") securities are generally carried on the consolidated balance sheet at their estimated fair value, with unrealized gains and losses included in accumulated other comprehensive income ("AOCI") until a sale or other-than-temporary impairment is recognized, at which point cumulative unrealized gains or losses are transferred to net earnings.
- (iv) Certain investments held by our subsidiaries have been classified as trading securities. Trading securities are carried on the consolidated balance sheet at fair value, with unrealized gains and losses included in net earnings.

SIGNIFICANT INVESTMENTS

The following table illustrates the Company's significant portfolio investments, including the Company's percentage ownership interest, the accounting treatment used to account for each investment, the carrying value of the investment (other than for consolidated subsidiaries), and the market values for investments that are publicly listed securities, determined using quoted trading prices as at September 30, 2010.

(in thousands of dollars except percentages)

Investment Holding	Accounting Treatment	Carrying Value	Market Value	30-Sep-10 Percentage Controlled	31-Dec-09 Percentage Controlled
<i>Wealth Management Segment</i>					
DundeeWealth Inc.	Consolidation	\$ N/A	\$ 1,063,078	61%	62%
<i>Real Estate Segment</i>					
Dundee Realty Corporation	Consolidation	N/A	N/A	70%	74%
Dundee Real Estate Investment Trust	Equity	88,473	124,084	10%	18%
<i>Resource Segment</i>					
Eurogas Corporation	Consolidation	N/A	72,785	54%	54%
Eurogas International Inc.	Consolidation	N/A	332	53%	53%
Dundee Precious Metals Inc.	Equity	102,916	190,275	23%	20%
Breakwater Resources Ltd.	Equity	39,903	88,325	24%	25%

OPERATING SEGMENTS¹

Wealth Management

The Company's wealth management segment consists of the operations of DundeeWealth, a publicly traded wealth management company that provides diversified wealth management and investment solutions including alternative and tax-advantaged products, capital markets and advisory services to financial advisors, institutions, corporations and foundations, and innovative wealth management through independent financial advisors across Canada. Additional information regarding DundeeWealth may be accessed at www.dundeewealth.com.

Real Estate

The real estate segment consists of the business activities of Dundee Realty, a private company with operating activities in the land and housing business in Canada and the United States. These activities are supplemented by a portfolio of select income generating properties. Our real estate segment also includes the results of our 10% interest in Dundee Real Estate Investment Trust ("Dundee REIT") (see "Real Estate Segment – Dundee REIT"). Additional information regarding Dundee REIT may be accessed at www.dundeereit.com.

Resource

The resource segment includes both our 54% interest in Eurogas (www.eurogascorp.com), a company involved in oil and gas production in Ontario and the development of a natural gas storage facility in Spain, and our 53% interest in Eurogas International Inc. ("EII") (www.eurogasinternational.com), a company which carries out oil and gas exploration and evaluation activities in Tunisia. The resource segment also includes certain other significant portfolio holdings, including our approximate 23% interest in Dundee Precious Metals Inc. ("Dundee Precious") (www.dundeeprecious.com) (see "Resource Segment – Dundee Precious Metals Inc."), and our approximate 24% interest in Breakwater Resources Ltd. ("Breakwater") (www.breakwater.ca) (see "Resource Segment – Breakwater Resources Ltd."), both of which are accounted for on an equity basis.

¹ During the second quarter of 2010, the Company redefined the business segments in which it operates in order to more appropriately reflect changes in its underlying business activities. Prior period segmented information has been restated to conform to the current period segmented presentation.

Asset Management

Our asset management segment includes the activities undertaken by NGIC, DREAM and Dundee Resources Ltd. At September 30, 2010, NGIC and DREAM provided sub-advisory and investment services to approximately \$7.2 billion of third party assets under management. NGIC, together with Dundee Resources Ltd., also provides investment services in respect of the Company's portfolio of AFS securities, other than those investments associated with wealth management activities. These investments include both publicly traded and private companies in a variety of industry sectors, as well as liquid securities such as mutual funds.

The asset management segment also includes general corporate overhead costs, as well as interest and debt servicing costs, to the extent that such costs have not been specifically allocated to any operating division.

PERFORMANCE MEASURES AND BASIS OF PRESENTATION

The Company's consolidated financial statements are prepared in accordance with Canadian GAAP and are reported in Canadian dollars. The Company believes that important measures of operating performance, including the operating performance of its subsidiaries, include certain measures that are not defined under Canadian GAAP and as such, may not be comparable to similar measures used by other companies. Throughout this discussion, there will be references to the following performance measures which management believes are relevant in assessing the economics of its business. While these measures are non-GAAP, the Company uses them as supplementary measures to net earnings and cash flows.

- "AUM" or "Assets under Management" represent the period-end market value of client assets managed by the Company's wealth management and asset management subsidiaries on a discretionary basis and in respect of which these subsidiaries earn investment management fees and, in certain cases, performance fees. AUM are not reflected in the Company's consolidated balance sheets.
- "AUA" or "Assets under Administration" represent the approximate period-end market value of client assets administered by the Company's wealth management subsidiaries and in respect of which these subsidiaries earn commissions, trailer service fees and administrative or other similar fees. AUA are not reflected in the Company's consolidated balance sheets.
- "Barrel of Oil Equivalent" or "Boe" is calculated at a barrel of oil conversion ratio of six thousand cubic feet of natural gas to one barrel 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.
- "EBITDA" represents earnings before interest, taxes, depreciation and amortization. The Company uses this measure as a supplement to net earnings and cash flows.
- "Contribution Margin" or "Margins" is an important measure of earnings in our real estate segment and represents real estate earnings before related selling, general and administrative expenses, interest, taxes, depreciation and amortization. "Margins" in our wealth management segment represent financial services revenues, net of associated variable compensation expense.
- "Field Level Cash Flows" is calculated as revenues from oil and gas sales, less royalties, cost of sales and transportation costs. Field level cash flows contribute to the funding of the Company's working capital allocated to its resource segment, as well as to capital expenditure requirements for these activities. Field level cash flows also provide for repayment of amounts owing pursuant to Eurogas' credit facility (see "*Resource Segment – Eurogas Corporation*").
- "Field Netbacks" refers to field level cash flows expressed on a barrel of oil equivalent basis.
- "Operating Earnings Before Interest, Taxes and Other Non-Cash Items" or "Operating EBITDA" and "Operating Earnings" are set out in the consolidated statements of operations of the Company.
- "Reserve Life Index" is determined by dividing proved reserves by expected annual production. For greater certainty, the reserve life index includes only proved reserves and does not include probable or possible reserves.

CONSOLIDATED RESULTS OF OPERATIONS

Nine months ended September 30, 2010 compared with the nine months ended September 30, 2009

Consolidated Net Earnings

Net earnings for the nine months ended September 30, 2010 were \$118.5 million or \$1.47 per share on a fully diluted basis compared with net earnings of \$51.8 million or \$0.68 per fully diluted share in the nine months ended September 30, 2009.

Selected Consolidated Segmented Earnings

(in thousands of dollars)

For the three and nine months ended September 30,	Three Months		Nine Months	
	2010	2009	2010	2009
Wealth management	\$ 24,717	\$ 14,844	\$ 77,531	\$ 44,374
Real estate	22,266	11,326	48,062	21,653
Resource	17,480	5,941	37,687	6,625
Asset management	(2,218)	(2,361)	23,672	(4,725)
Intersegment	818	818	2,454	2,454
	63,063	30,568	189,406	70,381
Dilution (loss) gain, net	674	672	(5,554)	1,386
Income taxes	(20,365)	(1,031)	(65,355)	(19,929)
Net earnings for the period	\$ 43,372	\$ 30,209	\$ 118,497	\$ 51,838

Improved earnings in the wealth management segment reflect the impact of a continued increase in DundeeWealth's AUM, reaching a record \$42.6 billion at September 30, 2010, as well as improvements in operating efficiencies. Leading the industry in net sales of its trademark Dynamic Funds, DundeeWealth's market share increased to 4.29% at September 30, 2010, compared with 4.11% at June 30, 2010 and 3.56% at September 30, 2009.

During the nine months ended September 30, 2010, DundeeWealth disposed of a significant portion of its portfolio of collateralized loan obligations ("CLOs"), resulting in a gain of \$34.9 million, before income taxes and non-controlling interests. By comparison, in the same period of the prior year, DundeeWealth recognized unrealized net market appreciation of \$39.4 million, before income taxes and non-controlling interests from its investments in floating rate notes ("FRNs") and CLOs.

Earnings from the real estate segment more than doubled to \$48.1 million during the nine months ended September 30, 2010 compared with \$21.7 million earned in the same period of the prior year. Strengthened by stronger demand in essentially all markets, and most notably in western Canada, real estate margins grew to \$68.8 million in the first three quarters of 2010, a 50% increase compared to \$46.0 million in the same period of the prior year.

Earnings from the real estate segment also include the Company's share of earnings from Dundee REIT, which increased to \$8.9 million in the first three quarters of 2010 compared to a loss of \$2.3 million in the comparative period of 2009. Earnings from Dundee REIT in the current period benefitted from dilution gains of \$6.5 million (nine months ended September 30, 2009 – dilution loss of \$3.3 million) realized from the successful issuance of \$478 million in equity financings completed by Dundee REIT in this period.

Earnings from the resource segment were \$37.7 million during the nine months ended September 30, 2010 compared with earnings of \$6.6 million in the same period of the prior year. Growth reflects stronger earnings from equity accounted investments, which totalled \$39.8 million in the first three quarters of 2010 compared with \$7.9 million in the comparative period of the prior year. In addition, in its first full quarter of operations, Eurogas generated net revenues of \$8.2 million from producing oil and gas assets acquired in June 2010 (see "Resource Segment – Eurogas Corporation").

Earnings from asset management activities were \$23.7 million during the nine months ended September 30, 2010. Earnings include investment income of \$35.5 million (nine months ended September 30, 2009 - \$8.9 million) from the sale of certain resource-based AFS securities. During the nine months ended September 30, 2009, this segment incurred losses of \$4.7 million.

Available-for-Sale Securities

(in thousands of dollars)

	Three Months ended		Nine Months ended	
	30-Sep-10		30-Sep-10	
Fair value of available-for-sale securities, beginning of period	\$	254,802	\$	257,494
Transactions in the period ended September 30, 2010				
New investments		10,263		79,176
Proceeds from sales of investments		(5,281)		(107,713)
Changes in fair values of AFS securities		44,718		78,225
Other transactions		408		(2,272)
Fair value of available-for-sale securities as at September 30, 2010	\$	304,910	\$	304,910
Represented by:				
Collateralized loan obligations			\$	9,288
Mutual funds managed by a subsidiary				143,662
Other				151,960
			\$	304,910

In the nine months ended September 30, 2010, the Company purchased AFS securities at a cost of \$79.2 million. Many of our investments during the nine months ended September 30, 2010 continued to be in the resource sector or were resource-based. We also received proceeds from dispositions of AFS securities of \$107.7 million during the nine months ended September 30, 2010, including proceeds of \$40.6 million from DundeeWealth's disposition of certain CLO investments. At September 30, 2010, the estimated fair value of the Company's portfolio of AFS securities was \$304.9 million (December 31, 2009 - \$257.5 million).

Equity Accounted Investments

(in thousands of dollars)

	Three Months ended		Nine Months ended	
	30-Sep-10		30-Sep-10	
Carrying value of equity accounted investments, beginning of period	\$	220,520	\$	158,963
Transactions in the period ended September 30, 2010				
Cash invested in equity accounted investees		3		30,166
Distributions received, net of reinvestments		(1,912)		(5,736)
Share of earnings of equity accounted investees		21,159		48,622
Share of other comprehensive income of equity accounted investees		3,241		10,987
Other		3		12
Carrying value of equity accounted investments, September 30, 2010	\$	243,014	\$	243,014

The market value of our equity accounted investments as at September 30, 2010 was \$418.8 million (December 31, 2009 – \$255.6 million).

(in thousands of dollars except percentages)

	September 30, 2010			December 31, 2009		
	Ownership	Carrying Value	Market Value	Ownership	Carrying Value	Market Value
Breakwater Resources Ltd.	24%	\$ 39,903	\$ 88,325	25%	\$ 18,662	\$ 78,499
Dundee Precious Metals Inc.	23%	102,916	190,275	20%	45,109	74,359
Dundee Real Estate Investment Trust	10%	88,473	124,084	18%	84,156	90,223
Escal UGS S.L. (a)	33%	5,262	5,262	33%	5,714	5,714
Odyssey Resources Ltd.	31%	1,098	1,989	31%	1,417	2,103
Other		5,362	8,847		3,905	4,684
		\$ 243,014	\$ 418,782		\$ 158,963	\$ 255,582

(a) Our 33% interest in Escal UGS S.L. ("Escal") is held through Eurogas' 74% owned subsidiary, Castor UGS Limited Partnership, giving Eurogas an effective 25% interest in Escal. Escal's market value has been determined based on its carrying value.

SEGMENTED RESULTS OF OPERATIONS

(in thousands of dollars)

2010

<i>For the nine months ended September 30, 2010</i>	Wealth			Asset		TOTAL
	Management	Real Estate	Resource	Management	Intersegment	
REVENUES						
Management fees	\$ 421,113	\$ -	\$ -	\$ 18,035	\$ (5,122)	\$ 434,026
Redemption fees	12,156	-	-	-	-	12,156
Financial services	214,405	-	-	1,348	(2,479)	213,274
Real estate revenues	-	285,278	-	-	-	285,278
Investment income	41,171	-	200	35,480	(3,190)	73,661
Oil and gas revenue, net	-	-	8,179	-	-	8,179
	688,845	285,278	8,379	54,863	(10,791)	1,026,574
EXPENSES						
Selling, general and administrative	213,768	5,627	4,075	21,890	(5,353)	240,007
Variable compensation	129,460	-	-	-	-	129,460
Trailer service fees	126,645	-	-	-	-	126,645
Operating costs, real estate	-	216,454	-	-	(2,248)	214,206
Operating costs, oil and gas	-	-	2,793	-	-	2,793
	469,873	222,081	6,868	21,890	(7,601)	713,111
OPERATING EBITDA						
	218,972	63,197	1,511	32,973	(3,190)	313,463
Amortization of deferred sales commissions	72,604	-	-	-	-	72,604
Depreciation, depletion and amortization	8,126	3,776	3,667	1,742	-	17,311
Interest expense	16,382	9,234	1,285	7,495	(5,644)	28,752
Equity earnings	-	(8,872)	(39,750)	-	-	(48,622)
Fair value adjustments	(1,887)	-	-	-	-	(1,887)
Foreign exchange loss	1,251	-	115	64	-	1,430
OPERATING EARNINGS	122,496	59,059	36,194	23,672	2,454	243,875
Non-controlling interest	(44,965)	(10,997)	1,493	-	-	(54,469)
	77,531	48,062	37,687	23,672	2,454	189,406
NON-SEGMENTED ITEMS						
Dilution loss, net						(5,554)
Income taxes						(65,355)
NET EARNINGS FOR THE PERIOD	\$ 77,531	\$ 48,062	\$ 37,687	\$ 23,672	\$ 2,454	\$ 118,497

(in thousands of dollars)

2009

<i>For the nine months ended September 30, 2009</i>	Wealth			Asset		TOTAL
	Management	Real Estate	Resource	Management	Intersegment	
REVENUES						
Management fees	\$ 303,564	\$ -	\$ -	\$ 16,335	\$ (4,329)	\$ 315,570
Redemption fees	10,183	-	-	-	-	10,183
Financial services	213,924	-	-	1,063	(2,433)	212,554
Real estate revenues	-	167,706	-	-	-	167,706
Investment income (loss)	3,630	(449)	1,345	8,884	(5,417)	7,993
	531,301	167,257	1,345	26,282	(12,179)	714,006
EXPENSES						
Selling, general and administrative	204,052	3,726	2,973	16,323	(4,490)	222,584
Variable compensation	130,513	-	-	-	-	130,513
Trailer service fees	90,118	-	-	-	-	90,118
Operating costs, real estate	-	121,705	-	-	(2,272)	119,433
	424,683	125,431	2,973	16,323	(6,762)	562,648
OPERATING EBITDA						
	106,618	41,826	(1,628)	9,959	(5,417)	151,358
Amortization of deferred sales commissions	65,729	-	-	-	-	65,729
Depreciation, depletion and amortization	9,554	3,486	396	1,587	-	15,023
Interest expense	15,313	6,937	56	12,828	(7,871)	27,263
Equity (earnings) losses	-	2,321	(7,908)	-	-	(5,587)
Fair value adjustments	(39,422)	-	-	-	-	(39,422)
Foreign exchange (gain) loss	(9,550)	-	386	269	-	(8,895)
OPERATING EARNINGS (LOSS)	64,994	29,082	5,442	(4,725)	2,454	97,247
Non-controlling interest	(20,620)	(7,429)	1,183	-	-	(26,866)
	44,374	21,653	6,625	(4,725)	2,454	70,381
NON-SEGMENTED ITEMS						
Dilution gain, net						1,386
Income taxes						(19,929)
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 44,374	\$ 21,653	\$ 6,625	\$ (4,725)	\$ 2,454	\$ 51,838

SEGMENTED RESULTS OF OPERATIONS

Nine months ended September 30, 2010 compared with the nine months ended September 30, 2009

WEALTH MANAGEMENT SEGMENT

DundeeWealth Inc.

Results of Operations

During the nine months ended September 30, 2010, DundeeWealth earned operating EBITDA of \$219.0 million and operating earnings of \$122.5 million. This compares with operating EBITDA of \$106.6 million and operating earnings of \$65.0 million for the same period of the prior year. As previously indicated, operating EBITDA in the nine months ended September 30, 2010, included a realized investment gain of \$34.9 million on the disposition of a significant portion of DundeeWealth's investment in CLOs. Operating earnings in the comparative period of the prior year included net unrealized market appreciation of \$48.9 million relating to DundeeWealth's investment in FRNs, partially offset by a \$9.5 million fair value loss on its portfolio of CLOs.

DundeeWealth's longer-term growth momentum is evident in a five-year AUM compounded annual growth rate of 18% as of September 30, 2010. DundeeWealth's AUM increased to a record \$42.6 billion at September 30, 2010, representing an 18% increase over AUM of \$36.1 billion at December 31, 2009 and a 27% increase over AUM of \$33.6 billion at September 30 of the prior year.

(in millions of dollars)

	2010	2009
AUM, January 1,	\$ 36,080	\$ 25,426
Gross additions	7,270	4,433
Redemptions	(4,342)	(2,719)
Market appreciation	2,843	6,071
Changes in discretionary AUM and other investment management mandates	726	433
AUM, September 30,	\$ 42,577	\$ 33,644
AUA, September 30,	26,600	24,920
Bank deposits, September 30,	6,843	6,823
Combined assets, September 30,	\$ 76,020	\$ 65,387

Gross additions to AUM during the nine months ended September 30, 2010 were \$7.3 billion, an increase of 66% over gross additions of \$4.4 billion in the nine months ended September 30, 2009, and were partially offset by a \$1.6 billion increase in gross redemptions. The Investment Funds Institute of Canada ("IFIC") reported Dynamic Mutual Funds, DundeeWealth's trademark mutual fund family, as the number one asset manager in Canada, with net additions increasing 71% over the same period of the prior year, significantly outpacing its competitors.

DundeeWealth's consolidated revenues during the nine months ended September 30, 2010 were \$688.8 million and included the \$34.9 million gain from the sale of CLOs. Excluding these investment gains, consolidated revenues increased 23% over consolidated revenues of \$531.3 million during the same period of the prior year.

(in millions of dollars except percentages)

For the nine months ended September 30,	2010	% Change	2009
Revenues			
Management fees	\$ 421.1	39%	\$ 303.6
Redemption fees	12.2	20%	10.2
Financial services	214.4	-	213.9
Other	41.1	n/a	3.6
	\$ 688.8	30%	\$ 531.3

Management fee revenues during the nine months ended September 30, 2010 were \$421.1 million, representing an increase of \$117.5 million or 39% over management fee revenues earned in the same period of the prior year. Management fee revenue is predominantly determined based on the market value of AUM as calculated on the last business day of each month. Average AUM, excluding AUM in discretionary portfolios and other investment mandates, increased by 36% to \$36.5 billion during the nine months ended September 30, 2010 compared with \$26.8 billion in the nine months ended September 30, 2009. The increase in AUM resulted in \$105.1 million of additional management fee revenues.

Financial services revenues include commissions and trailer fees, revenue from capital markets activities and portfolio trading revenues. Financial services revenues of \$214.4 million earned during the nine months ended September 30, 2010, increased modestly over financial services revenues of \$213.9 million earned during the same period of the prior year.

Retail commissions were \$169.6 million in the nine months ended September 30, 2010, compared with \$166.4 million in the same period of the prior year. Retail commissions include trailer service fee revenues. Trailer service fee revenues increased to \$99.6 million in the nine months ended September 30, 2010, compared with \$86.7 million in the same period of the prior year. The increase in trailer service fee revenues is consistent with improved market values in mutual fund AUA.

DundeeWealth's financial advisors operate through an open architecture advice network and may offer a wide range of products for inclusion in their clients' portfolios, including both DundeeWealth's own investment products as well as investment products offered by its competitors. In the nine months ended September 30, 2010, DundeeWealth's financial advisors earned commission and trailer service fee revenues of \$55.0 million (nine months ended September 30, 2009 - \$40.5 million) from DundeeWealth investment products. In accordance with accounting requirements, these commission and trailer service fee revenues are eliminated from the determination of consolidated financial services revenues. Transactions by financial advisors in DundeeWealth's own investment solutions strengthen growth in AUM.

Capital markets activities are conducted through DundeeWealth's IIROC ("Investment Industry Regulatory Organization of Canada") member firm, Dundee Securities Corporation ("Dundee Securities"). Revenues from capital markets activities during the nine months ended September 30, 2010, were \$77.7 million, compared with \$65.6 million in the nine months ended September 30 of the prior year. Corporate finance revenues represent over 50% of revenues from capital markets activities (September 30, 2009 – over 40%), and increased by 54% to \$41.6 million in the nine months ended September 30, 2010, compared with \$27.0 million earned during the same period of the prior year. Dundee Securities participated in 155 (nine months ended September 30, 2009 – 121) public and private new issue and advisory transactions, predominantly in the mining and oil and gas industry sectors. Offsetting the growth in capital markets activities, DundeeWealth's principal trading revenues decreased to \$2.3 million from \$20.6 million in the comparative period of the prior year, reflecting modest returns in equity markets compared to significant increases experienced in the second and third quarters of 2009.

Operating expenses in DundeeWealth were \$469.9 million in the nine months ended September 30, 2010, compared with \$424.7 million in the same period of the prior year. Variable compensation costs and trailer service fees have increased or decreased in direct correlation with the corresponding revenue streams or AUM levels.

(in millions of dollars except percentages)

<i>For the nine months ended September 30,</i>	2010	% Change	2009
Operating expenses			
Selling, general and administrative	\$ 213.8	5%	\$ 204.1
Variable compensation	129.5	(1%)	130.5
Trailer service fees	126.6	41%	90.1
	\$ 469.9	11%	\$ 424.7

Selling, general and administrative ("SG&A") expenses incurred by DundeeWealth were \$213.8 million in the nine months ended September 30, 2010, compared with \$204.1 million in the nine months ended September 30, 2009. The increase is primarily related to increases in remuneration costs associated with strong asset gathering activities, but also reflects increases in sub-advisory fees correlating to increases in the underlying AUM, as well as increases in discretionary advertising expenditures.

Variable compensation costs were \$129.5 million in the nine months ended September 30, 2010, compared with \$130.5 million in the same period of the prior year. Margins generated from retail distribution activities were 21.6% during this period, consistent with margins generated in the same period of the prior year. Margins from capital markets activities decreased to 61.5% in the first three quarters of 2010, from 64.7% in the prior period, reflecting changes in the mix of capital markets activities.

Trailer service fees are paid to brokers and financial advisors to assist them in providing ongoing support to clients who have invested in DundeeWealth's products. Trailer service fees are calculated as a percentage of the fair value of the associated AUM and therefore, increases or decreases in trailer service fees expense are expected to correspond to increases or decreases in DundeeWealth's average AUM. Trailer service fees in the nine months ended September 30, 2010, before elimination entries, increased to \$126.6 million from \$90.1 million in the same period of the prior year, and in each case represented 0.58% of the associated average AUM. Consolidated trailer fee expense currently represents approximately 30% of average management fee revenues.

On a consolidated basis, amortization of deferred sales commissions was \$72.6 million in the nine months ended September 30, 2010, (nine months ended September 30, 2009 – \$65.7 million). Commissions paid on sales of mutual funds were \$92.2 million in the nine months ended September 30, 2010, (nine months ended September 30, 2009 – \$61.5 million). For accounting purposes, these commissions are deferred and amortized on a straight-line basis over five years. The average commission rate paid on asset gathering activities conducted on a deferred sales charge basis during the nine months ended September 30, 2010, was approximately 3.9% (nine months ended September 30, 2009 – 4.0%).

Changes in Financial Condition

The following is a discussion of significant changes in consolidated balance sheet items from December 31, 2009 to September 30, 2010, stemming from the Company's investment in DundeeWealth.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, deposits with Canadian Schedule I Chartered Banks and investments in short-term Government of Canada treasury bill securities. DundeeWealth's cash and cash equivalents balance increased to \$521.5 million at September 30, 2010 compared with \$419.4 million at December 31, 2009, reflecting continued strong cash flows from operations, as well as cash generated from the sales of investments in CLOs. Cash and cash equivalents include \$173.2 million (December 31, 2009 - \$99.8 million) held by certain regulated subsidiaries of DundeeWealth. These amounts may not be readily accessible due to regulatory capital requirements and client activity.

Balances Relating to DundeeWealth's Investment Dealer Activities

(in millions of dollars)

	September 30, 2010	December 31, 2009
Client accounts receivable	\$ 585.1	\$ 401.8
Client deposits and related liabilities	(667.1)	(472.6)
Trading securities owned, excluding FRNs	104.6	118.0
Trading securities sold short	(28.8)	(23.1)
Bank indebtedness	(4.5)	(4.8)

Client account balances represent funds owing from or belonging to clients, and amounts due to or from brokers and dealers that are pending settlement. While the amounts may vary significantly on a day-to-day basis, they do not necessarily reflect any meaningful change to DundeeWealth's financial position.

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

Dundee Securities has available call loan facilities for \$100.6 million with two Canadian chartered banks. These call loan facilities are secured by either unpaid client securities and/or securities borrowed or owned by Dundee Securities and are used primarily to facilitate the securities settlement process for both client and firm inventory positions and/or to finance margin account activity. Amounts borrowed pursuant to these call loan facilities are reported as bank indebtedness. Similar to client account balances, amounts borrowed pursuant to these call loan facilities may vary significantly on a day-to-day basis depending on securities trading activity, without necessarily representing a change in DundeeWealth's financial position.

Floating Rate Notes included in Trading Securities

As at September 30, 2010, DundeeWealth held FRNs with a par value of \$65.1 million and with an estimated fair value of \$5.6 million.

(in thousands of dollars)

	Carrying Value Dec 31, 09	During the nine months ended September 30, 2010				Market Value Adjustment	Carrying Value Sep 30, 10
		Principal Repayments	Defaults	Disposition			
MAV2 Class B	\$ 22,433	\$ -	\$ -	\$ -	\$ -	\$ 22,433	
MAV2 Class C	9,023	-	-	-	-	9,023	
MAV2 IA Tracking Notes	22,610	(25)	(2,888)	-	-	19,697	
MAV3 IA Tracking Notes	12,438	(777)	-	-	-	11,661	
MAV3 TA Tracking Notes	3,229	(896)	-	-	-	2,333	
	69,733	(1,698)	(2,888)	-	-	65,147	
Interest Payments	-	(189)	-	-	-	(189)	
Provision and subsequent adjustments to carrying value	(64,163)	-	2,888	-	1,887	(59,388)	
	\$ 5,570	\$ (1,887)	\$ -	\$ -	\$ 1,887	\$ 5,570	

During the nine months ended September 30, 2010, DundeeWealth received interest and principal payments of \$1.9 million, all of which was applied to reduce the carrying value of the FRNs. In the third quarter, an MAV2 IA Tracking Note with a face value of \$2.9 million was discharged due to a default in the underlying assets. The discharge did not have an impact on the Company's financial results as the carrying value of the security had been previously reduced to \$nil.

DundeeWealth continues to use a valuation model to determine the fair value of FRNs as outlined on page 14 of Dundee Corporation's MD&A accompanying the 2009 Audited Consolidated Financial Statements ("December 2009 MD&A"). There is no assurance that the pricing of these assets will not increase or decline in future periods, or that the FRNs will trade at a market value that is the same as their fair value. As a result, these estimates may change materially in subsequent reporting periods.

Available-for-Sale Securities - Collateralized Loan Obligations

At September 30, 2010, DundeeWealth held six positions in CLOs, including U.S. dollar denominated CLOs with a par value of US\$17.5 million and Euro denominated CLOs with a par value of €5.5 million. These investments were carried at their estimated fair value at September 30, 2010 of \$9.3 million. In the nine months ended September 30, 2010, the fair value of DundeeWealth's CLO portfolio appreciated by \$2.2 million notwithstanding the continuing issues relating to the credit quality of the underlying collateral. To the extent that this market appreciation remains unrealized at September 30, 2010, this market appreciation has been recognized in other comprehensive income ("OCI") as the increase was not objectively related to a credit event in the underlying collateral.

During the nine months ended September 30, 2010, DundeeWealth disposed of 21 positions in CLOs for cash proceeds of \$40.6 million, including one position sold during the third quarter of 2010 for \$1.9 million. These sales resulted in gains of \$34.9 million, including a \$1.6 million gain relating to the position sold in the third quarter.

Corporate Debt

In September 2009, DundeeWealth completed an offering of \$200.0 million aggregate principal amount of 5.10% Series 1 notes due on September 25, 2014 (the “Notes”). The terms of the Notes are detailed in note 13 to the 2009 Audited Consolidated Financial Statements. During the nine months ended September 30, 2010, DundeeWealth incurred interest costs of \$7.9 million in respect of the Notes.

Series 1 Preference Shares, DundeeWealth

DundeeWealth has issued 6,225,000 4.75% cumulative redeemable first preference shares, series 1 (“Series 1 preference shares, DundeeWealth”) at a price of \$25.00 per share. These shares entitle the holder to a fixed preferential cumulative dividend at the rate of 4.75% per annum, payable quarterly. During the nine months ended September 30, 2010, DundeeWealth accrued dividends of \$5.5 million in respect of these preference shares. The dividends are included as interest expense in net earnings, corresponding with the classification of the preference shares as a liability on the Company’s consolidated balance sheet.

REAL ESTATE SEGMENT

Dundee Realty Corporation

Results of Operations

Margins from Real Estate Operations

Strengthened by a significant increase in the number of land lot and parcel sales, margins from real estate operations increased by 50% to over \$68.8 million in the first three quarters of 2010, compared to \$46.0 million earned during the same period of 2009. Real estate revenues increased 70% to \$285.3 million in the current period compared with revenues of \$167.7 million earned in the same period of the prior year.

(in thousands of dollars except percentages)

Components of Real Estate Operations*	Nine months to Sept 30, 2010				Nine months to Sept 30, 2009			
	Revenue	Costs	Margin	% Margin	Revenue	Costs	Margin	% Margin
Revenue properties	\$ 29,259	\$ 23,321	\$ 5,938	20.3%	\$ 27,497	\$ 20,866	\$ 6,631	24.1%
Land	161,271	109,844	51,427	31.9%	70,013	42,169	27,844	39.8%
Housing and condominiums	91,382	83,289	8,093	8.9%	68,498	58,670	9,828	14.3%
Other	3,366	-	3,366	N/A	1,698	-	1,698	N/A
	\$ 285,278	\$ 216,454	\$ 68,824	24.1%	\$ 167,706	\$ 121,705	\$ 46,001	27.4%

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

Revenue Properties

Margins earned from revenue properties were \$5.9 million in the nine months ended September 30, 2010, decreasing from margins of \$6.6 million in the same period of 2009.

Dundee Realty provided financing for and holds a 20% interest in RMS Dalhousie Mountain (“RMS”), a windmill project in Nova Scotia. RMS has entered into a power purchase agreement for renewable energy with Nova Scotia Power Incorporated to supply energy at a fixed rate for the next 25 years. Operations commenced in February 2010 and generated operating profits of \$1.7 million from inception to September 30, 2010.

Contribution margins from Dundee Realty’s 50% interest in the Distillery Historic District were \$1.7 million in the nine months ended September 30, 2010, representing a decrease of 41% compared with operating margins realized in the same period of the prior year. Contribution margins in the prior year included the operations of Dundee Realty’s partner in the Distillery Historic District as the project was considered a variable interest entity and was consolidated until June 2009. After adjusting for the change in accounting treatment, operating profits remained in line with the same period of the prior year.

Margins earned from revenue properties were adversely affected by both poor weather-related ski conditions that persisted throughout the winter ski season, as well as the continuing weakness of the US dollar. Ski operations in Colorado generated contribution margins of \$1.5 million in the nine months ended September 30, 2010, a 52% decrease from margins earned in the same period of the prior year.

Contribution margins from other revenue properties totalled \$1.0 million in the nine months ended September 30, 2010, compared with \$0.7 million from the same period of 2009. The increase is mainly from Dundee Realty's interest in the King Edward Hotel, which was purchased in March 2010.

Land

(in thousands of dollars except number of lots and parcels and percentages)

<i>During the nine months ended September 30,</i>	2010	2009
Number of land lot sales	1,316	505
Average selling price of land lots	\$ 116	\$ 113
Number of land parcel sales	73	36
Average selling price of land parcels	\$ 474	\$ 409
Revenue from land sales	\$ 161,271	\$ 70,013
Margins from land sales	\$ 51,427	\$ 27,844
	31.9%	39.8%

Dundee Realty's land operations continued to benefit from increased activity in all markets except Calgary, where there are limited lots available for sale. Revenue from land sales in the nine months ended September 30, 2010, was \$161.3 million generating contribution margins of \$51.4 million or 31.9%. This compares with revenue of \$70.0 million generating contribution margins of \$27.8 million or 39.8% in 2009. The decrease in margin on a percentage basis reflects increased sales of lower margin lots, mainly in Regina and Toronto, as well as provisions totalling \$3.3 million relating to builder receivables in Calgary and the write-down of land held for development in Colorado.

Housing and Condominiums

Revenue from unit sales of housing and condominiums increased in the nine months ended September 30, 2010, to \$91.4 million from \$68.5 million in the same period of 2009. Included in prior year revenue is \$4.9 million relating to Dundee Realty's 50% partner in the Distillery Historic District, which was consolidated as a variable interest entity until June 2009. After adjusting for the change in accounting, revenue from housing and condominium activities increased by \$27.8 million or 44%.

In the nine months ended September 30, 2010, Dundee Realty completed 209 home closings and 117 condominium closings in the city of Toronto at average sales prices of \$466,000 and \$307,000 respectively. These closings generated revenues of \$36.6 million and contribution margins of \$4.0 million or 11%. As construction was in progress, there were no revenues generated from these projects in the first three quarters of 2009.

Dundee Realty continues to experience strong sales volumes of single-family homes in both Saskatoon and Regina. During the nine months ended September 30, 2010, Dundee Realty completed the closing of 160 single-family homes at an average selling price of \$383,000. This compares with the closing of 155 single-family homes in the same period of 2009, decreasing revenues by \$2.3 million. Lower revenues, combined with higher operating costs, resulted in decreased margins of \$0.8 million in these areas. At September 30, 2010, there were 107 single-family housing units under construction in Saskatoon and Regina, of which 57 were pre-sold.

The sale of 15 condominium units in Colorado generated \$4.5 million in revenue during the nine months ended September 30, 2010, compared to the sale of nine units generating \$5.5 million in revenue in the same period of 2009. The average selling price decreased from \$614,000 per unit during the nine months of the prior year to \$300,000 per unit in the current period, reflecting discounts offered under a new marketing plan. Due to continuing depressed market conditions, a \$1.0 million write-down provision was made in the current period, in addition to the \$3.5 million provided for in prior years. There is one additional unit under contract as at the end of the period. New pricing programs are in place for the remaining 38 units.

Changes in Financial Condition

Real Estate Assets

The carrying value of real estate assets increased to \$457.7 million at September 30, 2010, compared to \$440.9 million at the end of December 2009.

(in thousands of dollars except percentages)

As at	September 30, 2010	% Change	December 31, 2009
Land	\$ 311,904	3%	\$ 302,863
Housing and condominiums	74,198	(2%)	75,502
Revenue properties	71,589	15%	62,506
	\$ 457,691	4%	\$ 440,871

Land Under Development and Land Held for Development

Dundee Realty's portfolio of land under development and held for development extends across Canada and into the United States.

(in thousands of dollars except for acres and number of lots)

	Land Held for Development		Land Under Development		Total Cost
	Cost	Acres	Cost	Number of Lots	
Saskatoon	\$ 46,537	2,126	\$ 20,062	299	\$ 66,599
Regina	13,295	1,124	27,076	322	40,371
Calgary	111,062	1,216	21,426	19	132,488
Edmonton	31,905	508	27,756	266	59,661
Toronto	-	-	7,658	30	7,658
USA	5,127	7	-	-	5,127
	\$ 207,926	4,981	\$ 103,978	936	\$ 311,904

The carrying value of Dundee Realty's portfolio of land under development and held for development increased to \$311.9 million at September 30, 2010, an increase of 3% over \$302.9 million at December 31, 2009.

(in thousands of dollars)

Balance of land inventory, December 31, 2009	\$	302,863
New acquisitions completed during the period		49,000
Costs of development		65,231
Transfer to cost of goods sold		(97,627)
Write-down adjustments		(1,447)
Other		(6,116)
Balance of land inventory, September 30, 2010	\$	311,904

Development costs on land were approximately \$65.2 million during the nine months ended September 30, 2010, and were mainly in western Canada. As a result of increased demand for land lots, Dundee Realty estimates that it will spend approximately \$37.0 million on additional development in western Canada during the remainder of 2010, which will be funded using operating cash flows as well as borrowings pursuant to Dundee Realty's borrowing facilities.

In the nine months ended September 30, 2010, Dundee Realty completed the acquisition of 53 acres of land in west Calgary for \$14.0 million and a further 150 acres of land in north Calgary for \$35.0 million.

Inventory of Housing and Condominiums

Housing and condominiums inventory decreased by 2% to \$74.2 million at September 30, 2010 compared with \$75.5 million at December 31, 2009.

(in thousands of dollars)

Balance of housing and condominium inventory, December 31, 2009	\$	75,502
New acquisitions completed during the period		4,312
Costs of development		77,681
Transfer to cost of goods sold		(81,567)
Write-down adjustments		(1,341)
Transfer cost to land held for development		(428)
Other		39
Balance of housing and condominium inventory, September 30, 2010	\$	74,198

Dundee Realty, in conjunction with three other parties, jointly acquired the King Edward Hotel in March 2010 for a total purchase price of \$49.0 million and concurrently with the purchase, placed mortgage debt of \$38.9 million. Dundee Realty paid \$8.3 million for its 17% interest in the project, of which \$6.7 million was allocated to revenue properties (see "Revenue Properties" below) and \$1.6 million was allocated to condominium inventory. Dundee Realty is currently converting over 100,000 square feet of vacant space located on the third, fourth and fifth floors, into approximately 145 condominium units. The project is 97% pre-sold and construction is expected to commence in January 2011, with project completion scheduled for November 2012.

Dundee Realty also acquired an interest in SYNC, a 98-unit condominium project in Toronto, for \$2.2 million. The project is 81% pre-sold and construction is expected to begin in 2011.

Significant Housing and Condominium Projects

(in thousands of dollars except number of units)

<i>As at September 30, 2010</i>	Location	Number of houses/condo units	Cost
Single family homes	Saskatoon	56	\$ 9,897
	Regina	51	10,008
	Toronto	47	1,274
			21,179
Condominiums			
Pure Spirit	Toronto	1	180
Clear Spirit	Toronto	347	13,765
Gooderham	Toronto	328	4,477
Corktown	Toronto	199	11,540
Two Gladstone	Toronto	54	3,159
SYNC	Toronto	98	2,545
King Edward	Toronto	145	1,840
Base Camp One	Colorado	39	11,940
Red Sky Ranch	Colorado	1	2,106
Other			1,467
			53,019
			\$ 74,198

Development works at the Distillery site are in progress. Construction on Phase One of the project, the 347-unit Clear Spirit tower commenced in September 2009. The project is 97% pre-sold at September 30, 2010, with anticipated closings in 2012. Phase Two of the project, the Gooderham tower, is 87% pre-sold and construction is expected to commence in the fourth quarter of the current year. The Corktown project in Toronto is progressing with Phase One and Phase Two, both over 90% pre-sold. Occupancies have commenced for Phase One, with closings anticipated in the fourth quarter of 2010. Phase Two construction has already started and closings are expected to occur in 2011. Two Gladstone Avenue, a 54-unit condominium project in Toronto is 81% pre-sold with construction having commenced in the first quarter of this year.

Revenue Properties

(In thousands of dollars)

Balance of revenue properties, December 31, 2009	\$	62,506
New acquisitions completed during the period		6,705
Development costs		6,195
Depreciation and amortization		(3,628)
Other		(189)
Balance of revenue properties, September 30, 2010	\$	71,589

Dundee Realty incurred development costs of \$6.2 million on revenue properties, including \$3.7 million at its Arapahoe Basin location in Colorado. The expenditures are part of a US\$4.5 million capital plan for 2010 that includes the ski area's first 4-person detachable lift, the Black Mountain Express. The new lift was completed in early October 2010 to coincide with the start of the 2010 - 2011 ski season.

Real Estate Debt

Real estate debt as at September 30, 2010 was \$176.0 million (December 31, 2009 - \$180.8 million) including \$66.0 million relating to a revolving term credit facility, with the balance divided among mortgages on revenue properties, land servicing loans, vendor take back financing of land purchases and housing construction loans. Debt is generally secured by charges on specific properties to which the debt relates. As at September 30, 2010, \$54.5 million (December 31, 2009 - \$50.1 million) of aggregate debt in our real estate segment was subject to a fixed, weighted average interest rate of 7.66% (December 31, 2009 - 7.55%) and matures between 2010 and 2030. A further \$121.5 million (December 31, 2009 - \$130.7 million) of real estate debt is subject to a weighted average variable interest rate of 4.97% (December 31, 2009 - 4.80%) and matures between 2010 and 2018.

The revolving term credit facilities include a revolving term credit facility available up to a formula-based maximum not to exceed \$150 million. The facility bears interest at prime plus 3% or at the corporate bankers' acceptance rate plus 4.25%. The facility is secured by a general security agreement and first charges against lots and parcels, as well as certain land held for development in Saskatoon, Regina, Calgary and Edmonton. At September 30, 2010, Dundee Realty had drawn \$94.8 million against its revolving term credit facility, including \$28.8 million in the form of letters of credit. The facility expires on November 30, 2011.

Dundee REIT

Dundee REIT is an unincorporated, real estate investment trust and is a leading provider of high quality, affordable business premises. It is focused on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada. At September 30, 2010, Dundee REIT's portfolio consisted of approximately 11 million square feet of gross leasable area across Canada.

Since December 2009, Dundee REIT has successfully raised approximately \$478 million in equity financings, including \$144 million completed in the third quarter of this year. The arrangements facilitated the acquisition of seventeen properties, enhancing Dundee REIT's real estate portfolio by over 3.5 million square feet of office and industrial space in Toronto, Edmonton, Regina, Ottawa and Montreal. The benefit of these acquisitions is reflected in improved revenue and net operating results during the nine months ended September 30, 2010, which increased by 39.6% and 37.4%, respectively, compared with the same period of 2009.

The Company's share of earnings from its investment in Dundee REIT for the nine months ended September 30, 2010 was \$2.4 million. We also recognized a dilution gain of \$6.5 million following the equity issuances completed by Dundee REIT, as we did not participate in these offerings. This compares with net equity losses of \$2.3 million during the same period of 2009.

Dundee Corporation received distributions from Dundee REIT of \$7.3 million during the nine months ended September 30, 2010, (nine months ended September 30, 2009 - \$7.1 million), of which \$1.6 million were reinvested in Dundee REIT as part of its dividend reinvestment program (nine months ended September 30, 2009 - \$nil).

At September 30, 2010, Dundee Corporation held, directly and indirectly, a 10% interest in Dundee REIT. We continue to equity account our investment in Dundee REIT, as we are able to exert significant influence over the operations and financial results of Dundee REIT. At September 30, 2010, the market value of our investment in Dundee REIT was \$124.1 million.

RESOURCE SEGMENT

Earnings in the resource segment during the nine months ended September 30, 2010, were \$37.7 million compared to earnings of \$6.6 million in the same period of 2009. Earnings from resource-based equity accounted investees were \$39.8 million during the nine months ended September 30, 2010, compared with equity earnings of \$7.9 million in the same period of 2009.

Eurogas Corporation

Acquisition of the Lake Erie Assets

On June 29, 2010, Dundee Energy Limited Partnership (“DELP”), a wholly owned limited partnership of Eurogas, completed the acquisition (the “Acquisition”) of certain assets located in and around Lake Erie, Ontario (the “Lake Erie Assets”). The Lake Erie Assets include a 95% working interest in 65,000 acres of onshore oil properties as well as a 65% interest in 902,000 acres of offshore gas properties. Eurogas also acquired a 65% interest in certain other tangible assets, including drilling and completion vessels, gas plants and compressor stations and a 100% interest in oil storage tanks, as well as ownership or licensing of 14,680 km of 2-D seismic and 431 km² of 3-D seismic. At the time of the Acquisition, estimated net production volumes from the Lake Erie Assets included 706 barrels per day (“bpd”) of 42° API oil and condensate as well as 11.6 million cubic feet per day (“MMcf/d”) of natural gas. Combined, this represents net production volumes of 2,639 barrels of oil equivalent per day (“boe/d”), generating an estimated \$25 million of cash flows per annum, even at current low gas prices.

Management, together with independent qualified reserves evaluators and engineers estimate proved reserves of 63 billion cubic feet of gas with a reserve life index of 16.3 years as well as 1.8 million barrels of oil with a reserve life index of 6.9 years. These reserves supply Eurogas with a stable foundation of high netback production with low risk development potential.

The Acquisition also provides Eurogas with potential growth opportunities, including a significant number of development drilling locations, as well as opportunities for well re-completions and the optimization of the existing infrastructure system. An important feature of the assets acquired includes the potential for the development of gas storage reservoirs, the feasibility of which Eurogas is currently evaluating.

Eurogas paid \$133.2 million to acquire the assets, subject to receipt of final closing adjustments estimated to be between \$2.0 million and \$4.0 million. Part of the purchase price was funded using Eurogas’ cash and short term investments. The balance of the funding was provided by a revolving credit facility from a banking syndicate (see “Eurogas Corporation – Demand Revolving Credit Facility”).

(in thousands of dollars)

Net assets acquired	
Resource properties*	\$ 152,391
Accounts receivable	1,032
Asset retirement obligation	(19,700)
Future income tax liability	(485)
	\$ 133,238

*Includes capitalization of \$19.7 million associated with expected abandonment and reclamation costs.

Results of Operations

Oil and Gas Sales

In its first full quarter of operations, Eurogas generated oil and gas revenue of \$9.8 million before royalty payments. Eurogas' royalty obligations include crown royalties as well as freehold and overriding royalties. Since the Acquisition, Eurogas has paid royalties of \$1.6 million or approximately 16% of oil and gas sales.

(in thousands of dollars except volumes)

	Average Production Volumes	Oil and Gas Sales (\$'000's)	Realized Prices (\$)
Average production			
Natural gas (mcf/d)	10,453	4,881	5.08
Oil (bbls/d)	683	4,799	76.38
Liquids (bbls/d)	15	72	50.75
Total (boe/d)	2,441	9,752	43.43
Benchmark prices			
Dawn (US\$/GJ)			4.60
WTI (US\$/bbl)			76.06

Sales volumes since the Acquisition averaged 2,441 boe/d. During this period, Eurogas scheduled turnaround work on one of its gas plants as well as replacement, repair and looping of offshore pipelines that feed into a compressor station. Eurogas estimates that these scheduled outages decreased average sales volumes by approximately 90 boe/d. Unplanned outages, resulting primarily from storm and storm related damages, reduced sales volumes during the period by a further 25 boe/d.

Revenues from gas sales were adversely affected by North American natural gas prices which, as a result of excess supply, have continued to decline since the Acquisition. Eurogas realized an average price of \$5.08/Mcf on gas sales, generating total revenues of \$4.9 million. Gas currently represents 71% of the overall volume on a boe basis and generates 50% of total revenues. Eurogas received an average price of \$76.38/bbl on oil sales, generating revenues before royalties of \$4.8 million. Oil currently represents 28% of the overall production volume on a boe basis and generates 49% of total revenues. Sales revenue associated with natural gas liquids represents approximately 1% of total sales volume on a boe basis and represents 1% of total revenues.

Field Level Cash Flows and Field Netbacks

In its first full quarter of operations, field level cash flows generated from the Lake Erie Assets were \$5.4 million. The calculation of field level cash flows is summarized below:

(in thousands of dollars)

Oil and gas sales	\$	9,752
Royalties		(1,573)
Cost of sales		(2,602)
Transportation		(191)
Field level cash flows	\$	5,386

Field netbacks represent the unit revenues and unit costs on a boe basis for items related to field level cash flows. Since the Acquisition, field netbacks were \$23.98 per boe.

(in \$/boe)

	Oil and Liquids		Natural Gas		Total
Total sales	\$	75.81	\$	30.45	\$ 43.43
Royalty expense		(12.56)		(4.78)	(7.01)
Cost of sales and transportation costs		(17.36)		(10.47)	(12.44)
Field netbacks	\$	45.89	\$	15.20	\$ 23.98

Operating Costs, Oil and Gas

Costs associated with the production and sale of oil and gas include all costs incurred to operate and maintain wells and related equipment and facilities, including direct labour costs, costs associated with repairs and maintenance, costs for materials, fuel or other forms of energy consumed and supplies utilized in these operations. Since the Acquisition, operating costs relating to oil and gas activities were \$2.8 million.

Changes in Financial Condition

Investment in the Lake Erie Assets

Since the Acquisition, Eurogas has incurred capital expenditures on the Lake Erie Assets of \$1.8 million.

(in thousands of dollars)

Facilities	\$	957
Offshore fleet		485
Workovers		235
Well abandonments		66
Equipment purchases		48
Land acquisitions		15
	\$	1,806

Capital expenditures of \$1.0 million incurred in respect of facilities include a new compressor at a gas plant, as well as pipeline replacements and upgrades throughout the field. A further \$0.5 million of capital expenditures were incurred for the offshore barge and supply boat fleet to optimize gas production from offshore wells.

Asset Retirement Obligation

In connection with the Acquisition, DELP recognized a liability representing the expected cash flows required to settle future asset retirement obligations related to the Lake Erie Assets. The discounted amount of these obligations was estimated at \$19.7 million. Over time, the liability will be accreted for the change in its present value and the initial capitalized costs will be depleted and amortized over the expected life of the assets. Accretion to date on these obligations was \$0.3 million.

Demand Revolving Credit Facility

On June 29, 2010, and concurrent with the Acquisition, Eurogas arranged for an \$80.0 million credit facility for the benefit of DELP, established for the purpose of holding the Lake Erie Assets. The credit facility was placed with a banking syndicate of Canadian chartered banks. The credit facility is structured as a demand revolving loan, and is subject to a tiered interest rate structure that varies based on the net debt to cash flow ratio generated by the Lake Erie Assets. The rate is initially set at prime plus 3% for loans and letters of credit or, for bankers' acceptances, at the bankers' acceptance rate plus 4%.

At September 30, 2010, an aggregate of \$62.6 million had been drawn against the facility, including \$3.3 million in the form of a letter of credit. The credit facility is secured against all of the oil and natural gas assets acquired pursuant to the Acquisition.

Eurogas International Inc.

EII is currently conducting exploration and evaluation programs for oil and natural gas offshore Tunisia in the Gulf of Gabes, where it holds an interest in the 1.0 million acre Sfax permit (“Sfax Permit” or “Permit”). EII is the non-operating partner in the Permit. All costs associated with the Sfax Permit are capitalized as part of the exploration and evaluation phase of operations. During the nine months ended September 30, 2010, an aggregate of \$2.5 million (nine months ended September 30, 2009 - \$3.1 million) was capitalized to the Tunisian asset pool.

EII, on behalf of the joint venture, is overseeing the reprocessing of four 3-D seismic surveys on the Sfax Permit. The 340 km² Sfax program over the Ras-El-Besh and Jawhara oil prospects was completed and mapping has commenced. The 60 km² and 460 km² programs for Salloum and the Kerkennah Banks, respectively, and a portion of the older Ashtart 3-D survey are currently being reprocessed. Selected 2-D seismic lines will also be reprocessed to support the mapping of prospects and leads on the Permit. Once completed, EII, together with its joint venture partner, will use the reprocessed data to remap the prospects and leads in order to determine a future course of action with respect to the drilling of an exploration well to satisfy an outstanding drilling obligation pursuant to the terms of the Permit itself. Funding for the drilling of this well has not yet been arranged by EII or the joint venture.

Seawolf Litigation

Atlas Petroleum Exploration Worldwide Ltd. (“APEX”), as operator under the Sfax joint venture, commenced arbitration proceedings against Seawolf Oilfield (Cyprus) Limited and Seawolf Oilfield Services Limited (collectively, “Seawolf”) under the rules of the London Court of International Arbitration. APEX, on behalf of the joint venture, filed a statement of case seeking damages for misrepresentations and breach of a drilling contract in respect of the REB-3 well within the Ras-El-Besh concession, as well as payment of indemnities under the contract. Seawolf responded by filing a counterclaim. In April 2010, the parties reached an agreement in principle for a proposed settlement of the arbitration proceedings. The settlement provides for the payment, by Seawolf to the joint venture, of US\$12 million to be received over 18 months and is secured by a bank guarantee from a recognized international bank. EII’s interest in the settlement proceeds is subject to final determination under its joint venture agreement with APEX and the joint venture’s farmout and settlement agreements with Delta Hydrocarbons B.V., but will be no less than 22.5% of the settlement amount, and may reach a maximum of 45%. Settlement proceeds, when received, will be recorded as a reduction in the carrying value of EII’s interest in oil and natural gas properties.

Nichromet Extraction Inc. (“Nichromet”)

Nichromet is an exploration and development stage company with exploration and reconnaissance licenses on nickel mining properties located in Guatemala and Cuba. In addition, Nichromet has developed metallurgical processes based on a chlorine leach technology. Nichromet has constructed a pilot plant and applied the technology to the asbestos tailings in the Thetford Mine area in Quebec and numerous nickel laterites as well as various sulfide and precious metals ores from other worldwide provenance. Dundee Corporation holds 59.1 million common shares, representing a 60% interest. As such, the Company began consolidating the accounts of Nichromet in its consolidated financial statements as at June 30, 2010. As Nichromet is a development stage company, it has no significant revenues.

Equity Accounted Resource Investments

Equity Investment in Escal – Castor Underground Gas Storage Project

Eurogas holds a 74% interest in Castor UGS Limited Partnership (“CLP”), which in turn holds a 33% interest in the Spanish Castor Exploration Permit through its investment in Escal, giving Eurogas an effective interest of 25% in the Castor underground gas storage project (“Castor UGS Project”). The Castor Exploration Permit covers the depleted Amposta Oilfield, which is being utilized by Escal for underground gas storage.

CLP has entered into agreements with ACS Servicios Comunicacions y Energia S.L. (“ACS”) and Enagas S.A. pursuant to which ACS acquired a 67% interest in Escal. In turn, Enagas S.A., the technical manager of the gas system and common carrier for the high pressure gas network in Spain, will acquire 50% of ACS’s interest in Escal at commissioning and start-up of the Castor UGS Project, subject to certain terms and conditions. In accordance with the terms of the agreement, ACS is responsible for providing equity and arranging project financing for the Castor UGS Project, including providing all guarantees that may be required through to the inclusion of the underground storage facility into the Spanish gas system. After the system is operational, Eurogas will be responsible for its proportionate share of any new capital investments, which Eurogas anticipates will be covered by operating revenues.

In 2009, Escal and its shareholders engaged a group of banks to lead a process to obtain project financing for the construction and commissioning of the Castor offshore and onshore facilities including pipelines, interest and guarantees during construction. On July 22, 2010, Eurogas announced that Escal had completed a 10-year, €1.3 billion project financing with a syndicate of 19 international banks. To provide security for the financing, each of CLP and ACS have pledged their respective shares in Escal to the banking syndicate.

During the third quarter of the current year, Escal issued shares from treasury with a par value of €6,001 and with an issuance premium of €17.8 million. In order to maintain its 33% interest, CLP subscribed for one third of the newly issued par value shares at an aggregate cost of €2,000 (Cdn\$2,739). ACS funded the balance of the par value and the entire share issuance premium. CLP has not recognized the benefit of its 33% interest in the issuance premium as the realization and measurement is subject to a number of risks and uncertainties, including but not limited to, execution risk associated with the construction of the project, the availability and terms of future financing arrangements and the 50-year life span of the project.

The overall development of the Castor Project is progressing on schedule with completion expected in 2012. A major milestone was reached with the installation of the wellhead platform in September 2010. The wellhead platform, the first of two permanent offshore platforms, will support the 12 wells in the drilling program, which commenced in September 2010.

Breakwater Resources Ltd.

During the nine months ended September 30, 2010, Breakwater reported net earnings of \$69.0 million on gross sales revenue of \$290.8 million, compared with a net loss of \$4.6 million on gross sales revenue of \$176.7 million during the same period of 2009. Gross sales revenue and the resulting net earnings increased period-over-period primarily due to significantly higher metal prices and higher concentrate sales volumes.

On April 1, 2010, Breakwater announced that it had closed a third party flow-through share private placement consisting of 11.1 million shares at a price of \$0.45 per share for gross proceeds of approximately \$5.0 million.

In June 2010, the shareholders of Breakwater approved the consolidation of its common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares. At September 30, 2010, Dundee Corporation held 17.1 million shares of Breakwater with a market value of \$78.5 million, representing a 24% interest. In addition, Dundee Corporation owns 29 million warrants (BWR.WT.A) which, at September 30, 2010, had a market value of approximately \$9.8 million.

Equity earnings from the Company’s investment in Breakwater for the nine months ended September 30, 2010 were \$21.8 million (nine months ended September 30, 2009 – \$2.4 million).

Dundee Precious Metals Inc.

During the nine months ended September 30, 2010, net revenue from sales of concentrates generated by Dundee Precious was US\$140.3 million, an increase of 47% over net revenue of US\$95.4 million generated in the corresponding prior year period. The growth is mainly attributable to an increase in metal prices. Also contributing to the increase in net revenue is the inclusion of Namibia Custom Smelters (Pty) Ltd., a metals processing and smelting unit operating in Tsumeb, Namibia, which Dundee Precious acquired in late March 2010.

Gross profits from mining operations were US\$34.0 million during the nine months ended September 30, 2010, compared with gross profits of US\$28.1 million in the prior year period. The increase in gross profits is consistent with the growth in net revenues, reflecting higher gold, copper and zinc prices, as well as increases in the deliveries of concentrates. These increases are partially offset by unfavourable mark-to-market adjustments and final settlements.

Dundee Precious reported a pre-tax loss of US\$3.3 million during the nine months ended September 30, 2010, compared with pre-tax earnings of US\$2.7 million in the prior year period. The pre-tax loss in the nine months ended September 30, 2010 included an impairment provision of US\$51.0 million, including a provision against the planned construction of a metals processing facility (“MPF”) in Chelopech as the Bulgarian Supreme Administrative Court’s final decision to revoke the MPF Environmental Impact Assessment renders it unlikely that the MPF project will proceed. Dundee Corporation had previously provided against the carrying value of these assets as part of its recognition of an other-than-temporary impairment against its carrying value of Dundee Precious on December 31, 2008. Accordingly, Dundee Corporation’s earnings during the nine months ended September 30, 2010 do not include its share of the provision realized by Dundee Precious.

In July 2010, Dundee Precious completed the sale of its Timok and Potoj Cuka gold projects located in Serbia (the “Projects”), which resulted in Dundee Precious owning an approximate 50.2% interest in Avala Resources Ltd., a company trading on the TSX Venture Exchange. The sale resulted in a dilution gain of \$15.5 million. As a result of early adopting changes to Canadian accounting standards relating to business combinations, Dundee Precious recognized this dilution gain in contributed surplus. As Dundee Corporation has not elected to early adopt these changes, the dilution gain was reclassified to the statement of operations, and accordingly, Dundee Corporation recognized its proportionate share of this dilution gain in its net earnings.

As a result of the above adjustments, realized equity earnings from Dundee Corporation’s investment in Dundee Precious were \$18.5 million during the nine months ended September 30, 2010 (nine months ended September 30, 2009 - \$8.1 million).

At September 30, 2010, we held approximately 28.3 million shares and 3.9 million warrants of Dundee Precious with an aggregate market value of \$190.3 million. The Company’s investment includes 8.9 million common shares of Dundee Precious acquired in the first quarter of 2010 as part of a public offering of 20 million common shares of Dundee Precious issued at a price of \$3.30 per share.

In October 2010, Dundee Precious announced it had entered into an option agreement with Queensland Minerals Ltd. (“QML”), an exploration company listed on the TSX Venture Exchange, in respect of Dundee Precious’ remaining Serbian properties, namely its Surdulica molybdenum, Tulare copper/gold and Karmanica gold projects held in a subsidiary called Dundee Moly Company d.o.o (“Molyco”). Pursuant to the agreement, QML is entitled to acquire 100% of Molyco subject to meeting certain conditions for a period of one year.

Other Equity Accounted Resource Investments

Other equity accounted resource investments include Odyssey Resources Ltd., Valdez Gold Corporation and Corona Gold Corporation. Our share of losses from these investments for the nine months ended September 30, 2010 were \$0.5 million (nine months ended September 30, 2009 – losses of \$2.6 million). The market value of these investments was \$10.8 million as at September 30, 2010.

Other Resource Segment Balances

During the nine months ended September 30, 2010, the resource segment incurred SG&A expenses of \$4.1 million, an increase of \$1.1 million over the \$3.0 million incurred during the nine months ended September 30, 2009. The increase is associated with the Lake Erie Assets.

Depreciation, depletion and amortization expense during the nine months ended September 30, 2010 was \$3.7 million and included \$3.2 million of depletion associated with production on the Lake Erie Assets and accretion of the associated asset retirement obligation of \$0.3 million.

Interest expense incurred during the nine months ended September 30, 2010 was \$1.3 million, substantially all of which relates to the interest and financing charges associated with Eurogas’ \$80.0 million credit facility.

ASSET MANAGEMENT SEGMENT

Ned Goodman Investment Counsel Limited

At September 30, 2010, NGIC provided sub-advisory and investment services to approximately \$3.3 billion of DundeeWealth's AUM. These sub-advisory services generated revenues of \$2.9 million in the nine months ended September 30, 2010 (nine months ended September 30, 2009 - \$2.1 million), representing an advisory fee rate of 0.123% on average assets throughout the period. In accordance with accounting requirements, these revenues have been eliminated in our consolidated financial results.

NGIC also provides advisory and investment services to Ravensden Alternative Group Trust ("RAGT"), an investment entity established by NGIC in late 2009. To date, this investment entity has raised \$12.3 million, including \$7.9 million invested directly by Dundee Corporation. RAGT's performance during the nine months ended September 30, 2010 increased the value of this entity to \$16.8 million.

In the third quarter of 2010, NGIC was retained to assist in the assessment of certain large-scale alternative energy projects in southwestern Ontario. NGIC will provide technical and financial advice and will supply due diligence services. NGIC also continues with capital raising activities for the Global Resource LP, a Cayman Islands limited partnership, which will focus on global equity and debt investments in both private and public resource companies. Dundee Corporation has committed to invest \$200 million of its own funds in limited partnership units, of which \$20 million has been drawn down and invested.

Dundee Real Estate Asset Management

DREAM is a fully diversified real estate investment and asset management company with a scope of business that includes real estate asset management and advisory services encompassing commercial real estate and real estate development, as well as investments in Canadian renewable energy infrastructure assets. At September 30, 2010, DREAM managed third-party assets with an estimated value of \$3.9 billion (September 30, 2009 - \$3.1 billion).

DREAM also earns asset management revenues in respect of projects in which Dundee Realty has invested capital, including Dundee Realty's investments in real estate and infrastructure projects. In the nine months ended September 30, 2010, these revenues were \$2.2 million (nine months ended September 30, 2009 - \$2.3 million). Similarly, the financial results reflect 100% of operating expenses incurred in managing these assets. The portion of revenue that is earned in respect of Dundee Realty's invested capital is eliminated in determining the Company's consolidated financial results.

(in thousands of dollars)

<i>For the nine months ended September 30,</i>	2010	2009
Revenues	\$ 12,314	\$ 8,629
Expenses	6,277	5,494
Margin	6,037	3,135
Termination fee	-	2,500
Operating profits	\$ 6,037	\$ 5,635
Value of assets under management	\$ 3,900,000	\$ 3,100,000

Management fee revenues increased to \$12.3 million in the period, from \$8.6 million in the same period of 2009, mainly reflecting increased asset management fees related to property acquisitions completed on behalf of an existing client. In the nine months ended September 30, 2010, DREAM generated \$6.0 million of operating profits, a \$0.4 million increase from the same period of 2009. Prior year operating margins benefitted from a \$2.5 million payment for the termination of an asset management contract, as well as lower operating costs.

Income from Corporate Investments

Dundee Corporation owns several public and private investments in a variety of industry sectors. Revenues from these investments include net realized gains on sales of investments, dividends and interest income. Gains and losses on investments are not recognized in earnings until realized, although provisions for impairment in value are made when deemed appropriate. Unrealized gains and losses on securities designated as AFS are recorded as a component of OCI.

Selling, General and Administrative

Generally, head office costs, including costs associated with corporate governance and related public company costs, are accumulated and reported as head office costs and are not allocated to other operating segments. These costs were \$21.9 million for the nine months ended September 30, 2010 compared with \$16.3 million in the nine months ended September 30, 2009. Prior period comparative results were net of a \$1.3 million adjustment to a previously estimated salary related cost, reducing net expenses in that period.

Increases in SG&A reflect costs associated with new business initiatives, including due diligence activities associated with asset management activities, as well as professional services related to regulatory matters. SG&A costs have also increased as a result of the Company's conversion to International Financial Reporting Standards, as scheduled for January 1, 2011 (see "Future Accounting Changes – International Financial Accounting Standards").

Corporate Interest Expense

Corporate interest expense was \$7.5 million for the nine months ended September 30, 2010, compared with \$12.8 million in the same period of 2009. Decreases in interest expense reflect lower average levels of bank borrowings during the current nine month period.

Income Tax Expense

The Company's effective income tax rate was 27.4% for the nine months ended September 30, 2010 (nine months ended September 30, 2009 – 20.2%). The effective tax rate for 2010 was below the statutory combined federal and provincial tax rate of 31%, primarily as a result of the realization of certain future tax assets at higher tax rates than originally anticipated, partially offset by non-deductible items, including stock based compensation and preference share dividends.

OTHER CONSOLIDATED BALANCES AND CAPITAL STRUCTURE

Goodwill and Other Intangible Assets

Goodwill and other intangible assets were carried at \$734.2 million at September 30, 2010 compared with \$736.4 million at December 31, 2009.

(in thousands of dollars)

	Goodwill	Investment Management Contracts	Institutional Management Contracts	Funds under Administration	Customer Relationships	Total
Balance, December 31, 2009	\$ 373,926	\$ 338,078	\$ 13,954	\$ 8,514	\$ 1,883	\$ 736,355
Business acquisition	767	-	-	-	-	767
Amortization	-	-	(1,231)	(709)	(997)	(2,937)
Balance, September 30, 2010	\$ 374,693	\$ 338,078	\$ 12,723	\$ 7,805	\$ 886	\$ 734,185

Corporate Debt

(in thousands of dollars)

	Revolving Term Credit Facilities					Real Estate Debt	Total
	\$9.5 million Exchangeable Debentures	\$200 million Notes, Series 1 DundeeWealth	\$150 million Dundee Realty	\$80 million Eurogas Corporation			
Balance, December 31, 2009	\$ 9,227	\$ 197,949	\$ 75,408	\$ -	\$ 105,433	\$ 388,017	
Revolving term credit facilities	-	-	(9,408)	62,645	-	53,237	
Changes in real estate debt	-	-	-	-	4,610	4,610	
Other	44	323	-	-	-	367	
Balance, September 30, 2010	\$ 9,271	\$ 198,272	\$ 66,000	\$ 62,645	\$ 110,043	\$ 446,231	

5.85% Exchangeable Unsecured Subordinated Debentures

The Company's exchangeable debentures mature on June 30, 2015. Each \$1,000 exchangeable debenture can be exchanged, at the option of the holder, for 33.6134 units of Dundee REIT, subject to certain conditions. This represents an exchange price of \$29.75 per Dundee REIT unit. At September 30, 2010, approximately \$9.5 million remained outstanding pursuant to these exchangeable debentures. We have placed sufficient units into escrow for this purpose to satisfy any potential obligation pursuant to the exchangeable debentures.

Debt of Subsidiaries

A more detailed discussion of corporate debt in each of our business segments is discussed under "Segmented Results of Operations".

Corporate Debt

The Company's current credit facility matured on November 9, 2010. The Company is currently assessing its requirements for a credit facility and may negotiate alternative borrowing arrangements, if necessary.

Future Income Tax Liabilities

Our net future income tax liability at September 30, 2010 was \$44.3 million, which represents future income tax assets of \$158.8 million offset by future income tax liabilities of \$203.1 million. This compares to a net future income tax liability of \$40.2 million at December 31, 2009. Details of the components of the Company's future income tax assets and future income tax liabilities are included in note 22 to the September 2010 Interim Consolidated Financial Statements.

Future income tax liabilities in respect of the wealth management segment at September 30, 2010 include \$87.4 million (December 31, 2009 - \$87.8 million) relating to investment management contracts acquired in previous business combinations and \$69.5 million (December 31, 2009 - \$67.2 million) associated with deferred sales commissions.

Included in future income tax assets at September 30, 2010 is \$123.3 million (December 31, 2009 - \$113.5 million) representing the Company's estimate of the benefit realizable from tax loss carry forwards. The benefit recognized in respect of these tax loss carry forwards at September 30, 2010 is based on aggregate income tax losses of \$547.8 million (December 31, 2009 - \$492.0 million).

Non-Controlling Interest

Non-controlling interest increased during the nine months ended September 30, 2010 to \$716.7 million from \$667.9 million at the end of 2009.

(in millions of dollars)

	Dundee		Dundee			
	Wealth	Eurogas	Realty	Nichromet	Total	
Balance, December 31, 2009	\$ 566.4	\$ 46.2	\$ 55.3	\$ -	\$ 667.9	
Net earnings (loss)	44.9	(1.3)	11.0	(0.1)	54.5	
Other comprehensive loss	(2.3)	(0.2)	-	-	(2.5)	
Cash distributions/dividends	(18.5)	-	(11.8)	-	(30.3)	
Dilution loss	0.6	-	4.9	-	5.5	
Other transactions	13.4	(0.1)	5.6	2.7	21.6	
Balance, September 30, 2010	\$ 604.5	\$ 44.6	\$ 65.0	\$ 2.6	\$ 716.7	

Share Capital

As at September 30, 2010, there were 67,609,707 Class A subordinate shares ("Subordinate Shares") and 3,119,269 Class B common shares outstanding.

On March 30, 2009, the Company obtained approval from the Toronto Stock Exchange to purchase its Subordinate Shares in the market for cancellation pursuant to a renewed normal course issuer bid. On March 30, 2010, we received regulatory approval to continue our normal course issuer bid from April 1, 2010 to March 31, 2011. Subject to certain conditions, we may purchase up to a maximum of 5.4 million Subordinate Shares during the allotted time period, representing 10% of our public float. During the nine months ended September 30, 2010, we purchased 4,277,400 Subordinate Shares at a cost of \$56.5 million for cancellation pursuant to the provisions of our normal course issuer bid.

As at September 30, 2010, we had granted 1,540,000 options with a weighted average exercise price of \$8.72, of which 483,000 were exercisable, as holders had met the vesting criteria.

The terms of the Company's preference shares are detailed in note 16 to the 2009 Audited Consolidated Financial Statements. At September 30, 2010, there were 6.0 million Preference shares, series 1 and 5.2 million Preference shares, series 2 outstanding. During the nine months ended September 30, 2010, we paid dividends of \$5.6 million and \$6.6 million on the Preference shares, series 1, and Preference shares, series 2, respectively. The dividends associated with the Preference shares, series 1 have been included as interest expense in net earnings to correspond with the classification of these shares as liabilities on our consolidated balance sheet.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES

Significant Sources and Uses of Cash and Cash Equivalents

As at September 30, 2010, cash and cash equivalents were \$563.6 million compared with \$480.2 million at December 31, 2009. As indicated previously, included in cash and cash equivalents is \$173.2 million (December 31, 2009 - \$99.8 million) held by certain regulated subsidiaries of DundeeWealth. These amounts may not be readily accessible due to regulatory capital requirements and client activity.

We generated net cash inflows during the nine months ended September 30, 2010 of \$83.4 million. Significant cash flows during the nine months ended September 30, 2010 compared with cash flows during the nine months ended September 30, 2009 are as follows:

Significant Cash Flows from Operating Activities

<i>(in thousands of dollars)</i>			
<i>For the nine months ended,</i>		September 30, 2010	September 30, 2009
Operating activities:			
Net earnings, net of non-cash items		\$ 164,567	\$ 147,433
Client account balances and securities owned and sold short		33,458	95,507
Changes in bank indebtedness		(289)	2,136
Changes in working capital amounts		50,103	35,967
Changes in land, housing and condominium inventory		66,588	(48,533)
Other changes in real estate working capital		(32,869)	33,688
Changes in other operating activities		25,413	(12,727)
Cash provided from operating activities		\$ 306,971	\$ 253,471

- The effect of changes in client account balances and securities owned and sold short will vary significantly on a day-to-day basis. These changes will cause movements in cash in our operating subsidiaries. Changes in cash resulting from these types of transactions may not necessarily reflect any meaningful change in our own financial position, or that of our subsidiaries. During the nine months ended September 30, 2010, variations in these balances resulted in net cash inflows of \$33.5 million (nine months ended September 30, 2009 – \$95.5 million net cash inflows).
- Changes in amounts owing on bank indebtedness reflects the use of DundeeWealth's brokerage subsidiary's call loan facilities. These balances may also vary significantly on a period-by-period basis. During the nine months ended September 30, 2010, DundeeWealth repaid \$0.3 million against these facilities on a net basis. By comparison, in the same period of the prior year, changes in call loan balances generated cash inflows of \$2.1 million.

- Changes in working capital amounts, including changes in accounts receivable, net of accounts payable, generated cash inflows of \$50.1 million in the nine months ended September 30, 2010, partially related to the receipt of performance fee revenues earned on December 31, 2009. In the same period of the prior year, these working capital items generated operating cash inflows of \$36.0 million.
- During the nine months ended September 30, 2010, Dundee Realty generated cash of \$66.6 million from activities related to the development of land, housing and condominium inventory. In the same period of the prior year, these real estate activities utilized cash of approximately \$48.5 million.
- Other changes in working capital relating to real estate activities generated operating cash outflows of \$32.9 million during the nine months ended September 30, 2010, compared with operating cash inflows of \$33.7 million in the same period of 2009.

Significant Cash Flows from Investing Activities

(in thousands of dollars)

<i>For the nine months ended,</i>	September 30, 2010	September 30, 2009
Investing activities:		
Sales commissions incurred on distribution of mutual funds	\$ (92,189)	\$ (61,533)
Acquisitions of corporate investments	(114,409)	(49,169)
Proceeds from dispositions of corporate investments	185,841	4,218
Net investment in real estate assets	(44,841)	(21,417)
Acquisition of shares from non-controlling interests	-	(4,227)
Acquisition of resource properties	(133,238)	-
Investment in resource properties, net	(4,347)	(870)
Net changes in capital and other tangible assets	(7,031)	(3,013)
Cash used in investing activities	\$ (210,214)	\$ (136,011)

- Eurogas disbursed \$133.2 million to complete the acquisition of certain oil and gas assets in Ontario. Investments in resource properties during the nine months ended September 30, 2010 were \$4.3 million (nine months ended September 30, 2009 - \$0.9 million).
- Gross additions of new AUM in DundeeWealth were \$7.3 billion during the nine months ended September 30, 2010 (nine months ended September 30, 2009 – \$4.4 billion). Sales commissions paid on these new AUM were \$92.2 million (nine months ended September 30, 2009 – \$61.5 million).
- During the nine months ended September 30, 2010, we invested \$114.4 million (nine months ended September 30, 2009 – \$49.2 million) in new investments or in acquiring an increased interest in existing investments in our portfolio of AFS securities or equity-accounted investees.
- Proceeds from sales of corporate investments were \$185.8 million for the nine months ended September 30, 2010 (nine months ended September 30, 2009 – \$4.2 million), including \$40.6 million from the sale of CLOs by DundeeWealth. Cash flows from these investment activities will vary from period-to-period and are dependent on trading activity.
- Net real estate acquisitions and development activities (other than for inventory referred to previously) required cash of \$44.8 million during the nine months ended September 30, 2010 compared with \$21.4 million during the same period of 2009.

Significant Cash Flows from Financing Activities

<i>For the nine months ended,</i>	September 30, 2010	September 30, 2009
Financing activities:		
Acquisition of Class A subordinate shares, net of costs	\$ (56,455)	\$ (1,055)
Issuance of Preference shares, series 2, net of issue costs	-	126,147
Dividends paid on Preference shares, series 2	(6,580)	-
Change in corporate debt	65,380	(124,668)
Issuance of Notes, net of issue costs	-	197,942
Dividends paid by subsidiaries to non-controlling interests	(23,563)	(7,719)
Other financing activities	7,872	2,891
Cash (used in) provided from financing activities	\$ (13,346)	\$ 193,538

- During the nine months ended September 30, 2010, the Company purchased 4,277,400 Subordinate Shares (nine months ended September 30, 2009 – 260,700 Subordinate Shares) for cancellation under our normal course issuer bid at an aggregate cost of \$56.5 million (nine months ended September 30, 2009 - \$1.1 million).
- The Company paid dividends of \$6.6 million on outstanding Preference shares, series 2, which were issued for proceeds of \$126.1 million in the third quarter of the prior year.
- Net amounts drawn pursuant to corporate debt facilities during the nine months ended September 30, 2010, including amounts drawn by Eurogas to fund the acquisition of the Lake Erie Assets, were \$65.4 million.
- In the nine months ended September 30 of the prior year, and concurrently with the issuance of Preference shares, series 2 and the issuance by DundeeWealth of \$200 million in Notes for proceeds of \$197.9 million, the Company repaid amounts of \$124.7 million in outstanding consolidated debt.
- Our subsidiaries paid dividends to non-controlling shareholders during the nine months ended September 30, 2010 of \$23.6 million (September 30, 2009 – \$7.7 million).

DundeeWealth's main operating subsidiaries function in regulated environments and are therefore required to maintain levels of capital in liquid assets in accordance with regulatory requirements. At September 30, 2010, all of DundeeWealth's regulated entities exceeded their minimum regulatory capital requirements with working capital of \$347.6 million (December 31, 2009 – \$353.0 million) in DundeeWealth's investment management business and excess regulatory capital of \$39.0 million (December 31, 2009 – \$38.5 million) in brokerage operations. In the case of DundeeWealth's brokerage operations, the amount of capital that exists within the regulated entities dictates the level of business operations within the securities firm, including margin lending, securities trading and corporate finance commitments. Furthermore, DundeeWealth's ability to transfer cash resources out of these regulated subsidiaries may be limited by their requirement to comply with these regulatory requirements.

Cash Requirements

The Company's capital management and funding objectives include ensuring that the Company is compliant with all of its ongoing obligations, including ensuring that all of its regulated entities meet relevant regulatory capital requirements and ensuring that it is able to meet financial obligations as they become due, whilst ensuring compliance with all applicable debt covenants. In determining capital allocation, the Company considers the use of capital to effectively manage the land and housing business in the real estate segment and to adequately provide for exploration, evaluation, development and production activities in the resource segment. The Company's capital management objectives also include ensuring that the Company has sufficient capital available to benefit from acquisitions and other opportunities, should they arise, and ensuring adequate returns for shareholders. The Company regularly assesses its capital management practices in response to changing economic conditions.

On an ongoing and consolidated basis, the Company will require cash to support regulatory capital in its regulated subsidiaries, to finance the sales commissions associated with new products, to develop real estate inventory and resource related properties, to purchase corporate investments, to meet the obligations under contractual commitments and to finance interest and dividend payments on preference shares and debt obligations. The Company may also require cash to finance new business initiatives. The potential success of these business initiatives may necessitate increased capital beyond anticipated levels.

A recurring capital requirement within DundeeWealth is the financing required for mutual fund sales commissions, which DundeeWealth continues to fund internally, thereby permitting it to retain all of the management fees and redemption fees associated with the new assets and to benefit from the tax deduction associated with the commission expense.

As discussed above, DundeeWealth's brokerage operations must comply with regulatory capital requirements. The brokerage subsidiary requires additional capital if operating levels increase, and also if it incurs significant losses or increases its exposures as determined by a capital formula. For example, in periods of significant decline in equity values, additional levels of capital may be required to support client lending in margin accounts.

With the completion of DundeeWealth's issuance of Notes in 2009 for cash proceeds of \$197.9 million, as well as strong operating cash flows, DundeeWealth believes that it has sufficient resources to fully support any operational requirements and initiatives and to act on any opportunities which may become available.

The real estate segment requires working capital to finance the development of planned land and housing and condominium projects. The revolving term credit facility of \$150 million available to our real estate segment provides increased flexibility to operate this business efficiently.

Eurogas recently completed an acquisition of certain oil and natural gas assets in Ontario. Estimated annual cash flows from these assets, before associated income taxes, is approximately \$25.0 million. Eurogas plans to fund its capital program with cash provided by operating activities, or through draws against its recently established demand credit facility.

On a consolidated basis, we believe that our operating cash flows, combined with our available lines of credit, provide sufficient cash resources for the Company to conduct its operations in the foreseeable future.

SEGMENTED RESULTS OF OPERATIONS

Three months ended September 30, 2010 compared with the three months ended September 30, 2009

(in thousands of dollars)

2010

For the three months ended September 30, 2010	Wealth			Asset		TOTAL
	Management	Real Estate	Resource	Management	Intersegment	
REVENUES						
Management fees	\$ 146,095	\$ -	\$ -	\$ 5,996	\$ (1,726)	\$ 150,365
Redemption fees	3,799	-	-	-	-	3,799
Financial services	69,647	-	-	689	(783)	69,553
Real estate revenues	-	126,209	-	-	-	126,209
Investment income	3,512	-	22	931	(983)	3,482
Oil and gas revenue, net	-	-	8,179	-	-	8,179
	223,053	126,209	8,201	7,616	(3,492)	361,587
EXPENSES						
Selling, general and administrative	68,505	1,791	1,613	7,511	(1,744)	77,676
Variable compensation	40,164	-	-	-	-	40,164
Trailer service fees	44,413	-	-	-	-	44,413
Operating costs, real estate	-	94,448	-	-	(765)	93,683
Operating costs, oil and gas	-	-	2,793	-	-	2,793
	153,082	96,239	4,406	7,511	(2,509)	258,729
OPERATING EBITDA						
Amortization of deferred sales commissions	69,971	29,970	3,795	105	(983)	102,858
Depreciation, depletion and amortization	24,682	-	-	-	-	24,682
Depreciation, depletion and amortization	2,767	1,235	3,605	589	-	8,196
Interest expense	4,936	3,066	829	1,681	(1,801)	8,711
Equity earnings	-	(3,371)	(17,788)	-	-	(21,159)
Fair value adjustments	(611)	-	-	-	-	(611)
Foreign exchange (gain) loss	(226)	-	(41)	53	-	(214)
OPERATING EARNINGS (LOSS)	38,423	29,040	17,190	(2,218)	818	83,253
Non-controlling interest	(13,706)	(6,774)	290	-	-	(20,190)
	24,717	22,266	17,480	(2,218)	818	63,063
NON-SEGMENTED ITEMS						
Dilution gain, net						674
Income taxes						(20,365)
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 24,717	\$ 22,266	\$ 17,480	\$ (2,218)	\$ 818	\$ 43,372

(in thousands of dollars)

2009

For the three months ended September 30, 2009	Wealth			Asset		TOTAL
	Management	Real Estate	Resource	Management	Intersegment	
REVENUES						
Management fees	\$ 114,248	\$ -	\$ -	\$ 4,226	\$ (1,518)	\$ 116,956
Redemption fees	3,286	-	-	-	-	3,286
Financial services	71,870	-	-	364	(832)	71,402
Real estate revenues	-	74,448	-	-	-	74,448
Investment income (loss)	1,570	(191)	315	2,663	(1,749)	2,608
	190,974	74,257	315	7,253	(4,099)	268,700
EXPENSES						
Selling, general and administrative	69,801	1,469	932	5,192	(1,637)	75,757
Variable compensation	44,079	-	-	-	-	44,079
Trailer service fees	34,200	-	-	-	-	34,200
Operating costs, real estate	-	50,973	-	-	(714)	50,259
	148,080	52,442	932	5,192	(2,351)	204,295
OPERATING EBITDA						
Amortization of deferred sales commissions	42,894	21,815	(617)	2,061	(1,748)	64,405
Depreciation, depletion and amortization	22,353	-	-	-	-	22,353
Depreciation, depletion and amortization	2,941	900	132	552	-	4,525
Interest expense	4,183	2,081	20	3,570	(2,566)	7,288
Equity (earnings) losses	-	553	(6,412)	-	-	(5,859)
Fair value adjustments	(2,876)	-	-	-	-	(2,876)
Foreign exchange (gain) loss	(5,136)	-	94	300	-	(4,742)
OPERATING EARNINGS (LOSS)	21,429	18,281	5,549	(2,361)	818	43,716
Non-controlling interest	(6,585)	(6,955)	392	-	-	(13,148)
	14,844	11,326	5,941	(2,361)	818	30,568
NON-SEGMENTED ITEMS						
Dilution gain, net						672
Income taxes						(1,031)
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 14,844	\$ 11,326	\$ 5,941	\$ (2,361)	\$ 818	\$ 30,209

CONSOLIDATED QUARTERLY BUSINESS TRENDS

(in thousands of dollars, except per share amounts)

For the three months ended,	2010			2009			2008
	30-Sep	30-June	31-Mar	31-Dec	30-Sep	30-June	31-Mar
Revenues	\$ 361,587	\$ 359,403	\$ 305,584	\$ 324,079	\$ 268,700	\$ 245,620	\$ 199,686
Net earnings (loss) for the period	43,372	51,228	23,897	10,613	30,209	29,873	(8,244)
Earnings (loss) per share							
Basic	\$ 0.58	\$ 0.67	\$ 0.29	\$ 0.11	\$ 0.41	\$ 0.40	\$ (0.11)
Diluted	\$ 0.56	\$ 0.64	\$ 0.27	\$ 0.10	\$ 0.39	\$ 0.39	\$ (0.11)

- Revenues in the third quarter of 2010 include \$8.2 million earned from the Lake Erie Assets which were acquired at the end of June, 2010.
- Revenues and net earnings in the fourth quarter of 2008 and in the first two quarters of 2009 were adversely affected by significant declines in global markets. The table below summarizes the effect of fair value adjustments and other-than-temporary impairments to the Company's net earnings on a quarterly basis, before taxes and non-controlling interest.

(in thousands of dollars)

For the three months ended,	2010			2009			2008
	30-Sep	30-June	31-Mar	31-Dec	30-Sep	30-June	31-Mar
Floating rate notes	\$ (611)	\$ (464)	\$ (812)	\$ 25,297	\$ (2,876)	\$ (46,047)	\$ -
Collateralized loan obligations	-	-	-	-	-	455	9,046
Other available-for-sale securities	-	-	-	-	-	-	-
Equity accounted investments	-	-	-	-	-	-	-
Net (gain) loss	\$ (611)	\$ (464)	\$ (812)	\$ 25,297	\$ (2,876)	\$ (45,592)	\$ 9,046

- Performance fee revenues may be earned in our asset management segment. Performance fee revenues are based on the market values of the underlying portfolio at the respective year end. Accordingly, they are recorded as revenues only when such year end values have been finalized.
- The 2008 fourth quarter results included a \$17.7 million loss on the sale of a subsidiary of DundeeWealth.
- Integration efforts implemented by DundeeWealth during 2008 resulted in severance costs of \$11.0 million accrued in the fourth quarter of 2008.
- Real estate operations are project driven. Real estate revenue and associated real estate operating costs are only included in operations in periods where a development project is completed and sold. Otherwise, these costs are deferred in real estate inventory. This may also cause significant fluctuations in net operating earnings from period-to-period.
- Investment income includes income earned from dispositions of our investment holdings. Investment gains or losses are only recorded when we dispose of an investment and we therefore experience significant quarterly fluctuations in these amounts, depending on when we actually effect a disposition.
- Our share of earnings of equity accounted investees is included in net earnings for each quarter. Earnings from each of our equity accounted investees and dilution gains and losses in investee companies may fluctuate significantly from period-to-period and may depend on market forces or other operating conditions that are not necessarily under our control. As a result of the global economic crisis in the latter part of 2008, our resource segment experienced significant decreases in commodity prices as well as rising operating costs, which had an adverse effect on our share of earnings in the fourth quarter of 2008.

QUARTERLY CONSOLIDATED RESULTS OF OPERATIONS

Three months ended September 30, 2010 compared with the three months ended September 30, 2009

Net earnings in the third quarter of 2010 were \$43.4 million, an increase of \$13.2 million over net earnings of \$30.2 million in the third quarter of 2009.

SEGMENTED EARNINGS INFORMATION FOR THE THIRD QUARTER OF 2010

Wealth Management Segment

In the third quarter of 2010, DundeeWealth earned operating EBITDA of \$70.0 million compared with operating EBITDA of \$42.9 million earned in the third quarter of the prior year. The increase in operating EBITDA is reflective of improved average AUM levels experienced during the last quarter of 2009 and the nine months ended September 30, 2010. Operating earnings generated by DundeeWealth during the third quarter of 2010 were \$38.4 million, an increase of \$16.9 million from operating earnings of \$21.5 million earned in the third quarter of the prior year.

Average AUM levels increased to \$38.0 billion in the third quarter of 2010 compared with \$30.1 billion in the third quarter of the prior year, reflecting strong net asset gathering activities combined with improving equity markets. This resulted in management fee revenues increasing to \$146.1 million in the third quarter of 2010 compared with \$114.3 million earned in the same period of 2009. Correspondingly, trailer service fee expense increased to \$44.3 million in the third quarter of this year compared with \$34.3 million in the third quarter of 2009.

Revenue from financial services activities was \$69.6 million in the third quarter of 2010 compared with \$71.9 million earned in the third quarter of the prior year. Variable compensation costs decreased from \$44.1 million in the third quarter of the prior year to \$40.2 million in the third quarter of the current year, consistent with reductions in financial services activities. Approximately 59% (third quarter of 2009 – 51%) of gross margin in the third quarter was generated by capital markets activities with the balance being attributed to retail distribution.

SG&A expenses, including distribution fees, were \$68.5 million in the third quarter of 2010 compared with \$69.7 million incurred in the third quarter of the prior year.

Real Estate Segment

Real Estate Operations

Real estate operations generated contribution margins of \$31.8 million or 25.2% on revenues of \$126.2 million in the third quarter of 2010. This compares with margins of \$23.5 million or 31.5% on revenues of \$74.4 million in the same quarter of 2009.

(in thousands of dollars except percentages)

Components of Real Estate Operations*	Three months to September 30, 2010				Three months to September 30, 2009			
	Revenue	Costs	Margin	% Margin	Revenue	Costs	Margin	% Margin
Revenue properties	\$ 8,701	\$ 7,830	\$ 871	10.0%	\$ 4,841	\$ 5,347	\$ (506)	(10.5%)
Land	86,237	57,419	28,818	33.4%	50,405	29,678	20,727	41.1%
Housing and condominiums	30,139	29,199	940	3.1%	20,187	15,948	4,239	21.0%
Other	1,132	-	1,132	N/A	(985)	-	(985)	N/A
	\$ 126,209	\$ 94,448	\$ 31,761	25.2%	\$ 74,448	\$ 50,973	\$ 23,475	31.5%

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

Contribution margins from revenue properties increased to \$0.9 million, compared with a loss of \$0.5 million in the third quarter of 2009. RMS Dalhousie Mountain commenced operations in the current year and was fully operational in the third quarter of 2010, generating contribution margins of \$0.7 million. The remaining increase in contribution margins reflects increased interest ownership in other revenue properties relative to the same period of the prior year.

Revenue from land sales in the third quarter of 2010 was \$86.2 million generating contribution margins of \$28.8 million or 33.4%. This compares with revenues of \$50.4 million generating contribution margins of \$20.7 million or 41.1% in the third quarter of 2009. Substantially higher lot and parcel sales in western Canada increased contribution margins by \$8.1 million. In the third quarter, Dundee Realty sold 702 lots (third quarter of 2009 – 338 lots) at an average selling price of \$111,000 (third quarter of 2009 - \$119,000). During the third quarter of 2010, Dundee Realty sold 33 parcel acres (third quarter of 2009 – 28 parcel acres) at an average price of \$498,000 per acre (third quarter of 2009 - \$365,000 per acre).

Revenue from sales of housing and condominium units increased in the third quarter to \$30.1 million from \$20.2 million in the same quarter of 2009. The increase is primarily attributable to real estate transactions in Toronto-based projects. The construction of these projects were in progress during the third quarter of 2009 and therefore, there is no corresponding revenues or net earnings in that period. These projects resulted in 59 home closings at an average selling price of \$456,000 and 39 condominium occupancies at an average selling price of \$362,000 per unit. As a result of higher than expected marketing costs, Dundee Realty did not realize significant margins on these projects.

Housing operations in Saskatoon and Regina experienced steady demand with overall margins decreasing slightly to 17.3% in the third quarter of 2010 from 18.1% in the same quarter of the prior year. During the current quarter, Dundee Realty sold 55 single-family homes in western Canada (third quarter of 2009 – 50 single-family homes) at an average selling price of \$396,000 (third quarter of 2009 - \$342,000). Contribution margins earned from the sale of these single-family homes were \$3.1 million in the third quarter of 2010, consistent with contribution margins of \$3.1 million earned in the third quarter of 2009.

During the third quarter of 2010, Dundee Realty sold two condominium units in Colorado, generating \$0.5 million in revenue. The average selling price of these units decreased from \$609,000 per unit in the third quarter of 2009 to \$247,000 per unit in the third quarter of 2010. Due to continuing difficult market conditions in the United States, Dundee Realty provided for a further \$1.0 million against the carrying value of the remaining inventory.

Dundee REIT

Our equity earnings in respect of Dundee REIT were \$0.6 million in the third quarter of 2010 compared with equity losses of \$0.6 million in the third quarter of the prior year. We also recognized a dilution gain of \$2.7 million following substantial equity issuances completed by Dundee REIT.

Resource Segment

Our resource segment generated operating EBITDA of \$3.8 million in the third quarter of 2010, compared to an operating EBITDA loss of \$0.6 million in the same period of 2009. Our share of earnings from our resource-based equity accounted investments was \$17.8 million in the third quarter of 2010, compared with earnings of \$6.4 million in the same period of 2009.

During the third quarter of the current year, Eurogas earned net revenues of \$8.2 million from oil and gas sales associated with the Lake Erie Assets (see “*Eurogas Corporation - Lake Erie Assets*”). As these assets were acquired at the end of the second quarter of 2010, there were no comparative revenues in the third quarter of the prior year. Operating costs associated with oil and gas activities were \$2.8 million in the current quarter.

SG&A expenses incurred by the resource segment were \$1.6 million in the third quarter of 2010 compared with \$0.9 million incurred in the third quarter of 2009. The Lake Erie Assets increased SG&A expenses by \$0.9 million, although these costs were partially offset by decreases in professional fees following settlement of arbitration proceedings with Seawolf (See “*Eurogas International – Seawolf Litigation*”).

Capitalized costs, including acquisition costs, associated with the Lake Erie Assets are amortized on a unit of production basis. Depreciation, depletion and amortization costs were \$3.6 million in the third quarter of 2010 compared with \$0.1 million in the third quarter of the prior year.

Interest expense, including interest expense associated with Eurogas’ \$80.0 million credit facility, was approximately \$0.8 million in the third quarter of 2010. There were no significant amounts of interest expense in the third quarter of the prior year.

Breakwater

Breakwater generated net earnings of \$19.6 million in the third quarter of 2010, compared with net earnings of \$6.5 million in the third quarter of the prior year. Gross sales revenues were 30% higher in the third quarter of 2010 compared with the same quarter of the prior year, reflecting significantly higher metal prices and more concentrate sold.

Our share of earnings from our investment in Breakwater was \$6.1 million in the third quarter of this year compared with our share of earnings of \$2.9 million in the third quarter of 2009.

Dundee Precious

In the third quarter of 2010, Dundee Precious generated pre-tax earnings of US\$31.9 million compared to pre-tax earnings of US\$5.1 million in the corresponding prior year period. The increase in earnings is primarily due to a \$24.6 million unrealized favourable mark-to-market adjustment in Dundee Precious' holdings of certain financial instruments designated as trading securities.

Our share of earnings from our investment in Dundee Precious was \$12.3 million in the third quarter of 2010 compared with our share of earnings aggregating \$3.3 million in the third quarter of the prior year. Included in our equity earnings during the third quarter of the current year is our share of a dilution gain of \$15.5 million realized from the sale of the Timok and Potoj Cuka gold projects located in Serbia.

ASSET MANAGEMENT SEGMENT

Ned Goodman Investment Counsel Limited

During the third quarter of 2010, NGIC earned management fees of \$1.0 million on average AUM of \$3.2 billion. This compares with \$0.8 million earned on average AUM of \$2.7 billion in the third quarter of the prior year.

Dundee Real Estate Asset Management

(in thousands of dollars)

For the three months ended September 30,

	2010	2009
Revenues	\$ 4,240	\$ 2,362
Expenses	1,903	1,873
Margin	2,337	489
Termination fee	-	-
Operating profits	\$ 2,337	\$ 489

Operating income in the third quarter of 2010 increased by \$1.8 million compared to the same quarter of the prior year and reflects asset management fees related to increased acquisitions completed on behalf of a client.

COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET

ARRANGEMENTS

Other than as disclosed in the notes to the September 2010 Interim Consolidated Financial Statements, there have been no substantive changes in the description and nature of commitments, contingencies and off-balance sheet arrangements from those described in note 26 to the 2009 Audited Consolidated Financial Statements and the December 2009 MD&A.

Subsidiaries of the Company are defendants in various legal actions. These subsidiaries intend to vigorously defend themselves against these claims. Although the ultimate outcome of these matters and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management, based on information currently available, that these are not material liabilities, that adequate provisions have been made for any liabilities and that the resolution of these matters will not have a material adverse effect on the financial position of the Company.

RELATED PARTY TRANSACTIONS

There have been no significant changes in the nature and scope of related party transactions to those described in note 28 to the 2009 Audited Consolidated Financial Statements and on page 46 of the December 2009 MD&A.

ACCOUNTING POLICIES AND ESTIMATES

Certain accounting policies are critical to understanding Dundee Corporation's results of operations and financial condition. Some of these policies require that the Company make certain judgements and estimates on matters that are uncertain. These estimates affect the reported amount of assets and liabilities as well as revenues and expenses. Changes to these estimates may result in material changes to the Company's results of operations and financial condition. The September 2010 Interim Consolidated Financial Statements follow the same accounting principles and methods of application as those disclosed in notes 1 and 2 to the 2009 Audited Consolidated Financial Statements. A summary of the more significant judgements and estimates made by management is provided on pages 47 to 51 of the December 2009 MD&A.

FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011. The implementation of IFRS will apply to the Company's interim and annual financial statements beginning on January 1, 2011, including the restatement of comparative amounts for 2010.

The Company has established an IFRS implementation committee ("the Committee") with a mandate to oversee the conversion process. The primary focus of the Committee throughout 2009 was the identification and analysis of key differences between IFRS and the Company's current accounting policies, which included a preliminary assessment of the various accounting alternatives offered by IFRS and consideration of related changes to business processes and internal controls. Pages 52 through 55 of the December 2009 MD&A provide a comprehensive discussion of the key elements of our transition plan and key milestones for implementation. There have been no significant changes to the structure of timing of the Company's IFRS conversion program outlined therein.

The Company regularly monitors the developments in standards from the International Accounting Standards Board ("IASB"), and the AcSB, as well as regulatory requirements from the Canadian Securities Administrators.

The following is a progress update on the Company's IFRS conversion program for the third quarter of 2010. The quantification of amounts that will result from differences between Canadian GAAP and IFRS, where identified below, are based on management's preliminary estimates and may be subject to material change prior to transition to IFRS.

Analysis of IFRS Accounting Policies Affecting the Company

- IFRS 1: First-time Adoption of IFRS

IFRS 1 provides the framework for the first time adoption of IFRS and specifies that, in general, an entity shall apply the principles under IFRS retrospectively. IFRS 1 also specifies that the adjustments that arise on retrospective conversion to IFRS from Canadian GAAP should be directly recognized in retained earnings. Certain optional exemptions and mandatory exceptions to retrospective application are provided for under IFRS 1. Following the Company's analysis of the various accounting policy choices available under IFRS 1, certain tentative conclusions have been reached. The optional exemptions expected to be applied are as follows:

- Business combinations – IFRS 1 allows for the guidance under IFRS 3 Business Combinations (“IFRS 3”) to be applied either retrospectively or prospectively. The Company has elected to adopt IFRS 3 prospectively meaning that only business combinations that occur on or after January 1, 2010 would be accounted for in accordance with IFRS 3.
- Oil and Gas Properties – IFRS 1 allows a first-time adopter using the full cost method of accounting under its previous GAAP to elect to measure oil and gas assets at the date of transition to IFRS on the following basis: (a) exploration and evaluation assets at the amount determined under previous GAAP and (b) assets in the development or production phases at the amount determined under previous GAAP, allocated to the underlying assets on a pro rata basis, using reserve volumes or reserve values as of the date of transition to IFRS.

At January 1, 2010, the Company’s oil and gas properties included only exploration and evaluation assets. Accordingly, and in conjunction with the preparation of the Company’s IFRS opening balance sheet, the Company has concluded that its oil and gas properties will be initially measured at the amount determined under Canadian GAAP. However, this initial measurement will be subject to impairment testing under IAS 36, as discussed below. The expected timeline for the completion of the impairment analysis has been reset to December 31, 2010.

- Cumulative Translation Differences – IFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. The Company has elected to apply this exemption, which will result in the exclusion of translation differences that arose prior to the transition date from gains or losses on a subsequent disposal of a foreign operation, including an equity accounted foreign operation.
- Share-based payments – IFRS 1 provides an exemption for the application of IFRS 2: Share-based payments, to equity instruments granted on or before November 7, 2002 or granted after November 7, 2002 but vested at the date of transition. The Company elected this exemption and only applies IFRS 2 to those equity instruments granted after November 7, 2002 that had not vested as at January 1, 2010.
- IFRS 2: Share-based Payments

Equity-settled share-based payments are measured at grant-date fair value under both IFRS and Canadian GAAP. However, there are differences related to the timing of expense recognition under the respective standards. The Company has identified the specific differences in accounting for share-based payments under IFRS and amended its compensation calculations accordingly. The Company has tentatively concluded that the resulting differences are not material in nature.

- IAS 27: Consolidated and Separate Financial Statements

Under Canadian GAAP, the Company determines whether it should consolidate an entity using two different frameworks: the variable interest entity (“VIE”) and voting control models. Under IFRS, the Company will consolidate an entity based solely on control, which is defined as the power to govern the financial and operating policies of an entity to obtain benefit. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of an entity’s voting power, but also exists when the parent owns half or less of the voting power but has legal or contractual rights to control, or has de facto control. The Company’s preliminary assessment of the impact of adopting the IFRS consolidation model is substantially complete and the Company does not anticipate that these provisions will have a material impact to the Company’s consolidated financial statements.

- IAS 36: Impairment of Assets

The Company is currently revising the impairment testing models for the wealth management segment to comply with the requirements of IAS 36. Concurrently, the Company is in the process of updating the impairment testing models for the resource segment to comply with the requirements of IAS 36. This process includes reviewing the organizational structure and sources of cash inflows to define cash generating units (“CGUs”) and revising impairment models to reflect the IAS 36 concept of recoverable amount. The Company expects to have completed these analyses by December 31, 2010. Any

impairment that may result from the implementation of these new testing models would result in a decrease to the Company's retained earnings at January 1, 2010.

- IAS 39: Financial Instruments

DundeeWealth's portfolio of CLOs has historically generated unrealized foreign currency gains and losses, which, under Canadian GAAP, have been recorded in OCI. Under IFRS, these unrealized gains and losses will be recorded in earnings. The Company has determined that as at December 31, 2009, it had unrealized foreign exchange differences relating to these investments in its AOCI, which on transition to IFRS on January 1, 2010, will be reclassified to retained earnings.

- IAS 40: Investment Property

Revenue properties held by Dundee Realty are generally considered investment properties as defined by IAS 40. Investment property includes property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, for administrative purposes, or for sale in the ordinary course of business. Similar to Canadian GAAP, investment property is initially measured at cost under IAS 40. However, subsequent to initial recognition, IAS 40 requires that an entity choose either the cost or fair value model to account for its investment property. The Company has concluded that it will account for its investment property under the fair value model, and it has substantially finalized the process of gathering the information required to support this model as at the transition date.

- IFRS 3: Business Combinations

In June 2010, the Company acquired certain oil and gas properties. Under Canadian GAAP, the acquisition was accounted for as an asset acquisition and accordingly, the transaction costs in respect of the transaction were included in the carrying value of the assets acquired. Management has concluded that the nature of the transaction meets the definition of a business combination pursuant to IFRS 3 and, as such, it will be required to restate the allocation of the purchase equation. The Company does not expect significant differences to the allocation of the purchase price, other than for transaction costs, which, in accordance with IFRS 3, will be expensed in the periods in which the costs are incurred.

- IAS 37: Provision, Contingent Liabilities and Contingent Assets

The Company's estimated asset retirement obligations under Canadian GAAP are discounted using a credit-adjusted interest rate. IFRS will require the obligations to be discounted using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the asset retirement obligations ("market-based discount rate"). Furthermore, Canadian GAAP does not require subsequent adjustments for market interest changes in the discount rate. IFRS requires that these obligations be revalued at each reporting period at the then prevailing current market-based discount rate. Market related interest rate changes may result in significant volatility to the carrying value of these obligations.

- IAS 21: Effects of Changes in Foreign Exchange Rates

Translation of Foreign Operations

The translation of accounts and operating results of foreign operations under Canadian GAAP is dependent on an assessment of whether foreign operations are fully integrated with those of the parent or whether such foreign operations are essentially self-sustaining. By comparison, IFRS requires that the Company determine the functional currency of its foreign operations in accordance with certain indicators and a decision hierarchy as defined under IFRS. If the functional currency of foreign operations differs from that of the parent company, translation gains or losses are to be included in AOCI.

As the Company has elected to reset any cumulative translation differences at the transition date to zero, with a corresponding adjustment to retained earnings, the Company does not anticipate any material changes to its consolidated financial statements resulting from the determination of functional currency in its foreign operations.

Translation of Amounts Advanced to Foreign Operations

As at December 31, 2009, the Company had advanced US denominated amounts to foreign operations. Settlement for these amounts is not currently planned or likely to occur in the immediate future. At December 31, 2009, and in accordance with Canadian GAAP, cumulative foreign currency translation adjustments in respect of these amounts were recorded in earnings. Under IFRS, a monetary item with these characteristics is considered, in substance, as a part of the entity's net investment in those foreign operations, and accordingly, foreign exchange translation differences are recognized in AOCI. On transition to IFRS on January 1, 2010, these foreign exchange differences will be reclassified accordingly.

Skeleton Financial Statements

The Company has continued to focus on its skeleton IFRS-based financial statement disclosures for each of its significant business segments and for the Company itself, in order to identify additional quantitative and qualitative disclosures required under IFRS. The Company has completed an initial draft of the skeleton financial statements, which is currently being amended following management's ongoing review.

Control Environment

The Company has evaluated its financial information systems and processes and the financial reporting impact of the implementation of the standards identified above. Based on existing IFRS and except as noted below, management has concluded that the Company's internal controls over financial reporting, disclosure controls and procedures, and underlying financial information systems and processes are appropriately designed and properly functioning for an IFRS reporting environment.

A subsidiary of the Company recently acquired certain producing oil and natural gas assets. The acquisition of these assets will result in a significant change in the Company's resource segment and is expected to add a significant number of disclosure controls and procedures and underlying changes to financial information systems. The Company will incorporate an assessment of the impact of IFRS to these systems and controls to its overall IFRS implementation plan.

Financial Reporting Expertise

The personnel involved in the conversion process and those with ongoing financial reporting responsibilities continue to attend educational training sessions.

Next Steps

The Committee will continue to monitor results from the existing conversion plan, as well as ongoing changes to IFRS, and adjust our transition and implementation plans accordingly. The Company's transition remains aligned to our implementation schedule and it is on track to meet the timelines essential to the changeover.

CONTROLS AND PROCEDURES

In accordance with the Canadian Securities Administrators' National Instrument 52-109, the Company has filed certificates signed by the Chief Executive Officer and 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. The financial disclosure controls and procedures provide reasonable assurance that material financial information has been duly disclosed by the Company. Furthermore, internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with Canadian GAAP in its consolidated financial statements.

The Chief Executive Officer and Chief Financial Officer of the Company have also evaluated whether there were changes to the Company's internal control over financial reporting during the nine months ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting. No changes were identified during their evaluation.

It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objective of the control system is met.

MANAGING RISK

The Company is exposed to a number of risks that have the potential to affect its operating and financial performance. These risks have been detailed in the section entitled "Managing Risk" in the December 2009 MD&A and in the section entitled "Risk Factors" in the Company's Annual Information Form. At September 30, 2010, the Company had not identified any material changes to the risk factors affecting our business and our approach to managing those risks, except as set out below.

The Company has initiated an assessment of the risks associated with the Lake Erie Assets (see "*Resource Segment – Eurogas Corporation*"). The Company, through its investment in Eurogas, is exposed to the following additional risks as a result of the Acquisition, which are in addition to the risks identified in the December 2009 MD&A.

Volatility of Oil and Natural Gas Prices

Eurogas' financial performance is highly sensitive to prevailing prices of oil and natural gas. Volatility of oil or natural gas prices could have an adverse effect on Eurogas' operations and financial condition, the value of its reserves and its level of spending for oil and gas exploration and development. Prices for oil and natural gas fluctuate in response to changes in the supply of and demand for crude oil and natural gas, market uncertainty and a variety of additional factors that are largely beyond the Company's control.

Uncertainty of Reserve Estimates

The process of estimating oil and gas reserves is complex and involves a significant number of assumptions in evaluating available geological, geophysical, engineering and economic data; therefore, reserves estimates are inherently uncertain. Eurogas relied on external evaluation of reserves in its evaluation of the Acquisition, along with internally generated analysis. These estimates of proved reserves were based on production history, results of exploration and development drilling, prevailing oil and gas prices and many other factors, some of which are beyond Eurogas' control and accordingly, may be adjusted. In addition, there are numerous uncertainties in forecasting the amounts and timing of future production, costs, expenses and the results of exploration and development projects. All estimates are, to some degree, uncertain and classifications of reserves are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable oil and natural gas reserves, the classification of such reserves based on the risk of recovery and the measurement of discounted future net cash flows, may vary substantially. Eurogas' actual production, development and operating expenditures, including taxes, with respect to its reserves will likely vary from such estimates and such variances could be material.

Health and Safety

The Company's oil and gas production operations are subject to many risks, including the possibility of fire, explosions, mechanical failure, pipe failure, chemical spills, accidental flows of oil, natural gas or well fluids, sour gas releases, contamination of oil and gas, storms or other adverse weather conditions and other occurrences or incidents, which could result in personal injury or loss of life, damage or destruction of properties, environmental damages, cost of remedying such conditions or incidents, regulatory investigations and penalties and liability to third parties. Eurogas has a health, safety, security, environmental and operational integrity process to mitigate these risks. Eurogas also mitigates insurable risks to protect against significant losses by maintaining a comprehensive insurance program, while maintaining levels and amounts of risk that management believes to be acceptable. Eurogas believes its liability and property insurance is appropriate to its business and consistent with common industry practice, although such insurance will not provide coverage in all circumstances.

Labour Costs and Labour Relations

Labour costs constitute a significant portion of Eurogas' operating costs. There can be no assurance that Eurogas will be able to maintain such costs at levels that do not negatively affect its business, results from operations and financial condition. To the extent that labour costs are subject to a collective bargaining agreement, there can be no assurance that future agreements with the employees' unions or the outcome of arbitrations will be on terms consistent with expectations or comparable to agreements entered into by competitors. Any future agreements or outcome of negotiations, mediations or arbitrations, including in relation to wages or other labour costs or work rules, may result in increased labour costs or other charges that could have a material adverse effect on Eurogas' business results from operations and financial condition. Some of Eurogas' employees are unionized. There can be no assurance that there will not be a labour conflict that could lead to an interruption or stoppage in operations when their collective bargaining agreement next expires.

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 and United States securities 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 the Securities Act (Ontario) and under equivalent applicable Canadian and United States securities legislation. Forward looking statements may include, but are not limited to, statements about anticipated future events or results including comments with respect to our objectives and priorities for 2010 and beyond, strategies or further actions with respect to the Company, 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 Company's management and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and those affecting the financial services, real estate and resource industries generally. The forward looking information contained in this MD&A is presented for the purpose of assisting our shareholders in understanding our 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 "Managing Risk" in the Company's December 2009 MD&A, as amended herein, which include general economic and market conditions; our ability to execute our strategic plans and meet our financial obligations; the performance of the Company's principal subsidiaries; the Company's ability to raise additional capital; our ability to create, attract and retain AUM and AUA; risks relating to trading activities and investments; competition faced by the Company; regulation of the Company's businesses; successful integration of the Company with acquired businesses and the realization of any anticipated synergies; risks associated with the Company's real estate and resource businesses and the Company's investment holdings in general, including risks associated with oil and gas and mining exploration, development and production activities, environmental risks, inflation, changes in interest rates, commodity prices and other financial exposures; the availability and adequacy of insurance coverage for the Company and its subsidiaries; maintenance of minimum regulatory capital requirements for certain of the Company's subsidiaries; potential liability of the Company and its subsidiaries under securities laws and for violations of investor suitability requirements; and the ability of the Company and its subsidiaries to attract and retain key personnel. The preceding list is not exhaustive of all possible risk factors that may influence actual results, and is compiled based upon information available as of November 12, 2010.

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, and when determining our financial targets. In determining our expectations for economic growth in the financial services, real estate and resource sectors, we considered historical economic data provided by the Canadian government and its agencies, market conditions and the status of the recent economic and credit crisis, which factors are unpredictable and may impact the Company'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 Company considers reasonable, actual events and results could differ materially from those expressed or implied by forward looking statements made by the Company. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Company and not place undue reliance on forward looking statements. As evidenced by the recent economic and market crises, circumstances affecting the Company may change rapidly. Except as may be required by applicable law, the Company 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 Company's Annual Information Form, may be found on SEDAR at www.sedar.com and on the Company's website at www.dundeecorporation.com.

Toronto, Ontario
November 12, 2010

DUNDEE CORPORATION CONSOLIDATED BALANCE SHEETS

*As at September 30, 2010 and December 31, 2009
(expressed in thousands of Canadian dollars) (unaudited)*

	September 30, 2010	December 31, 2009
ASSETS		
Cash and cash equivalents	\$ 563,586	\$ 480,175
Accounts receivable	275,134	297,572
Client accounts receivable (note 3)	585,110	401,780
Trading securities owned (note 4)	111,313	198,391
Available-for-sale securities (note 5)	304,910	257,494
Equity accounted investments (note 6)	243,014	158,963
Deferred sales commissions (note 7)	256,566	236,981
Real estate assets (note 8)	457,691	440,871
Resource properties (note 9)	176,577	23,675
Capital and other assets	62,252	60,544
Goodwill and other intangible assets (note 10)	734,185	736,355
TOTAL ASSETS	\$ 3,770,338	\$ 3,292,801
LIABILITIES		
Bank indebtedness (note 11)	\$ 4,532	\$ 4,821
Accounts payable and accrued liabilities	303,449	262,413
Client deposits and related liabilities (note 12)	672,640	476,820
Trading securities sold short (note 4)	28,816	23,127
Asset retirement obligations (note 13)	21,693	1,603
Income taxes payable	31,875	6,936
Corporate debt (note 14)	446,231	388,017
Series 1 preference shares, DundeeWealth (note 15)	153,543	153,301
Preference shares, series 1 (note 17)	147,985	147,722
Future income tax liabilities (note 22)	44,279	40,188
	1,855,043	1,504,948
NON-CONTROLLING INTEREST (note 16)	716,670	667,871
SHAREHOLDERS' EQUITY		
Share capital (notes 17 and 18)		
Common shares	273,578	289,207
Preference shares, series 2	127,068	127,085
Contributed surplus	10,067	8,498
Retained earnings	739,296	666,774
Accumulated other comprehensive income (note 19)	48,616	28,418
	1,198,625	1,119,982
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,770,338	\$ 3,292,801

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

Commitments, contingencies and off-balance sheet arrangements (note 26)

DUNDEE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

*For the three and nine months ended September 30, 2010 and 2009
(expressed in thousands of Canadian dollars, except per share amounts) (unaudited)*

	Three Months		Nine Months	
	2010	2009	2010	2009
REVENUES				
Management fees	\$ 150,365	\$ 116,956	\$ 434,026	\$ 315,570
Redemption fees	3,799	3,286	12,156	10,183
Financial services	69,553	71,402	213,274	212,554
Real estate revenues	126,209	74,448	285,278	167,706
Oil and gas revenue, net	8,179	-	8,179	-
	358,105	266,092	952,913	706,013
Investment income (note 20)	3,482	2,608	73,661	7,993
	361,587	268,700	1,026,574	714,006
EXPENSES				
Selling, general and administrative	77,676	75,757	240,007	222,584
Variable compensation	40,164	44,079	129,460	130,513
Trailer service fees	44,413	34,200	126,645	90,118
Operating costs, real estate	93,683	50,259	214,206	119,433
Operating costs, oil and gas	2,793	-	2,793	-
	258,729	204,295	713,111	562,648
OPERATING EARNINGS BEFORE INTEREST, TAXES, AND OTHER NON-CASH ITEMS				
Amortization of deferred sales commissions	102,858	64,405	313,463	151,358
Depreciation, depletion and amortization	24,682	22,353	72,604	65,729
Interest expense	8,196	4,525	17,311	15,023
Interest expense	8,711	7,288	28,752	27,263
Share of earnings of equity accounted investees (note 20)	(21,159)	(5,859)	(48,622)	(5,587)
Fair value adjustments (notes 4 and 5)	(611)	(2,876)	(1,887)	(39,422)
Foreign exchange loss (gain)	(214)	(4,742)	1,430	(8,895)
OPERATING EARNINGS BEFORE UNDERNOTED ITEMS	83,253	43,716	243,875	97,247
Dilution (loss) gain, net (note 2)	674	672	(5,554)	1,386
	83,927	44,388	238,321	98,633
Income taxes (note 22)				
Current	17,678	(4,113)	67,793	11,404
Future	2,687	5,144	(2,438)	8,525
	20,365	1,031	65,355	19,929
Non-controlling interest	20,190	13,148	54,469	26,866
NET EARNINGS FOR THE PERIOD	\$ 43,372	\$ 30,209	\$ 118,497	\$ 51,838
NET EARNINGS PER SHARE (note 23)				
Basic	\$ 0.58	\$ 0.41	\$ 1.54	\$ 0.70
Diluted	\$ 0.56	\$ 0.39	\$ 1.47	\$ 0.68

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

DUNDEE CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

*For the three and nine months ended September 30, 2010 and 2009
(expressed in thousands of Canadian dollars) (unaudited)*

	<i>ref</i>	Three Months		Nine Months	
		2010	2009	2010	2009
NET EARNINGS FOR THE PERIOD		\$ 43,372	\$ 30,209	\$ 118,497	\$ 51,838
Other comprehensive income					
Unrealized gains on available-for-sale securities	a	31,392	38,377	62,396	60,891
Transfer of unrealized (gains) losses to net earnings	b	(834)	(99)	(50,900)	7,127
Unrealized foreign currency loss on forward contract	c	-	(100)	(13)	(1,441)
Unrealized (loss) gain from foreign currency translation	d	2,202	(2,864)	(4,147)	(5,570)
Transfer of unrealized loss from foreign currency translation to net earnings	e	28	-	1,912	954
Share of other comprehensive income (loss) of equity accounted investees	f	2,415	(3,113)	8,475	(2,899)
Non-controlling interest		(6,105)	(9,759)	2,475	(15,708)
Other comprehensive income from operations		29,098	22,442	20,198	43,354
COMPREHENSIVE INCOME FOR THE PERIOD		\$ 72,470	\$ 52,651	\$ 138,695	\$ 95,192
a) Net of taxes of		\$ (10,662)	\$ (16,194)	\$ (14,408)	\$ (24,959)
b) Net of taxes of		\$ 265	\$ 40	\$ 10,486	\$ (2,912)
c) Net of taxes of		\$ -	\$ 41	\$ 6	\$ 648
d) Net of taxes of		\$ (627)	\$ 640	\$ 1,413	\$ 1,308
e) Net of taxes of		\$ (10)	\$ -	\$ (638)	\$ (389)
f) Net of taxes of		\$ (826)	\$ 800	\$ (2,512)	\$ 1,160

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

DUNDEE CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

*For the nine months ended September 30, 2010 and the year ended December 31, 2009
(expressed in thousands of Canadian dollars) (unaudited)*

	Common Shares	Preference Shares, Series 2	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2009	\$ 288,398	\$ -	\$ 11,549	\$ 604,075	\$ (23,183)	\$ 880,839
Net earnings	-	-	-	62,451	-	62,451
Other comprehensive income	-	-	-	-	51,601	51,601
Acquisition of Class A subordinate shares for cancellation	(1,041)	-	-	(14)	-	(1,055)
Issuance of Class A subordinate shares for non-cash consideration	90	-	-	-	-	90
Issuance of Class A subordinate shares for cash	90	-	-	-	-	90
Issuance of Preference shares, series 2, net of issue costs	-	127,085	-	-	-	127,085
Dividends on Preference shares, series 2	-	-	-	(2,571)	-	(2,571)
Stock based compensation	-	-	1,207	-	-	1,207
Share incentive arrangements	-	-	(4,170)	2,833	-	(1,337)
Exercise of options	1,670	-	(88)	-	-	1,582
Balance, December 31, 2009	289,207	127,085	8,498	666,774	28,418	1,119,982
Net earnings	-	-	-	118,497	-	118,497
Other comprehensive income	-	-	-	-	20,198	20,198
Acquisition of Class A subordinate shares for cancellation	(17,060)	-	-	(39,395)	-	(56,455)
Issuance of Class A subordinate shares for non-cash consideration	53	-	-	-	-	53
Issuance of Class A subordinate shares for cash	52	-	-	-	-	52
Issue costs	-	(17)	-	-	-	(17)
Dividends on Preference shares, series 2	-	-	-	(6,580)	-	(6,580)
Stock based compensation	-	-	1,569	-	-	1,569
Exercise of options	1,326	-	-	-	-	1,326
Balance, September 30, 2010	\$ 273,578	\$ 127,068	\$ 10,067	\$ 739,296	\$ 48,616	\$ 1,198,625

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

DUNDEE CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS

*For the three and nine months ended September 30, 2010 and 2009
(expressed in thousands of Canadian dollars) (unaudited)*

	Three months		Nine Months	
	2010	2009	2010	2009
OPERATING ACTIVITIES:				
Net earnings for the period	\$ 43,372	\$ 30,209	\$ 118,497	\$ 51,838
Non-cash items:				
Depreciation, depletion and amortization	32,878	26,878	89,915	80,752
Net investment (gains) loss	(1,219)	480	(65,909)	3,525
Share of earnings of equity accounted investees	(21,159)	(5,859)	(48,622)	(5,587)
Fair value adjustments	(611)	(2,876)	(1,887)	(39,422)
Dilution loss (gain), net	(674)	(672)	5,554	(1,386)
Future income taxes	2,687	5,144	(2,438)	8,525
Non-controlling interest	20,190	13,148	54,469	26,866
Stock based compensation	4,872	3,971	14,476	13,818
Other	126	8,798	512	8,504
	80,462	79,221	164,567	147,433
Changes in:				
Accounts receivable	(19,922)	2,658	31,340	13,089
Accounts payable and accrued liabilities	11,971	25,662	18,763	22,878
Bank indebtedness	4,532	(11,552)	(289)	2,136
Income taxes payable	10,225	(5,173)	25,413	(12,727)
Trading securities owned and sold short, net	(45,577)	(20,639)	20,968	(7,629)
Client accounts receivable, net of client deposits and related liabilities	98,491	(14,972)	12,490	103,136
Land, housing and condominium inventory	35,895	11,044	66,588	(48,533)
Other real estate working capital	(37,120)	(15,707)	(32,869)	33,688
CASH PROVIDED FROM OPERATING ACTIVITIES	138,957	50,542	306,971	253,471
INVESTING ACTIVITIES:				
Net investment in real estate assets	(28,067)	(2,119)	(44,841)	(21,417)
Investment in resource properties, net	(2,315)	(1,106)	(4,347)	(870)
Acquisition of resource properties (note 2)	(190)	-	(133,238)	-
Sales commissions incurred on distribution of mutual funds	(23,557)	(23,016)	(92,189)	(61,533)
Proceeds from dispositions of corporate investments	6,616	428	185,841	4,218
Acquisitions of corporate investments	(11,833)	(23,114)	(114,409)	(49,169)
Acquisition of shares from non-controlling interests	-	(2,946)	-	(4,227)
Net changes in capital and other tangible assets	(2,871)	(1,236)	(7,031)	(3,013)
CASH USED IN INVESTING ACTIVITIES	(62,217)	(53,109)	(210,214)	(136,011)
FINANCING ACTIVITIES:				
Change in corporate debt	19,304	(92,844)	65,380	(124,668)
Issuance of Notes, net of issue costs (note 14)	-	197,942	-	197,942
Issuance of Class A subordinate shares, net of issue costs	17	22	1,378	1,227
Acquisition of Class A subordinate shares, net of costs	(6,605)	-	(56,455)	(1,055)
Net issuance of shares by subsidiaries to non-controlling interests	(2,768)	6,431	6,494	1,664
Dividends paid on Preference shares, series 2	(2,193)	-	(6,580)	-
Issuance of Preference shares, series 2, net of issue costs	-	126,147	-	126,147
Dividends paid by subsidiaries to non-controlling interests	(5,425)	(4,416)	(23,563)	(7,719)
CASH (USED IN) RECEIVED FROM FINANCING ACTIVITIES	2,330	233,282	(13,346)	193,538
NET INCREASE IN CASH DURING THE PERIOD	79,070	230,715	83,411	310,998
Cash and cash equivalents, beginning of period	484,516	247,867	480,175	167,584
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 563,586	\$ 478,582	\$ 563,586	\$ 478,582
Cash flows from operating activities include the following:				
Interest paid	\$ 8,711	\$ 7,288	\$ 28,752	\$ 27,263
Taxes paid	\$ 7,943	\$ 2,085	\$ 36,450	\$ 26,333

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

DUNDEE CORPORATION

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2010 and 2009
(tabular dollar amounts in thousands of Canadian dollars, except per share amounts)
(unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

These interim consolidated financial statements of Dundee Corporation (the “Company”) have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). All amounts are in Canadian dollars unless otherwise specified.

These interim consolidated financial statements follow the same accounting principles and methods of application as those disclosed in Notes 1 and 2 to the Company’s audited consolidated financial statements as at and for the year ended December 31, 2009 (the “2009 Audited Consolidated Financial Statements”), except as discussed in Note 2 below. The Company’s interim consolidated financial statements do not include all disclosures required by Canadian GAAP for annual consolidated financial statements and accordingly, should be read in conjunction with the 2009 Audited Consolidated Financial Statements.

The preparation of the consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are made based on information available as at the date of issuance of the consolidated financial statements. Actual results could differ materially from those estimates.

Reclassification of 2009 Amounts

The interim consolidated financial statements for the comparative period ended September 30, 2009 have been reclassified to conform to the presentation adopted for 2010.

2. BUSINESS COMBINATIONS, ACQUISITIONS, DISPOSITIONS AND REORGANIZATIONS

Transactions Completed During the Nine Months Ended September 30, 2010

Acquisition of Oil and Natural Gas Properties in Ontario by Eurogas Corporation (“Eurogas”)

On June 29, 2010, Dundee Energy Limited Partnership (“DELP”), Eurogas’ wholly-owned limited partnership, acquired a 95% working interest in onshore oil properties and a 65% working interest in offshore gas properties, all located in and around Lake Erie, Ontario. As part of the acquisition, DELP also acquired a 65% interest in certain other tangible assets, including drilling and completion vessels, gas plants and compressor stations and a 100% interest in oil storage tanks. The acquisition also provides for ownership of certain seismic data. The assets were acquired for aggregate cash consideration of \$133,238,000, including estimated transaction costs of \$2,958,000, of which \$190,000 were incurred during the third quarter of this year.

A preliminary allocation of the cash consideration to the various net assets acquired was based on an estimate of their underlying fair values and is summarized in the table below. The allocation of the purchase price to the net assets acquired has not been finalized and will be subject to adjustment.

Net assets acquired	
Resource properties*	\$ 152,391
Accounts receivable	1,032
Asset retirement obligation	(19,700)
Future income tax liability	(485)
	\$ 133,238
Aggregate purchase price	
Cash	\$ 133,238
	\$ 133,238

*Includes capitalization of \$19,700,000 associated with expected abandonment and reclamation costs.

The Company implemented the following accounting policies in respect of the assets acquired:

Capitalized Costs

In addition to acquisition costs, Eurogas incurs development and production costs, including geological and geophysical expenses, costs of drilling producing and injection wells, costs associated with production facilities, future asset retirement costs and certain administrative expenses directly related to these development and production activities. Consistent with Eurogas' other exploration and evaluation activities, these costs are accounted for using the full-cost method of accounting for such expenditures, whereby all costs related to these activities are accumulated in separate geographic cost centres. Expenditures that improve the productivity capacity or extend the life of a property are capitalized to the full-cost accounting pool. Maintenance and repairs are generally expensed as incurred.

Depreciation and Depletion

Capitalized costs associated with resource properties with proved reserves, adjusted for estimated future capitalized costs to be incurred in developing such proved reserves, are depleted over proved reserves using the unit of production method. For purposes of these calculations, production and reserves of natural gas are converted to barrels on an energy equivalent basis at a ratio of 6,000 cubic feet of natural gas for one barrel of oil. Depletion rates are updated annually unless there is a material change in circumstances, in which case they are updated more frequently. Acquisition costs of probable reserves are not depleted or amortized while under active evaluation for commercial reserves. Costs are transferred to depletable costs as proved reserves are recognized. Amounts recorded for depreciation and depletion are based upon estimates of oil and natural gas reserves and estimates of future costs to develop such proved reserves. By their nature, these estimates are subject to measurement uncertainty, and the effect of changes in such estimates on the consolidated financial statements could be significant in future years.

Revenue Recognition

Revenue associated with the production and sale of crude oil, natural gas and natural gas liquids is recognized when title is transferred to the customer and delivery has taken place. Production and sales activities are conducted jointly with others, and accordingly, these interim consolidated financial statements reflect only the proportionate interest of the Company in such activities. Oil and gas revenue is presented net of royalty payments to third parties, including the government and other mineral interest owners. Royalties on production are recorded using rates in effect under the terms of contracts with such third parties at the time of production.

Acquisition of Nichromet Exploration Inc. ("Nichromet")

During the nine months ended September 30, 2010, the Company completed a series of share purchase agreements to acquire a 60% interest in Nichromet, a resource-based private company, for aggregate cash consideration of \$5,420,000.

The acquisition was accounted for using the purchase method with the aggregate purchase price allocated to the fair value of the net assets acquired.

Net assets acquired	
Capital and other assets	\$ 6,183
Cash and accounts receivable, net of accounts payable and accrued liabilities	1,966
Non-controlling interest	(2,729)
	\$ 5,420
Aggregate purchase price	
Cash	\$ 5,420
	\$ 5,420

Acquisition of DundeeWealth US, LP (“DWUS”) by DundeeWealth Inc. (“DundeeWealth”)

In 2008, DundeeWealth acquired an 89% interest in DWUS, a U.S. based mutual fund manager and distribution platform. On July 30, 2010, DundeeWealth acquired the remaining 11% non-controlling interest in DWUS for cash consideration of \$767,000. The cash consideration paid has been allocated to goodwill in these interim consolidated financial statements. The transaction is subject to further cash consideration of up to US\$310,000, should DWUS achieve certain performance targets prior to December 31, 2011. The contingent consideration has not been recognized, as the amount of the contingency cannot be reasonably estimated at this time.

Disposition of Investment in Fort Cady Minerals Corporation (“Fort Cady”)

In August 2010, the Corporation disposed of its 80% interest in Fort Cady for proceeds of \$749,000, including cash of \$257,000 and a five-year 8% promissory note for \$492,000. Included in investment income is a \$493,000 gain in respect of the disposition.

Dilution of Interest in Dundee Realty Corporation

In 2006, the non-controlling shareholder of Dundee Realty Corporation (“Dundee Realty”) was granted options through the issuance of a class of Dundee Realty shares that enabled the non-controlling shareholder to acquire additional common shares of Dundee Realty over a six-year period, at an aggregate cost of approximately \$10,698,000. If exercised, the non-controlling shareholder’s interest in Dundee Realty would increase to 30%. Prior to January 1, 2010, the non-controlling shareholder had paid \$5,349,000 towards the exercise of these options.

In February 2010, the Company agreed to permit the acceleration of vesting requirements of the option arrangement, following which the non-controlling shareholder exercised all outstanding options for a further \$5,349,000. As a result, the non-controlling shareholder’s interest increased to 30%, diluting the Company’s interest in Dundee Realty from 74% at December 31, 2009 to 70%. The Company recognized a dilution loss of \$4,926,000 in respect of the transaction.

In the three and nine months ended September 30 of the prior year, the Company recognized a dilution loss of \$1,364,000 and \$1,316,000 respectively, associated with changes in the non-controlling shareholder’s interest in Dundee Realty.

Changes in Ownership of DundeeWealth

From time to time, DundeeWealth may issue common shares from its treasury to settle share incentive awards to employees and financial advisors, or otherwise. Unless the Company participates in the issuance of common shares from treasury on a pro-rata basis, such issuances will result in a dilution of the Company’s interest in DundeeWealth. During the three and nine months ended September 30, 2010, the issuance of common shares from treasury by DundeeWealth resulted in the Company recognizing a dilution gain of \$669,000 and a dilution loss of \$643,000, respectively (three and nine months ended September 30, 2009 – dilution gains of \$2,029,000 and \$2,736,000, respectively).

Equity Changes in Eurogas

During the three and nine months ended September 30, 2010, the Company recognized a dilution gain of \$5,000 and \$15,000, respectively, associated with changes in the equity of Eurogas (three and nine months ended September 30, 2009 – dilution gain of \$7,000 and a dilution loss of \$34,000, respectively).

Transactions Completed During the Nine Months Ended September 30, 2009

Step Acquisition of DundeeWealth

During the nine months ended September 30 of the prior year, the Company purchased 450,000 common shares of DundeeWealth for cash consideration of \$4,227,000 in a series of transactions. These transactions resulted in an increase in the Company's interest in DundeeWealth. The increase in ownership was accounted for as a step acquisition in DundeeWealth, with the aggregate purchase price allocated to the fair value of the assets acquired. The amount allocated to investment management contracts is included in "Goodwill and other intangible assets" in the Company's consolidated balance sheet. The investment management contracts have an indefinite life and are therefore not subject to amortization.

Net assets acquired	
Investment management contracts	\$ 3,006
Other net assets	1,679
Future income tax liabilities	(458)
	<hr/>
	\$ 4,227
Aggregate purchase price	
Cash	\$ 4,227
	<hr/>
	\$ 4,227

Deconsolidation of Variable Interest Entity

During the first six months of the prior year, the Company's real estate subsidiary held a 50% interest in The Distillery Historic District (the "co-ownership"). At the time of investment in the co-ownership, the real-estate subsidiary provided funds to the other co-owners to invest in the co-ownership. The co-ownership was determined to be a variable interest entity ("VIE") for which the Company was considered the primary beneficiary and accordingly, the accounts of the VIE had been consolidated. In the second quarter of 2009, the co-owners repaid the funds advanced and as a result, the co-ownership is no longer considered a VIE. Accordingly, in the second quarter of 2009, the Company deconsolidated 50% of the co-ownership.

Deconsolidation of Variable Interest Entity	
Real estate assets	\$ (26,045)
Working capital, net	3,400
Corporate debt	20,023
Non-controlling interest	2,622

3. CLIENT ACCOUNTS RECEIVABLE

	September 30, 2010	December 31, 2009
Client accounts	\$ 427,374	\$ 301,329
Brokers' and dealers' balances	95,394	30,744
Securities borrowed	62,342	69,707
	<hr/>	<hr/>
	\$ 585,110	\$ 401,780

DundeeWealth is holding collateral with a market value of \$62,273,000 (December 31, 2009 – \$69,708,000) against amounts receivable pursuant to borrowing arrangements.

4. TRADING SECURITIES OWNED AND SECURITIES SOLD SHORT

	September 30, 2010		December 31, 2009	
	Trading Securities	Securities	Trading Securities	Securities
	Owned	Sold Short	Owned	Sold Short
Bonds	\$ 46,527	\$ 18,500	\$ 139,377	\$ 22,718
Equities and convertible debentures	59,216	10,316	53,444	409
Floating rate notes from restructuring of ABCP	5,570	-	5,570	-
	\$ 111,313	\$ 28,816	\$ 198,391	\$ 23,127

Bonds include \$790,000 (December 31, 2009 – \$74,549,000) in guaranteed investment certificates held by the resource segment. These amounts have been deposited with a Canadian Schedule I Chartered Bank.

Bond maturities range from 2010 to 2053 (December 31, 2009 – from 2010 to 2109) and have annual interest yields ranging from 0% to 12% (December 31, 2009 – from 0% to 11.50%).

From time to time, DundeeWealth’s brokerage subsidiary may sell securities that it does not own and will therefore be obligated to purchase such securities at a future date. The subsidiary may incur a loss if the market value of these securities subsequently increases.

During the three and nine months ended September 30, 2010, DundeeWealth received interest and principal payments of \$611,000 and \$1,887,000, respectively, in respect of its portfolio of floating rate notes (“FRNs”) received on the restructuring of asset-backed commercial paper (“ABCP”). Amounts received were applied to reduce the carrying value of the FRNs. Subsequently, DundeeWealth recognized market appreciation of \$611,000 and \$1,887,000 during the same three and nine month periods ended September 30, 2010, respectively (three and nine months ended September 30, 2009 – \$2,876,000 and \$48,923,000, respectively), in respect of the FRNs. This amount has been included in net earnings as a “*fair value adjustment*”.

5. AVAILABLE-FOR-SALE SECURITIES

	September 30, 2010		December 31, 2009	
	Cost	Fair Value	Cost	Fair Value
Mutual funds managed by a subsidiary	\$ 112,797	\$ 143,662	\$ 92,319	\$ 101,236
Collateralized loan obligations	1,372	9,288	7,071	39,308
Other portfolio investments	108,122	151,960	87,803	116,950
	\$ 222,291	\$ 304,910	\$ 187,193	\$ 257,494

Unrealized changes in the fair values of available-for-sale (“AFS”) securities, other than changes that are determined to be other-than-temporary impairments in fair value, are recognized in other comprehensive income (“OCI”). During the nine months ended September 30, 2010, the Company recognized unrealized fair value gains of \$12,316,000 (nine months ended September 30, 2009 – fair value gains of \$92,718,000), including fair value gains of \$43,499,000 incurred during the third quarter of the current year (three months ended September 30, 2009 – fair value gains of \$52,223,000).

During the nine months ended September 30, 2010, DundeeWealth sold 21 positions in collateralized loan obligations (“CLOs”) for aggregate net proceeds of \$40,632,000, including one position generating net proceeds of \$1,867,000 completed during the third quarter of the current year. These sales resulted in net earnings of \$34,932,000, including \$1,578,000 from the transaction completed during the third quarter of the current year.

In the three and nine months ended September 30 of the prior year, the Company recognized \$nil and \$9,501,000 respectively, in other-than-temporary impairments related to DundeeWealth's investments in CLOs. These amounts were included in net earnings as a "fair value adjustment".

6. EQUITY ACCOUNTED INVESTMENTS

	September 30, 2010		December 31, 2009	
	Ownership	Carrying Value	Ownership	Carrying Value
Breakwater Resources Ltd.	24%	\$ 39,903	25%	\$ 18,662
Dundee Precious Metals Inc.	23%	102,916	20%	45,109
Dundee Real Estate Investment Trust	10%	88,473	18%	84,156
Escal UGS S.L.	33%	5,262	33%	5,714
Odyssey Resources Limited	31%	1,098	31%	1,417
Other		5,362		3,905
		\$ 243,014		\$ 158,963

The aggregate fair value of the Company's equity accounted investments as at September 30, 2010 was \$418,782,000 (December 31, 2009 – \$255,582,000).

Significant Transactions in Equity Accounted Investments

Dundee Precious Metals Inc. ("Dundee Precious")

During the first quarter of 2010, Dundee Precious completed a public offering of 20,000,000 common shares at a price of \$3.30 per share. The Company purchased an aggregate of 8,881,200 common shares of Dundee Precious pursuant to the offering at a cost to the Company of \$29,308,000. As a result of the acquisition, the Company's interest in Dundee Precious was increased from 20% to 23% at September 30, 2010.

Dundee Real Estate Investment Trust ("Dundee REIT")

Dundee REIT completed several public offerings in the nine months ended September 30, 2010, pursuant to which it issued approximately 20,465,000 units for aggregate proceeds, before transaction costs, of \$477,685,000. The Company did not participate in the offerings and accordingly, the Company's interest in Dundee REIT was diluted to 10% at September 30, 2010. The Company continues to account for its investment in Dundee REIT on an equity basis as it is able to exert significant influence over the operations and financial results of Dundee REIT through its representation on the board of trustees of Dundee REIT, through services arrangements and through senior management representation.

Effect of Dilution of Interest on Share of Earnings of Equity Accounted Investees

During the three and nine months ended September 30, 2010, the Company realized dilution gains of \$3,022,000 and \$8,245,000, respectively, (three and nine months ended September 30, 2009 – dilution loss of \$1,660,000 and \$3,130,000, respectively) in respect of equity accounted investments. These dilution amounts include \$6,515,000 resulting from the Company's dilution in Dundee REIT as previously discussed, of which \$2,723,000 was realized during the third quarter of the current year.

7. DEFERRED SALES COMMISSIONS

	As at and for the nine months ended September 30, 2010	As at and for the year ended December 31, 2009
Deferred sales commissions, beginning of period	\$ 236,981	\$ 234,027
Commissions funded during the period	92,189	91,643
Amortization during the period	(72,604)	(88,689)
Deferred sales commissions, end of period	\$ 256,566	\$ 236,981

8. REAL ESTATE ASSETS

	September 30, 2010	December 31, 2009
Land under development	\$ 103,978	\$ 135,235
Land held for development	207,926	167,628
Housing and condominiums	74,198	75,502
Revenue properties	71,589	62,506
	\$ 457,691	\$ 440,871

9. RESOURCE PROPERTIES

	September 30, 2010	December 31, 2009
Ontario	\$ 151,221	\$ -
Tunisia	24,995	22,454
Other	361	1,221
	\$ 176,577	\$ 23,675

10. GOODWILL AND OTHER INTANGIBLE ASSETS

	September 30, 2010			December 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Goodwill	\$ 374,693	\$ -	\$ 374,693	\$ 373,926	\$ -	\$ 373,926
Indefinite life intangible assets						
Investment management contracts	338,078	-	338,078	338,078	-	338,078
Intangible assets with a finite life						
Institutional management contracts	16,417	3,694	12,723	16,417	2,463	13,954
Funds under administration	15,795	7,990	7,805	15,795	7,281	8,514
Customer relationships	6,651	5,765	886	6,651	4,768	1,883
	\$ 751,634	\$ 17,449	\$ 734,185	\$ 750,867	\$ 14,512	\$ 736,355

11. BANK INDEBTEDNESS

From time to time, DundeeWealth's brokerage subsidiary 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, 2010, DundeeWealth's subsidiary had drawn \$4,532,000 (December 31, 2009 – \$4,821,000) and issued letters of credit and guarantees of \$50,000 (December 31, 2009 – \$nil) against available call loan facilities of \$100,550,000 (December 31, 2009 – \$81,050,000) established with Canadian Schedule I Chartered Banks.

During the nine months ended September 30, 2010, the interest rate on these facilities ranged from 1.50% to 2.00% on Canadian dollar denominated borrowings (during the year ended December 31, 2009 – 1.20% to 2.75%) and between 1.15% to 2.75% on borrowings denominated in United States dollars (during the year ended December 31, 2009 – 1.25% to 2.75%).

12. CLIENT DEPOSITS AND RELATED LIABILITIES

	September 30, 2010	December 31, 2009
Client accounts	\$ 557,043	\$ 388,780
Brokers' and dealers' balances	79,169	59,489
Securities loaned	30,917	24,310
International banking client accounts	5,511	4,241
	\$ 672,640	\$ 476,820

At September 30, 2010, DundeeWealth had provided securities with a fair value of \$31,311,000 (December 31, 2009 – \$24,586,000) against amounts outstanding pursuant to domestic securities lending arrangements.

13. ASSET RETIREMENT OBLIGATIONS

In connection with Eurogas' acquisition of oil and natural gas assets, all located in and around Lake Erie, Ontario (Note 2), Eurogas recognized a liability representing the expected cash flows required to settle future asset retirement obligations. The undiscounted amounts of these obligations were estimated at \$89,051,000, assuming a 2% annual inflation factor. The liability for the expected cash flows related to the obligations, as reflected in the consolidated financial statements, has been discounted at 6.65%.

In addition, Eurogas International ("EII"), along with its joint venture partners, have estimated that the aggregate costs required in the event of abandonment of the Ras-El-Besh ("REB-3") well in Tunisia is between US\$6.5 million and US\$10 million. The undiscounted amount of EII's share of these costs is \$1,791,000 (December 31, 2009 - \$1,791,000), assuming a 2% annual inflation factor. The liability for the expected cash flows related to this obligation, as reflected on the consolidated financial statements, has been discounted at 5.7%.

The Company's cumulative asset retirement obligations by geographic location is illustrated below.

	September 30, 2010	December 31, 2009
Ontario	\$ 20,022	\$ -
Tunisia	1,671	1,603
	\$ 21,693	\$ 1,603

14. CORPORATE DEBT

At September 30, 2010 and December 31, 2009, the fair value of corporate debt approximated its carrying value.

	September 30, 2010	December 31, 2009
Corporate		
\$9.5 million, 5.85% exchangeable unsecured subordinated debentures due June 30, 2015	\$ 9,271	\$ 9,227
Subsidiaries		
\$200 million 5.10% Series 1 Notes, DundeeWealth, due September 25, 2014	198,272	197,949
\$80 million demand revolving credit facility, Eurogas Corporation	62,645	-
\$150 million revolving term credit facility, Dundee Realty, due November 30, 2011	66,000	75,408
Other real estate debt	110,043	105,433
	\$ 446,231	\$ 388,017

\$9,545,000, 5.85% Exchangeable Unsecured Subordinated Debentures

The Company's exchangeable debentures mature on June 30, 2015 and bear interest at 5.85% per annum, payable semi-annually on June 30 and December 31 of each year. Each exchangeable debenture may be exchanged, at the option of the holder, for 33.6134 units of Dundee REIT, representing a conversion price of \$29.75 per Dundee REIT unit. The Company has placed units of Dundee REIT into escrow in order to satisfy the exchange feature. There were no surrenders of exchangeable debentures for exchange during the nine months ended September 30, 2010 or 2009.

Issuance of \$200,000,000 5.10% Series 1 Notes, DundeeWealth

On September 25, 2009, DundeeWealth completed an offering pursuant to which it issued \$200 million principal amount of Series 1 Notes, which mature on September 25, 2014 (the "Notes"). The Notes bear interest at 5.10% per annum, payable semi-annually on March 25 and September 25 of each year, beginning on March 25, 2010. During the three and nine months ended September 30, 2010, interest expense on the Notes was \$2,659,000 and \$7,930,000, respectively.

The Notes are unsecured obligations of DundeeWealth and rank equally with all other unsecured and unsubordinated indebtedness and obligations of DundeeWealth. Certain subsidiaries of DundeeWealth have fully and unconditionally guaranteed on a joint and several basis, the payment of principal and interest on the Notes.

The Notes are redeemable, at DundeeWealth's option, at the greater of the Canada Yield Price and par, together with any accrued and unpaid interest. The Canada Yield Price is defined as the price of the Notes, calculated so as to provide a holder of the Notes with a yield from the date of redemption to the maturity date of the Notes equal to the Government of Canada yield on non-callable bonds with similar maturity dates, plus 0.62%. The Company determined that the value of the option to redeem the Notes was \$nil at September 30, 2010.

\$80,000,000 Demand Credit Facility, Eurogas Corporation

On June 29, 2010, DELP, a wholly-owned limited partnership of Eurogas, established a credit facility in the amount of \$80,000,000 with a syndicate comprised of certain Canadian chartered banks. The credit facility provides DELP with a revolving demand loan, subject to a tiered interest rate structure based on DELP's net debt to cash flow ratio, as defined in the credit facility. Based on DELP's current ratios, draws on the credit facility bear interest, at DELP's option, at either the bank's prime lending rate plus 3.0% for loans or letters of credit, or, for bankers' acceptances, at the bank's then prevailing bankers' acceptance rate plus 4.0%. DELP is subject to a standby fee of 0.55% on unused amounts under the credit facility.

At September 30, 2010, DELP had drawn \$65,915,000 pursuant to the credit facility, including \$3,270,000 issued in the form of a letter of credit. Of the total amount drawn, \$63,888,000 was in connection with the acquisition of oil and natural gas assets in Lake Erie, Ontario (note 2), of which \$1,243,000 was subsequently repaid. Available credit under the credit facility at September 30, 2010 was \$14,085,000.

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

Interest expense relating to the credit facility since its establishment on June 29, 2010 was \$1,274,000, including arrangement fees and standby fee charges.

\$150,000,000 Revolving Term Credit Facility, Dundee Realty

On October 16, 2009, Dundee Realty amended its \$150,000,000 revolving term credit facility with a Canadian Schedule I Chartered Bank, extending the maturity date to November 30, 2011. The amended facility bears interest, at Dundee Realty's option, at a rate per annum equal to either the bank's prime lending rate plus 3.00% or at the bank's then prevailing bankers' acceptance rate plus 4.25%. The facility is secured by a general security agreement and a first charge against various assets in western Canada.

At September 30, 2010, Dundee Realty had drawn \$94,824,000 (December 31, 2009 – \$101,263,000) against this facility, including \$28,824,000 (December 31, 2009 – \$25,855,000) in the form of letters of credit. Interest expense relating to this revolving term credit facility during the three and nine months ended September 30, 2010, was \$242,000 and \$2,358,000, respectively (three and nine months ended September 30, 2009 – \$390,000 and \$1,930,000, respectively).

Other Real Estate Debt

Real estate debt is secured by charges on specific properties to which the debt relates. Mortgages, including land mortgages, are secured on specific properties. Housing advances are secured by charges on specific land under development, housing and condominiums under development, or land held for development.

Term debt is secured by charges on specific capital equipment. At September 30, 2010, the weighted average interest rate on fixed rate debt at Dundee Realty, aggregating \$54,462,000 (December 31, 2009 – \$50,140,000), was 7.66% (December 31, 2009 – 7.55%). The remaining real estate debt, including in respect of Dundee Realty’s demand revolving term credit facilities, is subject to variable interest rates. The weighted average interest rate on variable rate debt during the nine months ended September 30, 2010 was 4.97% (December 31, 2009 – 4.80%). Fixed rate debt matures between 2010 and 2030. Variable rate debt, including demand revolving term credit facilities, matures between 2010 and 2018.

15. SERIES 1 PREFERENCE SHARES OF DUNDEEWEALTH

At September 30, 2010, DundeeWealth had 6,225,000 4.75% cumulative redeemable first preferences shares, series 1 (“Series 1 preference shares, DundeeWealth”) outstanding at a price of \$25.00 per share. DundeeWealth determined that the Series 1 preference shares, DundeeWealth, should be classified as a financial liability for reporting purposes given that they may be converted into a variable number of DundeeWealth’s common shares or may be redeemed on or after a particular date for a fixed or determinable amount.

At September 30, 2010, the Series 1 preference shares, DundeeWealth had a fair value based on market prices of \$154,069,000 (December 31, 2009 – \$145,043,000).

16. NON-CONTROLLING INTEREST

	September 30, 2010	December 31, 2009
Non-controlling interest in:		
DundeeWealth Inc.	\$ 604,504	\$ 566,391
Dundee Realty Corporation	64,950	55,275
Eurogas Corporation	44,640	46,205
Nichromet Exploration Inc. (note 2)	2,576	-
	\$ 716,670	\$ 667,871

Share Loans Receivable in DundeeWealth

DundeeWealth established a share loan plan pursuant to which key employees are provided with a loan from DundeeWealth to purchase common shares of DundeeWealth from treasury or in the market. The shares issued or acquired pursuant to these arrangements are pledged as collateral against the loans. At September 30, 2010, the principal amount outstanding pursuant to these share loan arrangements was \$18,139,000 (December 31, 2009 – \$24,261,000). The discounted value of the share loan amount has been included as “*non-controlling interest in DundeeWealth*” in the Company’s interim consolidated financial statements.

The share loan plan provided for a one-time bonus to be paid to participants at the conclusion of a three year vesting period, with the bonus amount, net of associated taxes, to be applied to reduce amounts outstanding pursuant to the share loan arrangements. During the nine months ended September 30, 2010, DundeeWealth paid a bonus amount of \$7,958,000 to

key employees pursuant to these arrangements, of which \$4,303,000 was applied to the principal amount of share loans outstanding, with the balance used to pay applicable taxes.

During the three and nine months ended September 30, 2010, DundeeWealth recognized compensation expense of \$3,000 and \$381,000 respectively (three and nine months ended September 30, 2009 – \$106,000 and \$1,206,000, respectively), pursuant to these share loan arrangements.

17. PREFERENCE SHARES

The terms of the Company’s preference shares are summarized in Note 16 to the 2009 Audited Consolidated Financial Statements.

Issued and Outstanding Preference Shares, First Series, Series 1

	Number of Shares	Par Value	Issue Costs	Premium	Net Book Value
Balance as at December 31, 2008	6,000,000	\$ 150,000	\$ (3,556)	\$ 927	\$ 147,371
Amortization during the year	-	-	474	(123)	351
Balance as at December 31, 2009	6,000,000	150,000	(3,082)	804	147,722
Amortization to September 30, 2010	-	-	356	(93)	263
Balance as at September 30, 2010	6,000,000	\$ 150,000	\$ (2,726)	\$ 711	\$ 147,985

At September 30, 2010, the Company had 6,000,000 5.00% cumulative redeemable first preferences shares, series 1 (“Preference shares, series 1”) outstanding at a price of \$25.00 per share. The Company determined that the Preference shares, series 1 should be classified as a financial liability for financial reporting purposes, given that they may be redeemed at or after a particular date for a fixed or determinable amount or otherwise converted into a variable number of other equity instruments of the Company.

At September 30, 2010, the Preference shares, series 1 had a fair value based on market prices of \$150,000,000 (December 31, 2009 – \$129,900,000).

Issued and Outstanding Preference Shares, First Series, Series 2

	Number of Shares	Par Value	Issue Costs	Net Book Value
Issued, September 15, 2009	4,600,000	\$ 115,000	\$ -	\$ 115,000
Issued, September 21, 2009	600,000	15,000	-	15,000
Issue costs	-	-	(2,915)	(2,915)
Balance as at December 31, 2009	5,200,000	130,000	(2,915)	127,085
Issue costs	-	-	(17)	(17)
Balance as at September 30, 2010	5,200,000	\$ 130,000	\$ (2,932)	\$ 127,068

At September 30, 2010, the Company had issued 5,200,000 6.75% cumulative 5-year rate reset preference shares, series 2 (“Preference shares, series 2”) at a price of \$25.00 per share. The Preference shares, series 2 have been classified as equity instruments for financial reporting purposes given that the Company is entitled to periodically renew the terms of the Preference shares, series 2, subject to an appropriate interest rate and that the holder of the Preference shares, series 2 is not entitled to redeem the shares.

18. SHARE CAPITAL

Issued and Outstanding

	SUBORDINATE SHARES		CLASS B SHARES		TOTAL	
	Number	Amount	Number	Amount	Number	Amount
Outstanding December 31, 2008	71,139,788	\$ 280,232	3,119,788	\$ 8,166	74,259,576	\$ 288,398
Transactions during the year ended						
December 31, 2009						
Redeemed pursuant to issuer bid	(260,700)	(1,041)	-	-	(260,700)	(1,041)
Issuance of shares under the share incentive plan	25,087	180	-	-	25,087	180
Options exercised	300,000	1,670	-	-	300,000	1,670
Conversion from Class B Shares to Subordinate Shares	351	1	(351)	(1)	-	-
Outstanding December 31, 2009	71,204,526	\$ 281,042	3,119,437	\$ 8,165	74,323,963	\$ 289,207
Transactions during the nine months ended						
September 30, 2010						
Redeemed pursuant to issuer bid	(4,277,400)	(17,060)	-	-	(4,277,400)	(17,060)
Issuance of shares under the share incentive plan	8,181	105	-	-	8,181	105
Options exercised	674,232	1,326	-	-	674,232	1,326
Conversion from Class B Shares to Subordinate Shares	168	1	(168)	(1)	-	-
Outstanding September 30, 2010	67,609,707	\$ 265,414	3,119,269	\$ 8,164	70,728,976	\$ 273,578

Normal Course Issuer Bid

On March 30, 2009, the Company obtained approval from the Toronto Stock Exchange to purchase its Class A subordinate voting shares (“Subordinate Shares”) in the market for cancellation pursuant to a renewed normal course issuer bid. On March 30, 2010, the Company received regulatory approval to continue its normal course issuer bid from April 1, 2010 to March 31, 2011. Subject to certain conditions, the Company may purchase up to a maximum of 5,411,197 Subordinate Shares pursuant to these arrangements, representing approximately 10% of its public float.

During the nine months ended September 30, 2010, the Company purchased 4,277,400 Subordinate Shares (year ended December 31, 2009 – 260,700 Subordinate Shares), having an aggregate stated capital value of \$17,060,000 (year ended December 31, 2009 – \$1,041,000), for cancellation pursuant to these arrangements. The Company paid \$56,455,000 (year ended December 31, 2009 – \$1,055,000) to retire these shares. The excess of the purchase price over the value of stated capital, which totalled \$39,395,000 (year ended December 31, 2009 – \$14,000), was recorded as a reduction of retained earnings.

Share Purchase Plan

As part of its share incentive arrangements (note 21), the Company established a share purchase plan pursuant to which eligible participants may contribute up to a specified maximum amount of their basic annual salary towards the purchase of Subordinate Shares of the Company, either from treasury or in the open market, at the discretion of the Company. Compensation expense associated with the share purchase plan during the three and nine months ended September 30, 2010 was \$116,000 and \$341,000, respectively (three and nine months ended September 30, 2009 – \$72,000 and \$214,000 respectively).

During the nine months ended September 30, 2010, the Company issued 8,181 Subordinate Shares from treasury (nine months ended September 30, 2009 – 21,222 Subordinate Shares) with an aggregate stated capital value of \$105,000 (nine months ended September 30, 2009 - \$135,000) pursuant to these arrangements, with the balance of amounts contributed to the share purchase plan being used to purchase shares in the market.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Net unrealized gains (loss), net of taxes					Total
	Available- for-Sale Securities	Equity Accounted Investees	Foreign Currency Translation	Non- controlling Interest		
Balance at December 31, 2008	\$ (29,486)	\$ (3,043)	\$ 3,948	\$ 5,398	\$	(23,183)
Transactions during the year ended December 31, 2009						
Other comprehensive income (loss)	85,777	(1,978)	(9,307)	(22,891)		51,601
Balance at December 31, 2009	56,291	(5,021)	(5,359)	(17,493)		28,418
Transactions during the nine months ended September 30, 2010						
Other comprehensive income (loss)	11,496	8,475	(2,248)	2,475		20,198
Balance at September 30, 2010	\$ 67,787	\$ 3,454	\$ (7,607)	\$ (15,018)	\$	48,616

20. INVESTMENT INCOME AND EARNINGS (LOSS) FROM EQUITY ACCOUNTED INVESTEEES

Investment Income

<i>For the three and nine months ended September 30,</i>	Three months		Nine Months	
	2010	2009	2010	2009
Interest, dividends, and cash distributions	\$ 1,338	\$ 2,814	\$ 5,815	\$ 10,725
Realized investment gains (loss) from AFS securities	1,219	(480)	65,909	(3,525)
Other realized investment losses	493	-	493	-
Reinvested distributions from mutual fund investments	432	274	1,444	793
	\$ 3,482	\$ 2,608	\$ 73,661	\$ 7,993

Share of Earnings from Equity Accounted Investees

<i>For the three and nine months ended September 30,</i>	Three months		Nine Months	
	2010	2009	2010	2009
Share of earnings	\$ 18,137	\$ 7,519	\$ 40,377	\$ 8,717
Gains (loss) from dilutions of interest	3,022	(1,660)	8,245	(3,130)
	\$ 21,159	\$ 5,859	\$ 48,622	\$ 5,587

21. STOCK BASED COMPENSATION

The terms of the Company's stock based compensation plans are summarized in Note 21 to the 2009 Audited Consolidated Financial Statements.

Share Incentive Plans

During the three and nine months ended September 30, 2010, the Company recognized stock based compensation expense of \$554,000 and \$1,569,000, respectively, (three and nine months ended September 30, 2009 – \$296,000 and \$790,000, respectively) related to share based compensation arrangements, before similar arrangements of its subsidiaries as described below.

<i>For the three and nine months ended September 30,</i>	Three Months		Nine Months	
	2010	2009	2010	2009
Share option plan	\$ 268	\$ 144	\$ 795	\$ 370
Deferred share unit plan	286	152	774	420
	\$ 554	\$ 296	\$ 1,569	\$ 790

Share Option Plan

A summary of the status of the Company's share option plan as at September 30, 2010 and December 31, 2009, and the changes during the nine months and year then ended, are as follows:

	September 30, 2010		December 31, 2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,449,612	\$7.33	3,559,644	\$6.63
Granted	-	-	1,315,000	\$9.41
Exercised	(909,612)	\$4.96	(1,725,000)	\$8.49
Cancelled	-	-	(700,032)	\$4.83
Outstanding, end of period	1,540,000	\$8.72	2,449,612	\$7.33
Exercisable options	483,000	\$7.23	1,134,612	\$4.91

Exercise Price Range	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	
			Options Contractual Life (Years)	Options Exercisable
\$4.38	120,000	\$4.38	1.15	120,000
\$5.13	105,000	\$5.13	1.51	105,000
\$9.40 to \$9.67	1,315,000	\$9.41	4.37	258,000

Share Incentive Plans and Other Stock Based Plans of DundeeWealth

During the three and nine months ended September 30, 2010, DundeeWealth recognized stock based compensation expense of \$4,308,000 and \$12,801,000, respectively (three and nine months ended September 30, 2009 – \$3,642,000 and \$12,619,000, respectively) in respect of its share incentive arrangements.

Outstanding options issued by DundeeWealth at September 30, 2010 were 2,315,454 (December 31, 2009 – 4,119,504) with a weighted average exercise price of \$10.07 (December 31, 2009 – \$8.91) of which 1,034,454 (December 31, 2009 – 2,675,504) were exercisable. At September 30, 2010, DundeeWealth had granted awards for the future issuance of 1,661,849 (December 31, 2009 – 2,051,000) common shares of DundeeWealth, which issuance is conditional on employees meeting certain criteria, and it had granted an aggregate of 1,270,247 (December 31, 2009 – 1,060,224) deferred share units.

Stock Option Plan of Eurogas

During the three and nine months ended September 30, 2010, Eurogas recognized stock based compensation expense of \$10,000 and \$31,000, respectively (three and nine months ended September 30, 2009 – \$11,000 and \$323,000), including stock based compensation expense incurred by EII.

As at September 30, 2010, Eurogas had granted 2,910,000 (December 31, 2009 – 3,985,000) options at an average exercise price of \$1.16 (December 31, 2009 – \$1.26) and it had granted 355,000 (December 31, 2009 – 355,000) deferred share units. In addition, EII had granted 600,000 (December 31, 2009 – 600,000) options with an exercise price of \$0.10 (December 31, 2009 – \$0.10) per option.

Stock Based Compensation of Dundee Realty

In the first quarter of 2010, Dundee Realty recognized stock based compensation expense of \$75,000 in respect of outstanding option arrangements awarded to the non-controlling shareholder (note 2). During the three and nine months

ended September 30 of the prior year, Dundee Realty recognized stock based compensation of \$22,000 and \$86,000 respectively.

22. INCOME TAXES

Significant components of the Company's future income tax assets and liabilities as at September 30, 2010 and December 31, 2009 are as follows:

	September 30, 2010	December 31, 2009
Future income tax assets		
Tax loss carry forwards	\$ 139,518	\$ 125,498
Capital assets	17,137	16,106
Accrued liabilities	9,633	8,857
Investment portfolio, including equity accounted investments	-	12,554
Non-deductible reserves	2,820	2,801
Real estate assets	904	-
Other	5,960	5,421
	175,972	171,237
Valuation allowance	(17,183)	(13,020)
Total future income tax assets	158,789	158,217
Future income tax liabilities		
Management contracts	87,426	87,808
Deferred sales commissions	69,468	67,227
Real estate assets	-	5,527
Investment portfolio, including equity accounted investments	21,059	-
Funds under administration	2,272	2,801
Other	22,843	35,042
Total future income tax liabilities	203,068	198,405
Net future income tax liabilities	\$ 44,279	\$ 40,188

The future income tax assets arise from available income tax loss carry forwards from current and prior years and future income tax deductions. A valuation allowance is recorded in respect of the total future income tax asset when management believes it is more likely than not that some or all of the future income tax assets will not be realized. After consideration of estimated future taxable income, the nature of the future income tax assets and potential tax planning strategies, the Company has determined that a valuation allowance of \$17,183,000 is required in respect of its future income tax assets as at September 30, 2010 (December 31, 2009 – \$13,020,000).

DundeeWealth realized a capital loss in respect of the sale of certain assets in a prior year. While the tax benefit of \$12,451,000 in respect of this loss was not recognized in the interim consolidated financial statements or the table above, the loss can be carried forward indefinitely to offset future capital gains.

As at September 30, 2010, the Company and its subsidiaries had operating loss carry forwards of \$597,648,000 (December 31, 2009 – \$541,834,000). A summary of the operating loss carry forwards by year of expiry is as follows:

Year of Expiry:	
2010	\$ 144
2011	5,034
2012	-
2013	-
2014	2,715
Thereafter	539,952
	547,845
DundeeWealth taxable capital loss	49,803
	\$ 597,648

The Company's income tax provision differs from the amount that would be computed by applying the combined Canadian federal and provincial statutory income tax rate to pre-tax earnings as a result of the following:

<i>For the three and nine months ended September 30,</i>	Three Months		Nine Months	
	2010	2009	2010	2009
Anticipated income tax expense based on a combined Canadian and provincial statutory income tax rate of 31% (2009 - 33%)	\$ 26,017	\$ 14,648	\$ 73,879	\$ 32,549
Non-deductible expenses	3,005	3,688	7,836	12,361
Non-taxable revenue	(6,550)	-	(7,920)	-
Non-taxable dilution loss (gain)	(209)	(221)	1,722	(457)
Remeasurement of future income taxes	1,389	(2,678)	(7,421)	(7,433)
Net income tax benefits not previously recognized	(106)	(12,020)	(62)	(14,553)
Change in valuation allowance	(811)	(617)	(2,448)	(1,514)
Other	(2,370)	(1,769)	(231)	(1,024)
Income tax expense	\$ 20,365	\$ 1,031	\$ 65,355	\$ 19,929

23. NET EARNINGS PER SHARE

(in thousands of Canadian dollars, except weighted average number of shares outstanding and per share amounts)

<i>For the three and nine months ended September 30,</i>	Three months		Nine Months	
	2010	2009	2010	2009
Net earnings	\$ 43,372	\$ 30,209	\$ 118,497	\$ 51,838
Less: dividends on Preference shares, series 2	(2,193)	-	(6,580)	-
	\$ 41,179	\$ 30,209	\$ 111,917	\$ 51,838
Weighted average shares outstanding	70,742,683	74,257,314	72,806,706	74,250,232
Basic earnings per share	\$ 0.58	\$ 0.41	\$ 1.54	\$ 0.70
Effect of dilutive securities on:				
Available net earnings	\$ (672)	\$ (394)	\$ (2,220)	\$ (781)
Weighted average shares outstanding	1,320,846	1,512,644	1,730,921	1,376,122
Diluted earnings per share	\$ 0.56	\$ 0.39	\$ 1.47	\$ 0.68

24. FINANCIAL INSTRUMENTS

FAIR VALUE

All of the Company's financial instruments are recorded on the consolidated balance sheet at carrying values that are representative of, or approximate their fair value, with the exception of the Company's Preference shares, series 1 and the

Series 1 preference shares, DundeeWealth, which had fair values as at September 30, 2010 of \$150,000,000 and \$154,069,000, respectively (December 31, 2009 – \$129,900,000 and \$145,043,000, respectively).

Fair Value Methods

Trading Financial Assets and Liabilities

The fair value of trading securities owned and obligations related to trading securities sold short are based on quoted bid or ask market prices where available; otherwise, fair values are estimated using independent bid or ask quoted market prices of similar securities or other third-party evidence.

Available-for-Sale Financial Assets

The fair value of AFS financial assets is determined using quoted market prices from active markets where available. Fair value for CLOs and other structured products, for which market quotations are not readily available, is provided by the third party underwriter of the financial instrument in the form of an indicative bid value or, where available, the most recent trading price of such individual security. The third party underwriter uses a valuation model that incorporates prevailing primary and secondary market conditions and deal specific parameters. This valuation model is based, in part, on assumptions that may not be supported by observable market prices or rates. Indicative bid values provided are independently assessed by qualified professionals to ensure that they are reasonable.

Fair Value Hierarchy

Fair value measurements recognized in the consolidated balance sheet are categorized using a fair value hierarchy that reflects the significance of inputs used in determining fair values.

Changes in fair value measurements for financial instruments categorized as Level 3 are as follows:

	Three months ended 30-Sep-10	Nine months ended 30-Sep-10
Balance, beginning of period	\$ 38,794	\$ 68,678
Net realized/unrealized gains in net earnings	2,189	36,819
Net unrealized loss/(gains) in other comprehensive income	153	(24,320)
Dispositions and other proceeds	(2,478)	(42,519)
Balance as at September 30, 2010	\$ 38,658	\$ 38,658

Level 3 inputs include inputs that are not based on observable market data and that are significant to the fair value measurement. These unobservable inputs reflect the Company's own assumptions about the assumptions that a market participant would use in estimating fair value of the financial instrument.

RISK MANAGEMENT

The Company's financial instruments are exposed to market risk, credit risk and liquidity risk. Detailed disclosures on the Company's financial instruments are included in Note 24 to the 2009 Audited Consolidated Financial Statements and in the "Managing Risks" section of the Company's management's discussion and analysis as at and for the year ended December 31, 2009.

Market Risk

The following table illustrates the Company's financial instruments which are recorded on the consolidated balance sheet at fair value and are exposed to fair value risk. The table demonstrates the effect to net earnings and OCI, before associated income taxes and non-controlling interest, of a 3% absolute change in the fair value of the Company's trading portfolio and portfolio of AFS securities.

	2010		2009	
	Effect on		Effect on	
<i>For the nine months ended September 30,</i>	Net earnings	OCI	Net earnings	OCI
Trading securities owned, net of trading securities sold short	\$ 2,068	\$ n/a	\$ 9,490	\$ n/a
Available-for-sale securities				
Collateralized loan obligations (i)	n/a	279	n/a	806
Mutual fund investments managed by a subsidiary	n/a	4,310	n/a	2,777
Other portfolio investments	n/a	4,559	n/a	3,784

(i) *Other-than-temporary impairments in the fair value of AFS securities are recorded in net earnings.*

The embedded exchange feature related to the Company's exchangeable debentures is recorded at fair value, provided that such fair value adjustment does not result in an aggregate carrying value that is below the principal value of the exchangeable debentures outstanding. The Company has determined that at September 30, 2010 and December 31, 2009, the fair value of the embedded exchange feature was \$nil and therefore, the exchangeable debentures were carried at their amortized cost.

The Company is exposed to interest rate risk on its variable rate corporate debt, on client account margin loans and credit balances and, to a lesser extent, on cash and cash equivalents and on amounts related to securities borrowing activities. The following table illustrates the effect to net earnings, before associated income taxes and non-controlling interest, of a 50 basis point absolute change in market interest rates to these items.

<i>For the nine months ended September 30,</i>	Effect on Net Earnings	
	2010	2009
Variable rate corporate debt, excluding variable rate real estate and resource debt	\$ 17	\$ 757
Client account margin loans and credit balances	464	506

The Company's exposure to interest rate risk related to its investments in CLOs is discussed under the section "*Specific Risks Associated with Operating Segments – Wealth Management*". Interest rate risk associated with variable rate real estate debt is discussed under the section "*Specific Risks Associated with Operating Segments – Real Estate*."

The Company may be exposed to foreign exchange transaction and translation risk due to the volatility of foreign exchange rates, primarily arising on its U.S. dollar and Euro denominated investments, as well as on its corporate borrowings, to the extent that such borrowings were drawn in a foreign currency. In the prior year, DundeeWealth had drawn on a credit facility in foreign denominated currencies. As these amounts were repaid during 2009, the Company's exposure to currency risk on borrowings is minimal. During the first nine months of the prior year, a 3% change in foreign exchange rates on amounts borrowed in foreign currencies would have changed net earnings by \$66,000.

The Company's currency risk exposure on foreign denominated investments in CLOs is discussed under the section "*Specific Risks Associated with Operating Segments – Wealth Management*".

DundeeWealth's brokerage subsidiary enters into forward foreign exchange contracts to manage currency risk on pending securities settlements in currencies other than the Canadian dollar. At September 30, 2010, DundeeWealth held forward foreign exchange contracts to purchase foreign currencies with a notional value of \$157,070,000 (December 31, 2009 - \$98,413,000) and foreign exchange contracts to sell foreign currencies with a notional value of \$158,981,000 (December 31, 2009 - \$94,676,000). Given the short-term nature of these foreign exchange contracts, any changes in fair value stemming from reasonably possible changes in foreign exchange rates would have a nominal effect on net earnings.

Market Risk in Assets under Management and Assets under Administration

Assets under management (“AUM”) are exposed to various forms of market risk including, but not limited to, fair value risk, interest rate risk and currency risk. These risks transfer to DundeeWealth through the generation of management fee revenues, net of associated trailer service fees. In the nine months ended September 30, 2010, a 3% change in the net asset value of AUM would change net earnings before taxes and non-controlling interest, by approximately \$8,834,000 (nine months ended September 30, 2009 – \$6,273,000), before accounting for any changes in performance fees that may be generated by such a change in value.

The following table provides additional insight into the Company’s risk exposure to fluctuations in the fair value of AUM.

AUM by Asset Type			AUM by Base Currency		
	September 30, 2010	December 31, 2009		September 30, 2010	December 31, 2009
Equity	\$ 30,301,000	\$ 26,259,000	Canadian dollars	\$ 30,368,000	\$ 26,543,000
Fixed income and cash	12,276,000	9,821,000	U.S. dollars	8,721,000	6,903,000
			Other	3,488,000	2,634,000
	\$ 42,577,000	\$ 36,080,000		\$ 42,577,000	\$ 36,080,000

DundeeWealth also incurs market risk exposure to fluctuations in assets under administration (“AUA”). While DundeeWealth does not quantify its exposure to these risks in isolation, it does monitor the portion of its AUA of \$19.0 billion (December 31, 2009 – \$18.1 billion) which earns trailer fee revenues, a significant component of financial services revenue. During the nine months ended September 30, 2010, a 3% change in the net asset value of these AUA would result in a \$533,000 (nine months ended September 30, 2009 – \$456,000) change in net earnings, before taxes and non-controlling interest.

Credit Risk

DundeeWealth manages its credit risk in certain types of trading activities through the establishment of aggregate limits by individual counterparty, reviewing security and loan concentrations and marking-to-market collateral provided on certain transactions.

The real estate segment manages its exposure to credit risk by attracting tenants and land buyers of sound financial standing, diversifying its mix of tenants and ensuring adequate security has been provided in support of loans. It also monitors tenant payment patterns and regularly discusses potential tenant issues with property managers.

The resource segment is exposed to credit risk through accounts receivable balances relating to customers in the oil and gas industry and is subject to normal industry credit risks. At September 30, 2010, all of the resource segment’s accounts receivable were current.

Liquidity Risk

The following table summarizes the maturity profile of the Company’s financial liabilities as at September 30, 2010.

	Carrying Amount	Contractual Term to Maturity
Bank indebtedness (note 11)	\$ 4,532	No fixed term to maturity
Accounts payable and accrued liabilities	303,449	Typically due within 20 to 90 days
Client deposits and related liabilities (note 12)	672,640	Due on demand
Corporate debt (note 14)	446,231	Subject to term facilities
Series 1 preference shares, DundeeWealth (note 15)	153,543	Retractable by the holder after March 13, 2017
Preference shares, series 1 (note 17)	147,985	Retractable by the holder after June 30, 2016
	\$ 1,728,380	

Specific Risks Associated with Operating Segments

Wealth Management

Collateralized Loan Obligations

At September 30, 2010, DundeeWealth held six positions (December 31, 2009 – 27 positions) in CLOs, including U.S. dollar denominated CLOs with a par value of US\$17,520,000 (December 31, 2009 – US\$87,717,000) and Euro denominated CLOs with a par value of €5,500,000 (December 31, 2009 – €15,500,000). The CLOs are collateralized by a diversified portfolio of senior secured first-lien corporate loans and are, for the most part, unlevered. Of the six positions remaining, none were rated BBB (December 31, 2009 – five), four were rated BB (December 31, 2009 – 12) and the remaining two positions were investments in equity tranches (December 31, 2009 – 10).

DundeeWealth continues to monitor the fundamental credit quality of loans supporting its CLOs using three standard macro economic measures including over-collateralization tests, the weighted average rating factor of the underlying portfolios and the number of CCC-rated loans supporting the collateral. In the first six months of the prior year, the Company concluded that these factors contributed to objective evidence of financial difficulty of the collateral supporting each CLO investment and accordingly, it recognized a fair value loss in net earnings of \$9,501,000. However, in the third quarter of that year, CLO pricing improved significantly and as a result, the Company recorded market appreciation of \$19,714,000 relating to these investments in OCI.

In the nine months ended September 30, 2010, the fair value of the Company's CLO portfolio appreciated by \$2,203,000, notwithstanding the continuing issues relating to the credit quality of the underlying collateral. To the extent that this market appreciation remains unrealized at September 30, 2010, the Company recognized this market appreciation in OCI as the increase was not objectively related to a credit event in the underlying collateral.

In addition to fair value risk, DundeeWealth incurs interest rate risk and currency risk related to its portfolio of CLO investments. The following table illustrates the effect on net earnings and OCI, before associated income taxes and non-controlling interest, of a 3% change in foreign exchange rates and a 50 basis point change in interest rates. The effect of changes to OCI would be transferred to net earnings if such change was determined to be other-than-temporary.

For the nine months ended September 30,

	Effect on earnings before taxes assuming 50 basis point absolute change in market interest rates		Effect on earnings before taxes assuming an absolute 3% change in foreign exchange rates		Effect on OCI before taxes assuming an absolute 3% change in foreign exchange rates	
	2010	2009	2010	2009	2010	2009
U.S. dollars	126	257	61	160	214	751
Euros	15	33	27	34	65	54

Floating Rate Notes

At December 31, 2009, DundeeWealth determined that the fair value of its portfolio of FRNs was \$5,570,000, or 8% of their par value. The following table illustrates changes to the Company's investment in FRNs during the nine months ended September 30, 2010.

	Carrying Value 31-Dec-09	During the nine months ended September 30, 2010				Market Value Adjustment	Carrying Value 30-Sep-10
		Principal Repayments	Defaults	Disposition			
MAV 2 Class B	\$ 22,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,433
MAV 2 Class C	9,023	-	-	-	-	-	9,023
MAV 2 IA Tracking	22,610	(25)	(2,888)	-	-	-	19,697
MAV 3 IA Tracking	12,438	(777)	-	-	-	-	11,661
MAV 3 TA Tracking	3,229	(896)	-	-	-	-	2,333
	69,733	(1,698)	(2,888)	-	-	-	65,147
Interest payments	-	(189)	-	-	-	-	(189)
Provision and subsequent adjustments to carrying value	(64,163)	-	2,888	-	1,887	-	(59,388)
	\$ 5,570	\$ (1,887)	\$ -	\$ -	\$ 1,887	\$ -	\$ 5,570

DundeeWealth's approach to estimating fair value of FRNs consists of a review of the asset class associated with each FRN, a review of available public information concerning the FRN and other industry information. Fair value of the underlying assets is affected by a wide variety of factors including, but not limited to, current and expected default and delinquency experience for assets underlying the FRNs, the weighted average life of the assets, the vintage of asset origination, changes in credit spreads and the global pricing of structured finance assets.

Some observable market indices used in this approach include: tracking the changes in spreads for the investment grade North American Credit Index and its European counterpart, and market prices for reference portfolios of various asset classes such as commercial mortgages, lines of credit, equipment leases, auto leases and trade receivables. However, this valuation technique also requires making various assumptions that may not be supported by observable market prices or rates. While DundeeWealth's valuation technique, as outlined above, has taken into account the recent economic environment, there is no assurance that the pricing of these assets will not increase or decline in future periods, or that the FRNs will trade at a market value which is the same as their fair value. As a result, these estimates may change materially in subsequent reporting periods.

Real Estate

Real estate debt included in the Company's real estate segment creates specific interest rate risk and liquidity risk. In addition, the foreign exchange forward contract in the real estate segment creates currency risk. Dundee Realty is exposed to interest rate risk on its variable rate debt. Interest incurred to finance land and housing developments is capitalized to the cost of inventory, while interest incurred to finance operations is charged to net earnings. A 50 basis point change in market interest rates would change net earnings in the nine months ended September 30, 2010, before taxes and non-controlling interest by \$321,000 (nine months ended September 30, 2009 – \$414,000) and would change the carrying value of inventory at September 30, 2010 by \$138,000 (December 31, 2009 – \$318,000). The following table summarizes the scheduled principal repayments and debt maturities in respect of real estate debt.

Principal Repayments	Mortgages	Demand Credit Facilities	Revolving Credit Facilities	Land Mortgages	Housing Advances	Term Debt	TOTAL
2010	\$ 4,102	\$ 66,000	\$ -	\$ 575	\$ 34,282	\$ 4,112	\$ 109,071
2011	979	-	-	750	7,676	1,217	10,622
2012	1,008	-	-	800	3,992	3,620	9,420
2013	598	-	-	146	6,602	1,424	8,770
2014	4,234	-	-	184	-	1,595	6,013
2015 and thereafter	13,981	-	-	-	-	18,979	32,960
TOTAL	\$ 24,902	\$ 66,000	\$ -	\$ 2,455	\$ 52,552	\$ 30,947	\$ 176,856
Adjusted for:							
							(592)
							(221)
As at September 30, 2010							\$ 176,043

Resource

Eurogas incurs interest rate risk through its investments in discounted notes and GICs and, to a lesser extent, in its cash position. For every 50 basis point increase in market interest rates, net earnings before taxes and non-controlling interest, for the nine months ended September 30, 2010 would increase by approximately \$160,000 and conversely, a 50 basis point decrease in market interest rates would decrease net earnings before taxes and non-controlling interest by \$135,000. As a result of the establishment of a credit facility in connection with the acquisition of oil and natural gas assets (Note 2), Eurogas will also be exposed to interest rate risk on bank borrowings. The impact of an absolute 50 basis point change in market interest rates would change net earnings, before taxes and non-controlling interest for the three and nine months ended September 30, 2010 by \$82,000.

Eurogas' equity investment in Escal is considered a self-sustaining operation and the current method is used for translating the results of its operations with unrealized foreign currency translation adjustments included in OCI. A 3% change in the foreign exchange translation rate of Euros to Canadian dollars would change the value of the equity investment in Escal by approximately \$68,000 (December 31, 2009 – \$81,000), with the unrealized foreign exchange amount recognized in OCI.

Equity Accounted Investments

The various risk factors discussed above may impact the Company's equity accounted investments and therefore impact future net earnings and OCI. The Company, however, does not measure or monitor these risks in isolation.

25. CAPITAL MANAGEMENT

The Company defines the capital that it manages as the aggregate of its shareholders' equity and interest bearing debt, including outstanding preference shares. The following table summarizes the carrying value of the Company's capital as at September 30, 2010 and December 31, 2009.

Type of capital	September 30, 2010	December 31, 2009
Shareholders' equity	\$ 1,198,625	\$ 1,119,982
Corporate debt	446,231	388,017
Series 1 preference shares, DundeeWealth	153,543	153,301
Preference shares, series 1	147,985	147,722
	\$ 1,946,384	\$ 1,809,022

Detailed disclosures of the Company's objectives when managing capital are included in Note 25 to the 2009 Audited Consolidated Financial Statements.

At September 30, 2010, regulated subsidiaries exceeded required levels of regulatory capital, with excess working capital of \$347,616,000 (December 31, 2009 – \$352,978,000) in its investment management business and excess regulatory capital of \$38,963,000 (December 31, 2009 – \$38,449,000) in its brokerage business.

As at September 30, 2010, the Company and its subsidiaries complied with all regulatory capital requirements and all debt covenants.

26. COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Other than as disclosed below, there have been no substantive changes to the description and nature of commitments, contingencies and off-balance sheet arrangements from those described in Note 26 to the 2009 Audited Consolidated Financial Statements.

Land Purchase Agreements and Estimated Costs to Complete

At September 30, 2010, Dundee Realty had commitments under land purchase agreements totalling \$1,012,000 (December 31, 2009 – \$36,762,000) which will become payable in future periods upon the satisfaction of certain conditions pursuant to these agreements. Estimated costs to complete land and housing and condominium projects which have not been accrued at September 30, 2010 were \$2,856,000 (December 31, 2009 – \$2,801,000).

Joint Ventures and Co-ownerships

Dundee Realty may conduct its real estate activities from time to time through joint ventures with third party partners. At September 30, 2010, the Company is contingently liable for the obligations of the other owners of the unincorporated joint ventures in the amount of \$42,815,000 (December 31, 2009 – \$27,778,000). The Company would have available to it the other venturers' share of assets to satisfy the obligations that may arise.

Legal Contingencies

The Company and its subsidiaries are defendants in various legal actions. The Company intends to vigorously defend itself against these claims. Although the ultimate outcome of these matters cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management, based on information currently available, that these are not material liabilities, adequate provisions have been made for any liabilities and the resolution of these matters will not have a material adverse effect on the financial position of the Company.

Pledge of Interest in Castor UGS Limited Partnership

Escal UGS S.L. ("Escal") (note 6) has established a credit facility with an international banking syndicate for up to €1.3 billion for the construction and development of its underground natural gas storage facility. Eurogas has assigned a limited recourse guarantee of its interest in Castor UGS Limited Partnership, the partnership structure through which Eurogas holds its interest in Escal, as security pursuant to the credit facility.

27. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board affirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective in calendar year 2011. The implementation of IFRS will apply to the Company's interim and annual consolidated financial statements beginning on January 1, 2011, including the restatement of comparative amounts for 2010. As a result, the Company will publish its first consolidated financial statements, prepared in accordance with IFRS, for the quarter ended March 31, 2011.

While IFRS standards are premised on a conceptual framework similar to Canadian GAAP, there are differences in the areas of recognition, measurement and disclosure that may materially impact the Company's consolidated financial statements. The transition to IFRS represents a significant initiative by the Company and as such, the Company has established an IFRS implementation committee with a mandate to oversee the conversion process. An assessment has been completed to identify the key accounting differences between Canadian GAAP and IFRS. The impact of these differences to the Company's consolidated financial results at the time of transition and on implementation is currently being assessed. Based on existing IFRS, significant differences to Canadian GAAP that may materially impact the Company's financial results include, but are not limited to, fair value determination and accounting for investment properties, accounting for oil and gas assets and resource properties, principles of consolidation, measurement of contingencies, income taxes and impairment of assets. The impact of IFRS to the Company at the transition will depend on the IFRS standards in effect at the time, accounting elections made by the Company and the prevailing business and economic facts and circumstances.

28. SEGMENTED INFORMATION

During the second quarter of 2010, the Company redefined the business segments in which it operates in order to more appropriately reflect changes in its underlying business activities. A more detailed description of the changes in each business segment is provided below. Prior period segmented information has been restated to conform with the current period segmented presentation.

Wealth Management

The wealth management segment consists of the operations of DundeeWealth and its various operating subsidiaries. Through these subsidiaries, DundeeWealth provides diversified wealth management and investment solutions including alternative and tax-advantaged products, capital markets and advisory services to financial advisors, institutions, corporations and foundations, and innovative wealth management through independent financial advisors across Canada.

Real Estate

The real estate segment consists of the business activities of Dundee Realty, a private company with operating activities in the land and housing business in Canada and the United States. These activities are supplemented by a portfolio of select income generating properties. The Company's real estate segment also includes the results of its 10% interest in Dundee REIT.

Resource

Activities in the resource segment are primarily carried out through Eurogas, an oil and gas company that carries on acquisition, exploration, development and production activities, as well as natural gas storage activities. Eurogas has interests in Ontario, Spain and Tunisia. The resource segment also includes activities related to the Company's interests in Dundee Precious and Breakwater Resources Ltd., which are accounted for by the equity method.

Asset Management

The Company's asset management activities are carried out through Ned Goodman Investment Counsel Limited ("NGIC"), Dundee Real Estate Asset Management ("DREAM"), and through Dundee Resources Ltd. NGIC and DREAM provide sub-advisory and investment services to third party assets under management. NGIC, together with Dundee Resources Ltd., also provides investment services in respect of the Company's portfolio of AFS securities, other than those investments associated with wealth management activities. These investments include both publicly traded and private companies in a variety of sectors as well as liquid securities such as mutual funds.

The asset management segment includes general corporate overhead costs, as well as interest and debt servicing costs, to the extent that such costs have not been specifically allocated to any operating division.

Segmented Statements of Operations for the nine months ended September 30, 2010 and 2009

	Wealth Management		Real Estate		Resource		Asset Management		Intersegment		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
SEGMENTED OPERATIONS												
Revenues	\$ 688,845	\$ 531,301	\$ 285,278	\$ 167,257	\$ 8,379	\$ 1,345	\$ 54,863	\$ 26,282	\$ (10,791)	\$ (12,179)	\$ 1,026,574	\$ 714,006
Expenses	469,873	424,683	222,081	125,431	6,868	2,973	21,890	16,323	(7,601)	(6,762)	713,111	562,648
	218,972	106,618	63,197	41,826	1,511	(1,628)	32,973	9,959	(3,190)	(5,417)	313,463	151,358
Less:												
Depreciation, depletion and amortization	80,730	75,283	3,776	3,486	3,667	396	1,742	1,587	-	-	89,915	80,752
Interest expense	16,382	15,313	9,234	6,937	1,285	56	7,495	12,828	(5,644)	(7,871)	28,752	27,263
Share of (earnings) loss of equity accounted investees	-	-	(8,872)	2,321	(39,750)	(7,908)	-	-	-	-	(48,622)	(5,587)
Fair value adjustments	(1,887)	(39,422)	-	-	-	-	-	-	-	-	(1,887)	(39,422)
Foreign exchange loss (gain)	1,251	(9,550)	-	-	115	386	64	269	-	-	1,430	(8,895)
OPERATING EARNINGS (LOSS) BEFORE												
UNDERNOTED ITEMS	122,496	64,994	59,059	29,082	36,194	5,442	23,672	(4,725)	2,454	2,454	243,875	97,247
Non-controlling interest	(44,965)	(20,620)	(10,997)	(7,429)	1,493	1,183	-	-	-	-	(54,469)	(26,866)
NET EARNINGS (LOSS) BEFORE												
NON-SEGMENTED ITEMS	77,531	44,374	48,062	21,653	37,687	6,625	23,672	(4,725)	2,454	2,454	189,406	70,381
Dilution (loss) gain, net											(5,554)	1,386
Income taxes											(65,355)	(19,929)
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 77,531	\$ 44,374	\$ 48,062	\$ 21,653	\$ 37,687	\$ 6,625	\$ 23,672	\$ (4,725)	\$ 2,454	\$ 2,454	\$ 118,497	\$ 51,838

Segmented Statements of Assets as at September 30, 2010 and December 31, 2009

	Wealth Management		Real Estate		Resource		Asset Management		Intersegment		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Cash and cash equivalents	\$ 521,524	\$ 419,361	\$ 20,055	\$ 9,846	\$ 1,614	\$ 263	\$ 20,393	\$ 50,705	\$ -	\$ -	\$ 563,586	\$ 480,175
Goodwill	374,693	373,926	-	-	-	-	-	-	-	-	374,693	373,926
Other assets	1,612,950	1,446,041	701,028	672,384	345,538	174,265	172,543	146,010	-	-	2,832,059	2,438,700
TOTAL ASSETS	\$ 2,509,167	\$ 2,239,328	\$ 721,083	\$ 682,230	\$ 347,152	\$ 174,528	\$ 192,936	\$ 196,715	\$ -	\$ -	\$ 3,770,338	\$ 3,292,801

Segmented Statements of Operations for the three months ended September 30, 2010 and 2009

	Wealth Management		Real Estate		Resource		Asset Management		Intersegment		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
SEGMENTED OPERATIONS												
Revenues	\$ 223,053	\$ 190,974	\$ 126,209	\$ 74,257	\$ 8,201	\$ 315	\$ 7,616	\$ 7,253	\$ (3,492)	\$ (4,099)	\$ 361,587	\$ 268,700
Expenses	153,082	148,080	96,239	52,442	4,406	932	7,511	5,192	(2,509)	(2,351)	258,729	204,295
	69,971	42,894	29,970	21,815	3,795	(617)	105	2,061	(983)	(1,748)	102,858	64,405
Less:												
Depreciation, depletion and amortization	27,449	25,294	1,235	900	3,605	132	589	552	-	-	32,878	26,878
Interest expense	4,936	4,183	3,066	2,081	829	20	1,681	3,570	(1,801)	(2,566)	8,711	7,288
Share of (earnings) loss of equity accounted investees	-	-	(3,371)	553	(17,788)	(6,412)	-	-	-	-	(21,159)	(5,859)
Fair value adjustments	(611)	(2,876)	-	-	-	-	-	-	-	-	(611)	(2,876)
Foreign exchange (gain) loss	(226)	(5,136)	-	-	(41)	94	53	300	-	-	(214)	(4,742)
OPERATING EARNINGS (LOSS) BEFORE												
UNDERNOTED ITEMS	38,423	21,429	29,040	18,281	17,190	5,549	(2,218)	(2,361)	818	818	83,253	43,716
Non-controlling interest	(13,706)	(6,585)	(6,774)	(6,955)	290	392	-	-	-	-	(20,190)	(13,148)
NET EARNINGS (LOSS) BEFORE												
NON-SEGMENTED ITEMS	24,717	14,844	22,266	11,326	17,480	5,941	(2,218)	(2,361)	818	818	63,063	30,568
Dilution gain, net											674	672
Income taxes											(20,365)	(1,031)
NET EARNINGS (LOSS) FOR THE PERIOD	\$ 24,717	\$ 14,844	\$ 22,266	\$ 11,326	\$ 17,480	\$ 5,941	\$ (2,218)	\$ (2,361)	\$ 818	\$ 818	\$ 43,372	\$ 30,209



Executive Office

28th Floor
1 Adelaide Street East
Toronto, ON M5C 2V9

Registrar and Transfer Agent

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
Toll Free: 1.800.564.6253
Fax: 1.888.453.0330
Email: service@computershare.com

Stock Listing

The Toronto Stock Exchange

Stock Symbol

DC.A